THE INFLUENCE OF LEADERSHIP, COMPETENCY, MOTIVATION AND ORGANIZATIONAL CULTURE ON EMPLOYEES’ JOB SATISFACTION AND PERFORMANCE IN TERNATE CITY GOVERNMENT

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Abstract: Job satisfaction and performance is a major issue for the government officials in Indonesia, particularly concerning leadership, competency, motivation and organizational culture. This research is applied in the government of Ternate City with 2,688 employees. The sample includes 349 respondents who returned the questionnaire to be analyzed using parametric inferential statistical techniques, analysis causalitas of Structural Equation Modeling (SEM) and Linear Structural Relation (LISREL) software version 8.70. The result of the study found that leadership, competency, motivation and organizational culture have positive and significant impact on job satisfaction; leadership has a negative impact and not significant effect on performance; competency has a positive but not significant impact on performance; motivation, organizational culture and job satisfaction have positive and significant impact on performance; leadership, competence, motivation and organizational culture have positive and significant effect on performance through job satisfaction.

Keywords: Leadership, Competency, Motivation, Organizational Culture, Job Satisfaction and Performance

INTRODUCTION

In this era of globalization, economic development is closely associated with the utilization of human resources. An organization that wants to grow and expand, definitely should be more responsive, effective and efficient in order to make the organization able to implement the principles of the organization and also to achieve the organization’s goals. The success of an organization lies in the readiness of human resource elements in doing their various occupational tasks so that the process of achieving organization’s goals can be pursued.

In practice, the quality and management process of human resources (HR) often becomes a phenomenon and always gets the attention, because it is related to the availability and ability of organizational resources, especially for organizations that have duties directly to the community or public service. As said by Abdullah (2011: 134), the process of HR management is no longer always oriented only to the man of power, but rather conscience of the man and culture or more on the approach to the conscience and culture, in order to increase the quality of the effort in improving the organization’s human resource.
Ternate City Government as a non-profit organization (local government) has not been able to fully implement organizational functions, as mentioned above. The application of human resource management in local government area of Ternate is not optimal, so it is necessary to revamp the capacity of personnel resources or employees through increased leadership capacity, competency, motivation and application of organizational culture to achieve maximum employees’ satisfaction and performance. In modern management, a process of human resource development does not always speak about building a strong structure, but the most important thing is how to build a more solid organizational culture rooted in its environment, especially in an organization that always wanted to change and grow.

From the observations and interviews with local leaders in the city of Ternate, a phenomenon of a weak leadership that is owned by the structural officials from IV, III and II echelons was found. Although they have followed leadership training and education based on their level (Diklatpim), the implementation is not maximized in achieving employees’ satisfaction and improving employees’ performance. To further maximize the leadership of the government officers, there is a need to refer to the primal leadership theory which was proposed by Goleman (2008: 85) who indicated that what a leader must have the most is emotional intelligence. It was declared as a leadership that can lead the organization according to principles of modern management, as well as willing to provide prosperity and happiness to subordinates and the citizens. Because the success of a leader is judged from the productivity and achievement besides the ability in leading an organization, being a dynamic and effective leader is a major feature that distinguishes a successful organization from an unsuccessful one.

The same phenomenon can be seen in the previous study by Daniel Goleman, Richard Boyazin, and Anne McKee (2002); Ahmad Gani (2006), Shea (1999), Basee et.al. (2003); Metha Rajiv Mehta, Alan J Dubinsky and Rolph E Anderson (2003), that found a significant correlation between leadership, work satisfaction and performance or between leadership with job performance through job satisfaction.

The following phenomenon, apparatus civilian State (ASN) or the civil servants is rated that they do not have the skills or competence in doing their job due to their lack of understanding in relation to the basic tasks and functions, being weak in problem solving, lack of planning skill, not being solid and creative in forming team work, being in need of direction and not independent which result in slow performance especially in achieving the organization’s vision and mission. Due to the lack of ability to solve the work problems and workload, they are not even able to develop creativity on their basic duties. To further develop the competency, the author refers to the window theory, which was stated by Donald (2004: 52) who explained that the competency of a person seen on the four sides of the window frame, are knowledge, skills, experience and attitude known as KSEA.

