

The Impact Of Organizational Culture On Employee Performance With Job Satisfaction As A Mediation Variable (Case Study At Bank Indonesia Representative Office Lampung Province)

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ABSTRACT

This study uses a quantitative approach with the Structural Equation Modeling Partial Least Square (SEM PLS) analysis method. Data were collected by distributing questionnaires to all employees of the Bank Indonesia KPw Lampung Province with a sample of 126 employees, then analyzed using SmartPLS software to test the direct and indirect effects between variables. The results of the study indicate that organizational culture has a positive and significant effect on employee performance, organizational culture has a very strong and significant effect on job satisfaction and job satisfaction significantly mediate the influence of organizational culture on employee performance. This shows that part of the influence of organizational culture on employee performance is channeled through job satisfaction (partial mediation). This finding confirms the importance of strengthening organizational culture and increasing job satisfaction to support the achievement of optimal performance which can ultimately improve employee performance at the Bank Indonesia Representative Office of Lampung Province.

INTRODUCTION

Organizational success is determined not only by successful financial management but also by successful human resource management, through the development of a positive personal work ethic with high dedication and loyalty to one's work, good guidance from superiors, good direction, and good coordination in working with subordinates (Sugiono & Lumban Tobing, 2021).

An organization will achieve its goals if it is well-managed. However, the successful implementation of sound, efficient, effective, and needs-based institutions no longer depends solely on the successful implementation of institutional principles. Other factors contribute to success. An organization must be able to align the perceptions or visions of employees and company leaders to achieve company goals. This includes creating a strong work ethic that involves dedication, loyalty, and honesty in the workplace, as well as providing sound leadership, management, and work coordination between leaders and employees (Ali Niazi et al., 2019)

According to Sarros et al., (2016), organizational culture is a system or tool containing values that must be adhered to and agreed upon by organizational members, and must be implemented by them. This culture includes values, norms, and beliefs that shape the behavior of organizational members and serve as a mechanism that guides their attitudes and actions. Organizational culture

not only unites organizational members but also encourages them to work effectively and efficiently.

Organizations are also formed to achieve specific, predetermined goals, as organizations are essentially a form of association of people engaged in activities to achieve common goals. Therefore, organizations must have qualified employees with high enthusiasm and loyalty. Companies with personnel issues can survive if they have an organizational culture, work discipline, good salaries, and employees who are happy with their jobs and perform well (Pebrianto & Hamdani, 2020).

Employees are a crucial resource for the running of an organization because they possess the talent, abilities, energy, and creativity needed by the organization. Therefore, each employee must always understand and internalize their primary duties and responsibilities as a subsystem that impacts the larger system, the organization (Sutoro, 2020). Organizations are closely tied to the cultural bonds that emerge within the work process. Affected employees create cultural bonds both in the execution of their duties and in the relationships between employees and managers. Culture differentiates an organization from others in how work is carried out through interactions and actions. Culture binds employees to a unified vision that creates consistent behavior or actions.

Bank Indonesia's (BI) work culture is a crucial prerequisite for undertaking various transformations, and its Work Culture program is also undergoing a transformation. The 2023 Work Culture Program is applicable to all aspects of BI's human resources (HR), from planning and implementation to development and maintenance. This allows us to attract the best talent, motivate and retain employees, and maintain engagement for employees who are no longer actively working at BI, including their families and other stakeholders.

Bank Indonesia's organizational culture is characterized as a professional, structured work environment based on the values of integrity and responsibility. Bank Indonesia employees are encouraged to uphold work ethics, transparency, and collaboration. This culture fosters an atmosphere where innovation and critical thinking are applied to advance the central bank's mission. Furthermore, an inclusive and supportive work environment ensures that every team member feels valued and has the opportunity to grow.

Bank Indonesia's organizational culture also demonstrates a strong awareness of social responsibility and sustainability. Bank Indonesia is committed to playing an active role in advancing economic, environmental, and social sustainability. Furthermore, this organizational culture aims to create a strong foundation for informed decision-making that is responsive to changing economic and financial conditions at both the local and global levels.

