
The Mediating Role of Organizational Commitment, Job Satisfaction: The Effect of Organizational Climate on Employee Performance

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Abstract

An effective organization must be able to create a conducive organizational climate to achieve the expected performance goals. To achieve this, it is necessary to have good human resource management and pay attention to factors that can become a link to achieve employee performance in accordance with the goals set by the organization. Job satisfaction and organizational commitment are often tested as connecting factors for employee performance. The purpose of this study was to examine and analyze the mediating role of organizational commitment and job satisfaction in the influence of organizational climate on employee performance. This study used a cross sectional method with 58 respondents. The results showed that (1) organizational commitment does not mediate the effect of organizational climate on employee performance (2) Job satisfaction mediates the effect of organizational climate on employee performance.

Keywords: Organizational climate; Organizational Commitment; Job satisfaction; Employee performance.

1. Introduction

With the development of an era that is so fast and dynamic, every organization needs to prepare and adapt to the various changes that occur (Prasetiyo et al., 2021). Organizations tend to view that to achieve competitive advantage, they need to obtain good quality individual performance, because individual performance will basically affect team performance and will ultimately affect overall organizational performance (Sholihin & Arida, 2021). The quality of human resources is very influential in every organizational activity. Even if an organization has good financial facilities and resources but they do not have adequate quality human resources, operational activities in the organization will not be able to run well. This shows that the quality of human resources has a very important role in the success of an organization, so organizations need to pay more attention to this point (Risambessy et al., 2022).

One effort that needs to be done by an organization in order to improve the performance of its employees is to consider several important factors such as organizational climate. A good organizational climate is one of the important points that can be used by an organization to influence employee performance, as well as to shape the values that characterize members of the

organization (Risambessy et al., 2022). Employees will feel safe and can work optimally when they feel a conducive organizational climate. A conducive organizational climate will also benefit employees because it helps them complete tasks feeling safe and comfortable (Triastuti, 2019). With this, it can be said that the organizational climate is an important factor that can encourage employee performance in the organization.

The Covid-19 pandemic was first identified in Indonesia in early March 2020, when an Indonesian citizen was confirmed to have contracted the Covid 19 virus from Japan. After some time, the virus finally spread to various cities in Indonesia, including in the city of Ponorogo, East Java province (Rosita, 2020). The pandemic has had a major impact on various sectors in Indonesia, including the economic sector. The pandemic has also caused a decline in sales figures for some companies, and some companies have even had to temporarily stop their operations to prevent the spread of Covid 19. During the pandemic, PT. Hariqu Mulia Sejahtera also experienced a significant decline in sales due to the condition of the surrounding environment which is very vulnerable to the risk of spreading the corona virus. As a result, PT. Hariqu Mulia Sejahtera adopted a policy of cutting wages and dismissing some of its workers as an alternative to cost savings so that the company could survive during the pandemic.

2. Literature Review And Hypothesis

A good organizational climate is one of the important factors to support the quality of employee performance. This point is also supported by previous research conducted by (Kiki Cayaha Setiawan, 2015), (Triastuti, 2019), (Ni Luh Putu Ary Wahyuni, 2019) which also states that organizational climate has a positive influence on the quality of employee performance. There is also previous research conducted by (Risambessy et al., 2022), (Ni Luh Putu Ary Wahyuni, 2019) which states that organizational climate has a positive influence on job satisfaction.

Employees who have a high level of satisfaction with their work tend to make maximum contributions thereby increasing the quality of their performance. This point is also in line with research (Ni Luh Putu Ary Wahyuni, 2019), (Holy Rahmadewi, 2013), (Mauli & Mukaram, 2016) which shows that job satisfaction has a positive effect on employee performance. Satisfaction is also considered as an important factor in efforts to encourage employee performance, which will ultimately affect the quality of performance. There is previous research which states that in addition to job satisfaction, there is also an important factor that is very influential in improving the quality of employee performance, namely organizational commitment. When employees have a high commitment to the organization where they work, they will try to remain part of the organization, and to remain part of an organization, employees will try to give their best performance (Risambessy et al., 2022).