The more competent the human resources, the more work satisfaction and high performance. The correlation between competency with satisfaction and performance can be seen in previous studies by Muhammad Natsir (2010), Philipher Hersond (2010), and Muhammad Zain (2009) that found the correlation of the variables being studied.

Likewise, with the employees’ motivation that looks like to be low due to non-fulfillment of their needs, demands encouraging employees to be excited and stimulated to do useful work. This occurs due to non-fulfillment of motivation in the fulfillment needs in some aspects such as life, physical, family, social, occupational, productive and creative needs. For example, many employees are late for work, lack motivation at work, skip their work, often delay their job and always complain about the job given. Employees’ low motivation affects their job satisfaction and performance. For example, they are not satisfied with the work that has been produced, afraid to face the risk of work, the result of unsatisfactory work makes them hard to achieve or perform well, feel unappreciated for what has been done and often complain about not getting a promotion. These are phenomena faced by employees. To motivate employees better, the application of Maslow’s hierarchy of needs is needed, where every human being is motivated to fulfill the main requirement, namely physiological needs. Once these needs are met or satisfied, actions can
be taken towards the needs of the second (higher) level which is the need for security. The third requirement is only implemented after meeting the needs of both levels. Such process is running continuously until finally the needs of the five levels (self-actualization) are met.


Likewise, the phenomenon of organizational culture, which in practice has not been maximized, needs to be improved to avoid the commotion and the culture shock of the organization. There are many employees who have lack of integrity in carrying out the tasks assigned to him, lack of self-identity in providing the best service to the public, lack of work responsibilities in addressing the problems faced, as well as with the level of work discipline and the ability to create an optimal work orientation. This phenomenon shows that the unsolid organizational culture affects individual job satisfaction and performance. With a weak organizational culture, employees tend not to have discipline in their studiousness, attendance, compliance and obedience to the leader. To further strengthen the culture of the organization, it is necessary to apply the theory of organizational culture by Jones (2006: 25) regarding the core values that includes integrity, identity, responsibility, discipline and results orientation to achieve the goals of the organization.

Relation of organization culture with satisfaction and performance can be seen in previous studies conducted by Thoyib Armanu (2005), Muhammad Natsir (2010), Ida Ayu and Agus (2008), Robert J Taorima (2007), Muhammad Zain (2009), and Muh Nur Fatah (2015), which for all of those studies significant impact value has been found.

The impact of weak leadership, competence, motivation and organizational culture, resulting in low levels of job satisfaction and job performance is not satisfactory and not achieving which leads to feeling unappreciated for what has been charged and often complaining because of rare work responsibilities given. This condition shows employees’ sense of dissatisfaction of work. Therefore, there is an adequate need of improvement in the quality of human resources. Rival (2011: 164) explained the main reason for the quality improvement of human resources as the strategic role of HR as implementer of organizational functions such as planning, organization, staff management, leadership, control and supervision as well as the operational executor in terms of administration, finance and others.

As previous research by Abdurahman (2014: 43), there are some facts that indicate job satisfaction and personal achievement of employee performance in an organization at the Government Office of the City of Ternate that shows the percentage of job satisfaction from the work of the individual which has not reached the expected target as can be shown in the data tables in below:

**Table 1**
Percentage of work satisfaction and performance of Ternate City Government Office Employees 2012 - 2016

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage of individual work satisfaction and performance</th>
<th>Percentage of performance assessment from leader judgement of work result</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Realization</td>
<td>Target</td>
</tr>
<tr>
<td>2012</td>
<td>73.28</td>
<td>90 – 100</td>
</tr>
<tr>
<td>2013</td>
<td>78.47</td>
<td>90 – 100</td>
</tr>
<tr>
<td>2014</td>
<td>79.61</td>
<td>90 – 100</td>
</tr>
<tr>
<td>2015</td>
<td>87.33</td>
<td>90 – 100</td>
</tr>
<tr>
<td>2016</td>
<td>89.72</td>
<td>90 – 100</td>
</tr>
</tbody>
</table>