The performance of Bank Indonesia employees reflects the high standards in the performance of their duties and responsibilities. Commitment to service quality and professionalism is a key foundation. Bank Indonesia employees are empowered to achieve the highest standards of performance in providing financial services and carrying out central banking functions, as reflected in their dedication to their work.

PREVIOUS STUDY

The relationship between organizational culture and employee or member performance can be reflected in organizational behavior. When employees emulate their organization's behavioral culture, satisfaction and even direct or indirect rewards emerge. Organizational culture serves as a guideline for the behavior of its members, used unconsciously in carrying out their activities (Wardani et al., 2016).

Organizational Culture

Organizational or corporate culture is commonly interpreted as a collection of values and symbols that are recognized, shared, and embraced by members of an organization, fostering a sense of belonging and unity, much like a family. This shared culture also helps distinguish the organization from others. It encompasses a set of beliefs, values, and attitudes that support and promote employee engagement., can explain the goals and strategic direction of the organization, and which consistently describe and teach the values and beliefs of the organization, can help the organization achieve higher levels of growth (Darmawan, 2013).

Employee Performance

According to Mangkunegara (2015), in his book on Corporate Human Resource Management, Employee performance refers to the level of quality and quantity of work accomplished by an individual in fulfilling their job responsibilities. It represents the outcomes attained by an employee based on the established standards for their role. Broadly speaking, performance serves as an indicator of the efficiency by which specific inputs are transformed into outputs.

Job Satisfaction

Koesmono (2005) believes that Job satisfaction refers to an individual's evaluation, feelings, or attitude toward their job and work environment, including aspects such as the nature of the work, compensation, relationships with colleagues, and social interactions in the workplace. In essence, job satisfaction reflects the extent to which a person's various needs and desires are met through their job and work-related activities.

RESEARCH GAP

Several studies have shown that job satisfaction indeed plays an important role as a mediating variable in the relationship between organizational culture and employee performance. Nevertheless, some findings also suggest that organizational culture can impact performance indirectly, with job satisfaction acting as an intervening factor in this connection, can be insignificant or even negative, depending on the company context. Previous research has examined various dimensions of organizational culture, such as innovation, risk-taking, outcome orientation, people orientation, team orientation, and stability, which influence performance and job satisfaction.

However, few studies have in-depth examined how these dimensions of organizational culture work simultaneously and through job satisfaction on employee performance at Bank Indonesia, particularly in Lampung.

METHODS

This research adopts a quantitative approach. Often referred to as a traditional method, the quantitative approach is rooted in the positivist philosophy and is typically employed to study specific populations or samples. It involves data collection using structured instruments and the analysis of numerical or statistical data, with the primary objective of testing established hypotheses. In this study, the quantitative method is utilized to examine the effect of Organizational Culture on Employee Performance, with Job Satisfaction serving as a mediating variable, among employees at the Bank Indonesia Representative Office in Lampung Province.

RESULTS AND DISCUSSION

1. Respondent Characteristics

A. Respondent Characteristics Based on Gender

Table 1. Respondent Characteristics Based on Gender

No	Gender	Amount	Percentage
1	Male	100	79,37%
2	Female	26	20,63%
	Amount	126	100%

Source: Data processed 2025

Based on Table 4.1 above, male respondents dominated the questionnaire, accounting for >50%. This is because the employees at the Bank Indonesia Representative Office in Lampung Province are predominantly male, both organic and non-organic.

B. Respondent Characteristics Based on Last Education

Table 2. Respondent Characteristics Based on Last Education

No	Last Education	Amount	Percentage
1	Senior High School	67	53,17%
2	D3	7	5,56%
3	D4/S1	44	34,92%
4	S2	8	6,35%
	Amount	126	100%

Source: Data processed 2025

Based on table 4.2 above, it is known that respondents based on their last education in this study were with the education level of Senior High School, D3, D4/S1 and S2. The results of the distribution of questionnaires that have been carried out to 126 respondents who dominated the questionnaire were respondents with the highest education of SHS. Furthermore, the second most respondents who filled out the questionnaire were respondents with the highest education of S1. Then, the third most respondents were respondents with the highest education of S2 and finally the respondents who filled out the questionnaire the least were respondents with the highest education of D3. This is because employees at the Bank Indonesia Representative Office of Lampung Province are dominated by employees with the highest education of SHS as non-organic employees.