Empirical studies that examine the effect of organizational climate on employee performance find that organizational climate does have an effect on employee performance (Risambessy et al., 2022), (Hidayat, 2018), (Imron et al., 2020). but these results are not in accordance with research (Pratama & Pasaribu, 2020) and (Triastuti, 2019) which shows that organizational climate has no effect on employee performance. In research conducted by (Imron et al., 2020), (Risambessy et al., 2022), (Mailisa et al., 2016) states that organizational commitment is able to act as a

mediation in the influence of organizational climate on employee performance. In addition to organizational commitment, this study also uses employee satisfaction as a mediating variable. Research conducted by (Pratama & Pasaribu, 2020), (Risambessy et al., 2022), (Mayasari & Sunuharyo, 2018), indicating that job satisfaction can act as a mediating effect of organizational climate on employee performance. Based on the explanation above, it was found that there were inconsistencies in the results of the influence of organizational climate on employee performance, so this research needs to be studied in more depth to be able to obtain more comprehensive results by examining the effect of organizational climate on employee performance mediated by job satisfaction and organizational commitment, and this finding is expected to be able to assist companies in making decisions to improve employee performance.

Organizational climate is the quality of the situation and place in the organization that is felt by employees during their work and in the long term (Risambessy et al., 2022). In several previous studies, organizational commitment is often used by researchers as a mediating variable in its effect on employee performance. The role of organizational commitment as a mediation in the effect of organizational climate on employee performance can be proven by research conducted by (Risambessy et al., 2022), (Hidayat, 2018), (Imron et al., 2020). Which in several studies stated that organizational commitment mediates the effect of organizational climate on employee performance. Based on the explanation above, the hypothesis is taken as follows:

H1: Organizational commitment mediates the effect of organizational climate on employee performance

Organizational climate is defined as the repetitive behavior, attitudes and feelings that are used and applied as a characteristic of life in an organization (Risambessy et al., 2022). Job satisfaction is often considered as a state that provides emotional pleasure (positive) or feelings (feeling) that is obtained from one's opinion about his work. In previous research, job satisfaction is often used as a mediating variable by researchers in the influence of organizational climate on employee performance. When employees feel that they are in a good, positive environment, and they get something that makes them happy while working, they will feel satisfied with their work. When employees are satisfied with every job they do, they will do it with a happy heart and this will encourage them to display good quality performance (Pratama & Pasaribu, 2020), (Risambessy et al., 2022), (Mayasari & Sunuharyo, 2018). Which in several studies stated that job satisfaction mediates the effect of organizational climate on employee performance. Based on the explanation above, the hypothesis is taken as follows:

H2: Job satisfaction mediates the effect of organizational climate on employee performance.

Contextual Framework

Figure 1



3. Research Methods

3.1 Research Design and Data Collection Techniques

This study uses a cross-sectional study method, which is a study in which data is collected in only one timeframe to answer research questions (Now, 2016). The population of this study are employees who work at PT. Hariqu Mulia Sejahtera. This study uses a non-probability sampling technique in which all included in the study population have unequal opportunities to be used as samples. Based on the number of employees at PT Hariqu Mulia Sejahtera and employees who we deem fit to be participants in this study, the number of samples in this study is 58 samples. The questionnaire in this study was based on similar previous research. To measure organizational climate, this study uses a 7-item scale developed by (Nuriasih, 2016). To measure job satisfaction, this study uses a four-item version of the questions taken from the study (Judge et al., 2005). For organizational commitment, measured using four question items taken from the study (Raggio & Folse, 2009). And for employee performance, it is measured using three question items taken from the study (Karatepe, 2013). All items were measured on a five-point Likert scale.

3.2 Data analysis technique

To test the validity, in this study using the help of Smart PLS software. In testing the validity, there are two things tested, namely convergent validity and discriminant validity (Hair et al, 2014). Convergent validity is measured by performing the PLS Algorithm in the Smart PLS software. Meanwhile, discriminant validity is measured by comparing various constructs and indicators to ascertain whether they are different and unique(Hair et al, 2014). To test the reliability in this study using the Smart PLS software by looking at the Composite Reliability value. An indicator is declared reliable or has good reliability if the Composite Reliability (CR) value is > 0.70 and AVE is more than equal to 0.5. (Hair et al, 2014).

To test the model, this study uses the Structural Equation Model (SEM) model test method with the help of Smart PLS software. Evaluation of the structural model (inner model) is used in this study to predict causality or causal relationships between latent variables through the PLS Algorithm test, bootstrapping test and Blindfolding test. The inner model is analyzed by looking at the percentage variance value by looking at the R Square value(Hair et al, 2014). To test the hypothesis, this study uses the Structural Equation Model (SEM) model testing method with the help of Smart PLS software. Structural Equation Model is a multivariate technique that collaborates aspects of multiple regression and factor analysis to estimate a series of simultaneous dependency relationships(Hair et al, 2010). Hypothesis testing was carried out using bootstrapping in the Smart PLS software, then comparing the T-table values with T-statistics. The hypothesis can be accepted if the T-statistics value is higher than the T-table value (1.96) with a significance level of 5% (two tailed).(Hair et al, 2014).