Source: Ternate City Government (data are processed)
The above data shows that the percentage of individual job satisfaction experienced an increase but did not reach the expected target. Work performance percentage from the leaders’ rate on employees’ completion of work activities experienced a decline and did not reach the expected target. Individual satisfaction and the achievement of employee performance did not achieve the expected target due to the influence of weak leadership, low employee competence, less motivation in their work and lack of strong organizational culture.

In various literatures related to human resources, it is mentioned that in an organization, an individual must be able to have personal job satisfaction. Herzberg in Keban, (2007: 46) states that satisfaction is differentiated by the expression of satisfied and dissatisfied feeling. Assessing the satisfaction of a person can be done through the expressions of feelings about the interests for the job, enjoying the work challenges, opportunities for achievement, excitement to get the award and showing work responsibilities. On the other hand, job satisfaction becomes important for everyone to be able to achieve the work performance. But there are employees who has not shown that optimal performance as Table 1 above. As conveyed by Fiedler (2006: 98), work performance is measured based on the work results in terms of quantity, quality, efficiency and effectiveness.

By looking at the above phenomenon as a study gap observed or research gap and the ideal theory in providing solutions to the observed problems or called theory gap founded in the Ternate city government office, all matters related to leadership, competence, motivation and organizational culture need to be improved and fixed, in order to produce job satisfaction and performance improvements.

**PROBLEM STATEMENT**

Considering the reality of the problems above, the researchers formulate the problem as follows: (1) Does leadership affect the satisfaction of Ternate City Government employees? (2) Does competence affect the satisfaction of Ternate City Government employees? (3) Does motivation affect the satisfaction of Ternate City Government employees? (4) Does the organizational culture affect the satisfaction of Ternate City Government employees? (5) Does leadership affect the performance of Ternate city government employees? (6) Does competence affect the performance of Ternate City Government employees? (7) Does motivation affect the performance of Ternate City Government employees? (8) Does organizational culture affect the performance of Ternate City Government employees? (9) Does leadership affect the performance of Ternate City Government employees through job satisfaction? (10) Does competence affect performance of Ternate City Government employees through job satisfaction? (11) Does motivation affect the performance of Ternate City Government employees through job satisfaction? (12) Does organizational culture affect the performance of Ternate City Government employees through job satisfaction? (13) Does job satisfaction affect the performance of Ternate City Government employees?
CONCEPTUAL FRAMEWORK
Primal Leadership Theory
(Goleman, 2000)

[Diagram of conceptual framework]

RESEARCH METHOD
The type of this research data is a quantitative one consisted of primary and secondary data. Primary data is the data obtained from the observation and questionnaires. Secondary data is the data obtained from the government of Ternate in the form of data on the number of employees by the relevant instances. Sources of data obtained from the parties related with this research. The parties in this research is employees of Ternate City Government. Methods or data collection instruments used were observation, questionnaires and documentation.

The research was carried out for 3 months, from October to December 2015. Although this research was base on the government of Ternate office, North Maluku Province on the grounds of focus and locus of research directed to the ranks of the State Civil Apparatus (ASN) or city servants as the employees of Ternate City Government.

The population in this study were all employees of the Ternate City government, amounted totally 2,688 people. Samples are a collection of sampling units selected from a sampling frame. Using the Slovin formula, the number of respondents obtained is 349 persons. Data analysis Technique used in this research is descriptive and inferential statistical analysis using parametric inferential statistical techniques and the selected causality analysis is Structural Equation Modelling (SEM) with software Linear Structural Relations (LISREL) version 8.70.
DISCUSSION AND ANALYSIS

Based on the testing values and models, the research result and discussion in this section focuses on the problems observed and then analyzes them according to the results of the data analysis using statistical techniques inferential parametric by selecting the analysis of causality Structural Equation Modelling (SEM) with software Linear Structural Relations (LISREL) version 8.70, to determine the construct variables according to hypothesis testing considering the direct effect and indirect effect, positive and negative as well as significant or insignificant. The results of data processing using LISREL structural equation are as follows.