2. Descriptive Statistics Results

Table 3. Descriptive Statistics Results

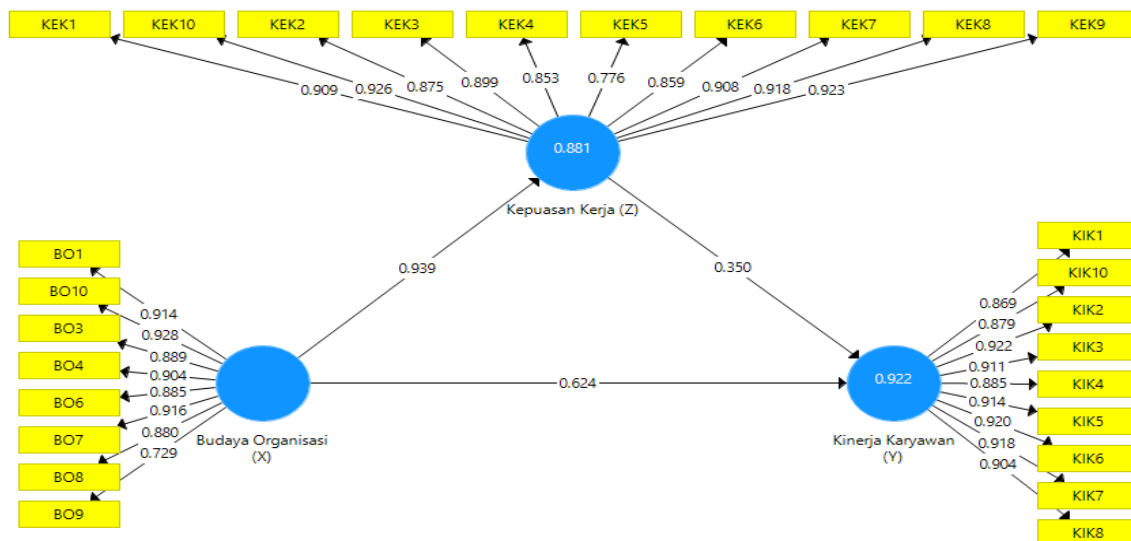
Variable	Minimum Value	Maximum Value	Average	Category
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Organizational culture	1	5	4,018	High
Job satisfaction	1	5	4,089	High
Employee performance	1	5	4,210	High
Average	1	5	4,106	High

Source: Data processed 2025

3. PLS-SEM Results

Figure 3. PLS-SEM Results



Source: Primary Data Processed 2025

4. Validity Test

a) Convergent Validity

Convergent validity is assessed by examining the correlation between the scores of indicators and their corresponding construct scores (also known as loading factors). A loading factor above 0.70 indicates strong validity, and a p-value less than 0.05 is deemed statistically significant (Widianto & Aryanto, 2018). Meanwhile, Denziana & Yunggo (2017) suggest that for formative indicators, a loading factor ranging from 0.50 to 0.60 is considered adequate to demonstrate a sufficient level of correlation with the construct.