4. Results And Discussion

In testing the outer model, we first conduct a convergent validity test or convergent validity test. This test relates to the principle that the measures of a construct should be highly correlated. Convergent validity means that a set of indicators represents one latent variable and underlies the latent variable.

Table 1 Loading factor value

	Organizational Climate	Job satisfaction	Employee performance	Organizational Commitment
OC2	0.756			
OC4	0.823			
OC5	0.841			
OC6	0.763			
OC7	0.827			
EP1			0.847	
EP2			0.89	
EP3			0.874	
CM1				0.903
CM2				0.835
CM3				0.848
CM4				0.826
JS1		0.87		
JS2		0.793		
JS3		0.882		
JS4		0.737		

Source: Processed primary data, 2023

Based on table I, it shows that the loading factor value for each variable is already at > 0.7 , meaning that the indicator is said to be convergently valid, so there are no problems in the convergent validity test.

Next, the Average Variance Extracted (AVE) test was carried out. Expected AVE value > 0.5 . The following are the results of the Average Variance Extracted (AVE) test listed in table 2:

Table 2 Average variance extracted (AVE) value

	Average variance extracted (AVE)
Organizational Climate	0.645
Job satisfaction	0.677
Employee performance	0.757
Organizational Commitment	0.729

Source: Processed primary data, 2023

Based on table 2, it shows that the Average Variance Extracted (AVE) values of all variables are > 0.5 , it can be concluded that the convergent validity of the constructs used has been met.

Then a discriminant validity test was carried out. This test was assessed based on the cross loading measurement of each indicator with its construct. The results of discriminant validity measurements can be seen in the following table:

Table 3 Cross Loading Value

	Organizational Climate	Job satisfaction	Employee performance	Organizational Commitment
OC 2	0.756	0.516	0.47	0.414
OC 4	0.823	0.558	0.376	0.528
OC 5	0.841	0.542	0.363	0.435
OC 6	0.763	0.699	0.57	0.469
OC 7	0.827	0.717	0.414	0.582
EP 1	0.523	0.608	0.847	0.627
EP 2	0.39	0.605	0.89	0.478
EP 3	0.517	0.553	0.874	0.444
CM 1	0.521	0.667	0.552	0.903
CM 2	0.433	0.475	0.367	0.835
CM 3	0.606	0.699	0.683	0.848
CM 4	0.491	0.505	0.343	0.826
JS 1	0.761	0.87	0.51	0.713
JS 2	0.424	0.793	0.592	0.407
JS 3	0.661	0.882	0.591	0.515
JS 4	0.638	0.737	0.551	0.658

Source: Processed primary data, 2023

Based on the data in table 3, we can see that the correlation of each indicator with the construct is higher than the other constructs. Based on the results of the analysis it can be concluded that the questionnaire used in this study has good discriminant validity.

Furthermore, the Composite Reliability test was carried out. Composite reliability was considered better in estimating the internal consistency of a construct. The following results of the Composite Reliability test are listed in table IV:

Table4 Composite Reliability Value

	Composite reliability (rho_a)
Organizational Climate	0.87
Job satisfaction	0.846
Employee performance	0.843
Organizational Commitment	0.908

Source: Processed primary data, 2023

Based on table 4, it is shown that the Composite Reliability value for all variables is > 0.7 , so it can be said that the construct measurement or questionnaire for all variables has good reliability.

Furthermore, to complete the reliability test, a reliability test was carried out with Cronbach's alpha, which measures the consistency of the answers for each indicator. The following Cronbach Alpha test results are listed in table 5:

Table5 Cronbach Alpha Value

	Cronbach's alpha
Organizational Climate	0.862
Job satisfaction	0.839
Employee performance	0.84
Organizational Commitment	0.879

Source: Processed primary data, 2023

Based on table 5, it shows that the Cronbach Alpha values for all variables are > 0.7 , so it can be said that the construct or questionnaire used in this study is reliable.

Next, the R-Square test was carried out. The goodness of fit of the model is measured using the R-square, which is to find out how much the ability of the independent variable explains the dependent variable. In (Hair et al, 2014) it is said that there are three categories to determine the results of R Square, namely: $0.67 = \text{Good}$, $0.33 = \text{Moderate}$, and $0.19 = \text{Weak}$.