Table 4. Structural Equation Between Latent Variables

<table>
<thead>
<tr>
<th>Endogenous Constructs</th>
<th>Exogenous Constructs</th>
<th>Error</th>
<th>R²</th>
</tr>
</thead>
<tbody>
<tr>
<td>η1</td>
<td>ξ1 (5,89) ξ2 (4,54) ξ3 (3,05) ξ4 (7,63) η1 (7,26)</td>
<td>0,17</td>
<td>0,83</td>
</tr>
<tr>
<td>η2</td>
<td>ξ1 (1,30) ξ2 (0,20) ξ3 (2,50) ξ4 (2,77) η1 (7,26)</td>
<td>0,12</td>
<td>0,88</td>
</tr>
</tbody>
</table>

The number in the parenthesis is t statistic values (t-values).

Based on Table 4, it appears that the path coefficient leadership variable (x 1) is the highest, it is the most dominant variable that influences job satisfaction (h 1), but has negative effect on employee’s performance (h 2) compared to competence variable (x 2), work motivation (x 3) and organizational culture (x 4). If it is reviewed from the t value, then the influence of organizational culture variables has the most significant impact on job satisfaction and job satisfaction as an intervening variable has high significant influence on employees’ performance than variables x 1, x 2 and x 3.

Based on Table 4, it appears that the value of the coefficient of determination (R²) job satisfaction variables (h 1) is 0.83 which means that 83% variation in employee satisfaction of Ternate City government is determined by variations in the value of leadership, competency, motivation and organizational culture. The remaining 17% is determined by other variables that is not included in the model or not studied.

The coefficient of determination (R²) of employee performance variable (h 2) is 0.88, meaning that 88% variation in the performance of government employees Ternate city is determined by the variation of job satisfaction, leadership, competence, motivation and organizational culture. The remaining 12% is determined by other variables that is not included in the model or not studied. From the merging of the measurement model and the structural model diagram, its obtained full path model is as follows:
Based on the picture above, it appears that the leadership exogenous variables ($x_1$) have more dominant influence job satisfaction endogenous variables ($h_1$) than competence, motivation and culture of the organization exogenous variables. While regarding the employee performance variables ($h_2$), it is seen that work motivation ($x_2$) is more influential than the variables $x_1$, $x_3$ and $x_4$. Leadership Variable ($x$) has a negative influence on employee performance ($h_2$). Job satisfaction as a moderator variable ($h_1$) greatly affects the performance of employees which can be seen from the coefficient path.

Based on the empirical model proposed in this research, hypothesis testing can be done by testing the coefficients path in structural equation modeling. Table 4 is the summary of the influence of each variable by looking at the $t$-value score. If the value of $t$ is greater than the critical $t$ (1.96), the relationship between variables is significant.

**Table 4.** Summary of the Inter Variables influence directly (direct effect) and Indirectly (indirect effect), the positive and negative influence as well as significance or insignificance