Table 4. Outer Landing Load Value

Variable	Indicator	Load	Explanation
Organizational culture (X)	BO1	0,900	Valid
	BO10	0,925	Valid
	BO2	0,385	Invalid
	BO3	0,883	Valid
	BO4	0,898	Valid
	BO5	0,594	Invalid

	BO6	0,883	Valid
	BO7	0,914	Valid
	BO8	0,879	Valid
	BO9	0,736	Valid
Job satisfaction (Z)	KEK1	0,909	Valid
	KEK10	0,926	Valid
	KEK2	0,875	Valid
	KEK3	0,900	Valid
	KEK4	0,854	Valid
	KEK5	0,777	Valid
	KEK6	0,859	Valid
	KEK7	0,908	Valid
	KEK8	0,918	Valid
	KEK9	0,923	Valid
Employee performance (Y)	KIK1	0,869	Valid
	KIK10	0,879	Valid
	KIK2	0,922	Valid
	KIK3	0,911	Valid
	KIK4	0,885	Valid
	KIK5	0,913	Valid
	KIK6	0,920	Valid
	KIK7	0,918	Valid
	KIK8	0,904	Valid

Source: Processed Primary Data (2025)

Based on the results above, several loading model indicators have values below 0.50, indicating the construct is unacceptable. Therefore, the next step is to remove these invalid items.

Variable	Indicator	Load	Explanation
Organizational culture (X)	BO1	0,914	Valid
	BO10	0,928	Valid
	BO3	0,889	Valid
	BO4	0,904	Valid
	BO6	0,885	Valid
	BO7	0,916	Valid
	BO8	0,880	Valid
	BO9	0,729	Valid
Job satisfaction (Z)	KEK1	0,909	Valid
	KEK10	0,926	Valid

	KEK2	0,875	Valid
	KEK3	0,899	Valid
	KEK4	0,853	Valid
	KEK5	0,776	Valid
	KEK6	0,859	Valid
	KEK7	0,908	Valid
	KEK8	0,918	Valid
	KEK9	0,923	Valid
Employee performance (Y)	KIK1	0,869	Valid
	KIK10	0,879	Valid
	KIK2	0,922	Valid
	KIK3	0,911	Valid
	KIK4	0,885	Valid
	KIK5	0,914	Valid
	KIK6	0,920	Valid
	KIK7	0,918	Valid
	KIK8	0,904	Valid

Source: Processed Primary Data (2025)

Based on the results above, all indicator loading values exceed 0.50, suggesting that the construct is acceptable. To further assess convergent validity, beyond examining the loading factors, the Average Variance Extracted (AVE) is also evaluated. An AVE value greater than 0.50 is considered to indicate acceptable validity.

Table 5. Average Variance Extracted Value

Construct	AVE	EXP
Organizational culture (X)	0,779	Valid
Job satisfaction (Z)	0,785	Valid
Employee performance (Y)	0,814	Valid

Source: Processed Primary Data (2025)

In Table 5, it can be seen that the AVE (Average Variance Extracted) value has a value greater than 0.50, which means that the value is valid and meets the AVE value requirements.

b) Discriminant Validity

Table 6. Cross Loading Result

	Organizational Culture (X)	Job Satisfaction (Z)	Employee Performance (Y)
BO1	0,914	0,876	0,899
BO10	0,928	0,876	0,882

BO3	0,889	0,819	0,871
BO4	0,904	0,873	0,901
BO6	0,885	0,805	0,831
BO7	0,916	0,872	0,868
BO8	0,880	0,813	0,794
BO9	0,729	0,672	0,649
KEK1	0,907	0,909	0,875
KEK10	0,872	0,926	0,901
KEK2	0,903	0,875	0,925
KEK3	0,837	0,899	0,852
KEK4	0,777	0,853	0,756
KEK5	0,667	0,776	0,663
KEK6	0,739	0,859	0,739
KEK7	0,856	0,908	0,817
KEK8	0,851	0,918	0,849
KEK9	0,862	0,923	0,865
KIK1	0,825	0,798	0,869
KIK10	0,844	0,860	0,879
KIK2	0,847	0,840	0,922
KIK3	0,886	0,865	0,911
KIK4	0,850	0,830	0,885
KIK5	0,846	0,814	0,914
KIK6	0,884	0,866	0,920
KIK7	0,885	0,878	0,918
KIK8	0,867	0,845	0,904

Source: Processed Primary Data (2025)

The table above demonstrates that the correlation between the latent variables and their respective indicators is higher than the correlation with other latent variables, suggesting that the latent construct within this block is more dominant compared to others. Additionally, each variable has a cross-loading value above 0.50, indicating that there are no issues related to discriminant validity in the cross-loading analysis.

