The Influence of Organizational Culture and Knowledge Management Toward Employee Performance Through Work Satisfaction as Moderating Variables in Grand Palace Malang Hotel, Indonesia

Rusli Hereng\textsuperscript{1}, Sunardi\textsuperscript{2}, and Harsono\textsuperscript{2}

\textsuperscript{1}Student in Magister Management Program, University of Merdeka Malang, Indonesia
\textsuperscript{2}Faculty of Economics and Business, University of Merdeka Malang, Indonesia

ABSTRACT

This study aims to 1) describe the variables of organizational culture, knowledge management, job satisfaction and employee performance. 2) analyze the influence of organizational culture and knowledge management on job satisfaction. 3) analyze the influence of organizational culture and knowledge management on employee performance. 4) analyze the effect of job satisfaction on employee performance. 5) analyze the influence of organizational culture and knowledge management on employee performance through job satisfaction in the Grand Palace Malang Hotel environment. The sample in this study were 40 employees. Analysis technique uses path analysis. The results of the analysis show that Organizational Culture and Knowledge Management have a significant influence on Job Satisfaction. Organizational culture does not have a significant influence on employee performance. In addition, knowledge management has a significant effect on employee performance. It turns out that job satisfaction has a significant effect on employee performance. Job satisfaction moderates organizational culture and knowledge management on employee performance. Job Satisfaction becomes the most important part to be considered and considered by top management because through job satisfaction employee work results can be achieved.

Keywords: Organizational Culture, Knowledge Management, Job Satisfaction, Employee Performance.

1. INTRODUCTION

Employee satisfaction can be determined by organizational culture. means that if the application of the values contained in the organization which is an integral part of the culture of the organization itself can be implemented well in organizations, especially the hotel world. The values in question are able to meet the expectations of employees whose orientation is toward employee satisfaction at work. Organizational culture is also a major element that can cover all forms of employee activity at work and has an impact on the maximum level of job satisfaction.

All companies basically employ employees in the hope that their performance can be implemented in order to achieve goals well. However, whether or not the performance that is owned is always related to factors within the company itself one of which is organizational culture. The application of organizational culture in a service company is not the same. Being aware of this, employees are required to work in accordance with the values that exist in a company.

Employee performance tends to improve when supported by the management of knowledge from the employee itself as a benchmark for the extent to which employees are able to understand the conditions and work systems in a company. Knowledge management forms the mindset and capital for employees in carrying out their activities. On the other hand, the majority of employee understanding tends to experience difficulties regarding the operational systems that apply in hospitality service companies. This phenomenon has an impact on the decline in employee performance so that employee responses are not so fast in interpreting tasks and functions in a company. Job satisfaction becomes a benchmark of good and bad performance of employees in the organization. Satisfied and whether or not employees at work provide a representation of the performance of the employees themselves.

The majority of three-star hotels in the Malang City area are quite numerous, one of which is the Grand Palace Hotel Malang, seeing the number of three-star hotels, it is possible that each management must have prepared its Human Resources superiority with the aim of being able to compete. This condition can be traced from the high and low level of sales. This is closely related to the role of Human Resources in understanding the performance they have. Efforts to realize the success of an organization can be viewed from one aspect, namely employee job satisfaction which is one of the most important parts in a company.
This research aims to describe the variables of organizational culture, knowledge management, job satisfaction, and employee performance, analyze the influence of organizational culture and knowledge management on job satisfaction, analyze the influence of organizational culture and knowledge management on employee performance, analyze the effect of job satisfaction on employee performance, and analyze the influence of organizational culture and knowledge management on employee performance through job satisfaction in the Grand Palace Hotel Malang.

2. LITERATURE REVIEW

2.1. Employee Performance Theory

Performance is the stage of achieving certain jobs (Simanjuntak) [1]. In addition, organizational support, management effectiveness, and individual performance in a company are factors that influence performance (Simanjuntak) [1]. Meanwhile, according to Rivai, performance is about work and the process of achieving that job [2].