<table>
<thead>
<tr>
<th>No</th>
<th>Independent Variable</th>
<th>Dependent Variable</th>
<th>Influence</th>
<th>Estimation</th>
<th>$t$-Value</th>
<th>Inf.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Direct</td>
<td>Indirect</td>
<td></td>
</tr>
<tr>
<td>1</td>
<td>Leadership</td>
<td>Work Satisfaction</td>
<td>$\xi_1 \rightarrow \eta_1$</td>
<td>0.76</td>
<td>0.00</td>
<td>5.89 Sign</td>
</tr>
<tr>
<td>2</td>
<td>Competency</td>
<td>Work Satisfaction</td>
<td>$\xi_2 \rightarrow \eta_1$</td>
<td>0.66</td>
<td>0.00</td>
<td>4.54 Sign</td>
</tr>
<tr>
<td>3</td>
<td>Work</td>
<td>Work</td>
<td>$\xi_3 \rightarrow \eta_1$</td>
<td>0.72</td>
<td>0.00</td>
<td>3.05 Sign</td>
</tr>
</tbody>
</table>
From the overall results of the model analysis to test the hypothesis above, both directly (direct effect) or indirectly (indirect effect), the interpretation of significance can be explained as follows: 1) leadership has a positive and significant impact on job satisfaction with value of the direct effect as 0.76; 2) Competence has a positive and significant impact on job satisfaction with influence value of 0.66; 3) Motivation has a positive and significant impact on job satisfaction with influence value of 0.72; 4) Organization Culture has positive and significant impact on job satisfaction with influence value of 0.70; 5) Leadership has a negative impact and no significant effect on the performance with influence value of -0.09; 6) Competency has a positive impact and no significant effect on performance with 0.32 influence value; 7) Motivation has a positive and significant influence on performance with 0.71 influence value; 8) Organizational culture has positive and significant influence on performance with 0.69 influence value; 9) leadership has a positive and significant influence on performance through job satisfaction with 0.59 influences value. 10) Competency has a positive and significant influence on performance through job satisfaction with 0.51 influence value; 11) Motivation has a positive and significant influence on performance through job satisfaction with 0.55 influence value; 12) Organizational Culture has a positive and significant influence on performance through job satisfaction with influence value of 0.54; 13) Job Satisfaction has a positive and significant influence on performance with 0.77 influence value.

CONCLUSION
Based on the results of research analysis and discussion, it can be summarized as follows: 1) leadership has a positive and significant impact on job satisfaction. This implies that all the indicators of leadership such as self-awareness, social awareness, self-management and relationship management, providing reinforcement, yield a significant influence on satisfaction; 2) Competence has a positive and significant impact on satisfaction. This means that the indicators of competence such as knowledge, skills, experience and positive attitude demonstrated positive application on competency, but no significant effect on satisfaction; 3) Motivation directly has a positive and significant impact on job satisfaction. Motivation with indicators including livelihood, physical needs, family needs, social needs, work needs, productive and creative needs provide good reinforcement to satisfaction; 4) The organizational culture has a positive and significant impact on job satisfaction. This means that the indicators of the organizational culture such as integrity, identity, responsibility, discipline, orientation and innovative results give good outcomes on the level of satisfaction; 5) Leadership has negative and no significant influence on performance. This means that the indicator of leadership variables is so weak, therefore, did not give a positive correlation to the performance of civil servants, particularly quantity, quality, efficiency, and fidelity indicator; 6) Competency has a positive influence and no significant effect on performance. The implications of these findings is that the overall indicator of competency such as knowledge, skills, experience and positive attitude demonstrated applicability for the performance, but not a significant influence on employees' performance; 7) Motivation has a positive and significant impact on performance. This implies that all the indicators of motivation such as motivation with physical needs, family needs, social needs, work needs, productive and creative needs, provide reinforcement to the individual, so it can influence the performance; 8) Organizational culture has positive and significant impact on performance. This implies that all the indicators of organizational culture provide reinforcement so it can influence the performance; 9) leadership has a positive and significant impact on performance through job satisfaction as long as leadership applied is already good and gives added value to the improvement of the organization and it influences employees' satisfaction and performance; 10) Competency directly has a positive and significant impact on performance through job satisfaction. This means the employee who has an applied good competency makes a positive impact and significant applicability to employees' performance; 11) Motivation has a positive and significant impact on performance through job satisfaction. Motivation received so far has been applied accordingly by the employees and influence employees' satisfaction and performance; 12) The organizational culture has a positive and significant impact on performance. This means the influence of organization's culture has been actualized optimally, particularly with respect to the indicators of integrity, identity, responsibility and results orientation that influence employees' satisfaction and good performance; 13) Job satisfaction has a positive and significant impact on performance. This implies that all the employee satisfaction indicators provide reinforcement; therefore, they can influence their performance.

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