5. Reliability Test

a) Composite Reliability

According to Ghozali, composite reliability is used to assess the consistency of indicators within a variable. A variable is considered to meet the criteria for composite reliability if its value < 0.6 . This reliability assessment can be further supported by examining the Cronbach's alpha value. A variable is deemed reliable or meets the Cronbach's alpha standard if the value > 0.7 (Ekawati, 2024).

Table 7. Composite Reliability dan Cronbach Alpha

Variable	Cronbach's Alpha	Composite Reliability
Organizational culture (X)	0,959	0,966
Job satisfaction (Z)	0,969	0,973
Employee performance (Y)	0,971	0,975

Source: Processed Primary Data (2025)

The table above shows that the composite reliability calculations for all constructs are greater than 0.60. This indicates that respondents were consistent in answering the questions, thus concluding that all constructs have a good level of reliability.

6. Hypothesis Test

Table 9. Coefficient and Path T-Statistics

Hypothesis	Impact	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STERR)
H1	Organizational culture (X) -> Employee performance (Y)	0,624	0,616	0,093	6,677
H2	Organizational culture (X) -> Job satisfaction (Z)	0,939	0,938	0,019	48,325
H3	Job satisfaction (Z) -> Employee performance (Y)	0,350	0,357	0,096	3,665
H4	Organizational culture (X) -> Job satisfaction (Z) -> Employee performance (Y)	0,329	0,335	0,090	3,631

Source: Processed Primary Data (2025)

1. The influence of Organizational Culture (X) on Employee Performance (Y) yields a t-statistic of $6.677 > 1.9794$. It can be concluded that Organizational Culture has a significant effect on Employee Performance.

2. The influence of Organizational Culture (X) on Job Satisfaction (Z) yields a t-statistic of $48.325 > 1.9794$. It can be concluded that Organizational Culture has a significant effect on Job Satisfaction.

3. The influence of Job Satisfaction (Z) on Employee Performance (Y) yields a t-statistic of 3.665 > 1.9794. It can be concluded that Job Satisfaction has a significant effect on Employee Performance.

4. Job Satisfaction (Z) mediates the influence of Organizational Culture (X) on Employee Performance (Y), yielding a t-statistic of 3.631 > 1.9794. It can be concluded that Job Satisfaction (Z) significantly mediates the influence of Organizational Culture (X) on Employee Performance (Y).

Table 10. Research Hypothesis Results

	Hypothesis	Explanation
H1	Organizational culture (X) -> Employee performance (Y)	Supported / Accepted
H2	Organizational culture (X) -> Job satisfaction (Z)	Supported / Accepted
H3	Job satisfaction (Z) -> Employee performance (Y)	Supported / Accepted
H4	Organizational culture (X) -> Job satisfaction (Z) -> Employee performance (Y)	Supported / Accepted

Source: Processed Primary Data (2025)

CONCLUSION

The conclusions drawn from the research and discussion conducted by the researchers are as follows:

1. Organizational culture positively and significantly influences employee performance. This suggests that a stronger organizational culture leads to improved employee performance, thereby confirming the first hypothesis.
2. Organizational culture also has a very strong and significant influence on job satisfaction. This indicates that a positive organizational culture significantly increases employee job satisfaction, thus supporting the second hypothesis.
3. Job satisfaction plays a significant mediating role in the relationship between organizational culture and employee performance. This means that part of the impact of organizational culture on employee performance is transmitted through job satisfaction (indicating partial mediation), thereby supporting the third hypothesis.

LIMITATIONS

Many studies in this sector utilize quantitative approaches using path analysis or SEM-PLS techniques without adding qualitative depth to more comprehensively understand organizational culture. Consequently, the limitations of these methods can lead to an incomplete understanding of the cultural context and employee behavior. Limited sample size and inadequate response rates can also reduce the statistical power of the study and the validity of the results.

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