The following are the results of the R square test listed in table 6:

Table6 R-Square Value

	R-square	Category
Job satisfaction	0.589	Moderate
Employee performance	0.49	Moderate
Organizational Commitment	0.376	Moderate

Source: Processed primary data, 2023

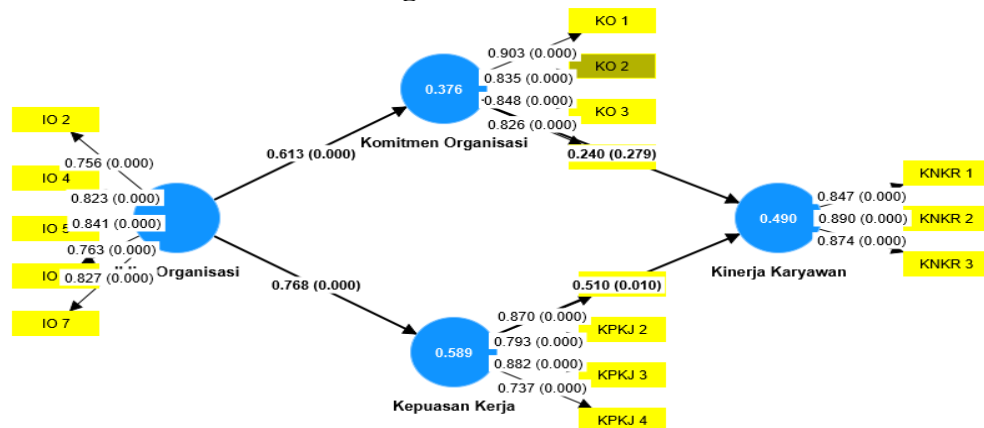
Based on table 6, it shows that the R square value on the job satisfaction variable is 0.589, meaning that the organizational climate variable moderately explains 58.9% of the variance of changes in the job satisfaction variable. While the remaining 41.1% is explained by other variables outside the proposed model.

The R square value on the employee performance variable is 0.49, meaning that the organizational climate variable moderately explains 49% of the variance of changes in employee performance variables. While the remaining 51% is explained by other variables outside the proposed model.

The R square value on the organizational commitment variable is 0.376, meaning that the organizational climate variable moderately explains 37.6% of the variance of changes in organizational commitment variables. While the remaining 62.4% is explained by other variables outside the proposed model.

Furthermore, to test the hypothesis is done by using bootstrapping in the Smart PLS software, then comparing the T-table values with T-statistics. The hypothesis can be accepted if the T-statistics value is higher than the T-table value (1.96) with a significance level of 5% (two tailed). The results of the analysis of the model can be seen in the following figure:

Figure 2



The results of testing the path coefficients using smartpls can be seen in the table below:

Table 7 Value of Path Coefficients

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Organizational Climate -> Organizational Commitment -> Employee Performance	0.147	0.133	0.14	1,049	0.294
Organizational Climate -> Job Satisfaction -> Employee Performance	0.391	0.419	0.156	2,504	0.012

Source: Processed primary data, 2023

Based on the results of table 7, it shows that the mediating effect variable 1, namely the role of mediating organizational commitment in the influence of organizational climate on employee performance, has an original sample value of 0.147. Then the p value is 0.294 and the T-statistic is 1.049. This means that the value of the T-statistic is <1.96 so it can be concluded that in this study the variable organizational commitment does not mediate the effect of organizational climate on employee performance. With these results it can be concluded that hypothesis 1 in this study was rejected

Furthermore, Table 7 also shows that the mediating effect variable 2, namely the mediating role of job satisfaction in the influence of organizational climate on employee performance, has an original sample of 0.391. Then the p value is 0.012 and the T-statistic is 2.504. This means that the value of the T-statistic is > 1.96 so it can be concluded that in this study the variable job satisfaction mediates the effect of organizational climate on employee performance. With these results it can be concluded that hypothesis 2 in this study is supported.

5. Practical And Theoretical Implications

The practical implication of this research is to provide deeper insight for management in the industrial sector to be able to find out what variables can be used to improve employee performance, so that the company's internal programs can be carried out as effectively as possible by increasing the quality of employee performance. As for the theoretical implications, it is hoped that the results of this research can become one of the references or literature for academics to develop further research in the field of human resources.

6. Conclusion and Limitation

Based on the results of this study, it can be concluded that the variable job satisfaction is able to mediate the effect of organizational climate on employee performance, while organizational commitment does not mediate this influence. This research is limited to industrial sector

employees in one of the garment/convection companies located in the city of Ponorogo. So it is hoped that for further research, it can be carried out in other industrial sectors or further expand the scope of research. This study also shows the inability of organizational commitment to mediate the effect of organizational climate on employee performance. For suggestions for further research, research can be carried out by adding variables that are also considered capable of improving employee performance, and it is also necessary to conduct further research whether organizational commitment is still possible to mediate the influence of organizational climate on employee performance so as to be able to obtain patent results for this mediation role. .

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