Santis et. al. defining employee performance is an individual's ability to carry out tasks that contribute to the development of the organization's technical core. Companies need to realize the ability of employees, be able to manage it, and in turn align it with the overall business strategy of the company [3].

2.2. Theory of Organizational Culture

Organizational culture is the main idea produced by a certain group of people to overcome various kinds of problems (Schein) [4]. Culture can be interpreted as the dominant beliefs, values, attitudes and behaviors that are characteristic of a group of people (Warrick) [5]. In addition, in practical terms, culture describes the environment in which people work and their influence on the way they think, act and experience work, (Warrick et al.) [6]. Organizational culture has certain parameters including employee participation, innovation and risk taking, reward systems, and customer service orientation (Shahzad) [7].

2.3. Knowledge Management Theory

Knowledge management becomes a means of implementing processes in knowledge management itself that can refer to the analysis of how far it affects employee performance (Kurniawan) [8]. Besides knowledge management is a model of a message that has a high value as a basis for acting and making decisions. To measure knowledge management variables, indicators are determined, namely:

1) Document
2) Note
3) Experience

2.4. Job Satisfaction Theory

Job satisfaction is a general behavior for performance that is there is an appropriate reward and achievement (Robbins) [12]. Employee satisfaction is the feeling of each person towards the work in the organization. In completing tasks, satisfaction is a part that is very desired by employees. Job Satisfaction is an emotional condition that is generated positively (pleasant) at the time of assessment and work experience (Locke) [13]. In general, job satisfaction describes the cutting down of employees about their work. Job Satisfaction is a condition of an employee between likes and dislikes regarding his work (Munandar) [14].

3. RESEARCH METHODS

3.1. Definition of Variable Operations

a. Organizational Culture (X1)

Organizational Culture is a form of representation of norms, values that are adhered to by employees and able to be implemented properly. Organizational culture variables are measured using three indicators, namely:

1) Clothes
2) Office Design
3) Office Spatial Planning

b. Knowledge Management (X2)

Knowledge management is a model of a message that has value as a basis for acting and making decisions. To measure knowledge management variables, indicators are determined, namely:

1) Document
2) Note
3) Experience

c. Job Satisfaction (Y1)
Job satisfaction is a person's emotional condition that is produced positively (pleasant) at the time of assessment and work experience. Indicators in measuring job satisfaction variables, namely:
1) Principle
2) Personality
3) Nature of Work
d. Employee Performance (Y2)
Employee Performance is a personal and organizational goal to be achieved effectively and efficiently by an employee with the ability to utilize the resources they have. Employee performance is measured by three indicators, namely:
1) Productivity
2) Consistency
3) Quality of Work

3.2. Population and Sample
The population in this study were employees of the Grand Palace Hotel Malang, amounting to 40 people. This sampling method is called the census method.

3.3. Data analysis technique
This data analysis technique uses Path Analysis or path analysis to determine the value of testing the direct effect, indirect effect, the total effect between endogenous and exogenous variables.

4. RESULTS AND DISCUSSION
4.1. Results
In this study, to calculate the coefficient of determination the following formula is presented:
\[ R^2_{\text{Model}} = 1 - \left( \sqrt{1 - R^2_{X1}} \cdots \sqrt{1 - R^2_{Xn}} \right) \]
\[ = 1 - (\sqrt{1 - 0.83} \cdots \sqrt{1 - 0.98}) \]
\[ = 1 - (0.17, 0.02, 0.19) \]
\[ = 1 - 0.31 \]
\[ = 0.99 \]
The total value of the coefficient of determination of 0.99 indicates that the diversity of data or information that can be explained by the model is 99.0%, while the rest (1%) is explained by other variables not included in the model or error. The explanation above gives the meaning that the model in this study is accepted as a tested analysis tool and is able to prove the hypotheses made.

![Figure 1 Path Analysis Results](image-url)
4.2. Path Analysis
In this study, the results of path analysis can be presented in the following table:

| Variable | Direct Influence | Indirect Influence | Total Influence |
|----------|------------------|--------------------|-----------------|
| Organizational Culture (X1) → Employee Performance (Y2) | 0.037 | 0.037 | 0.037 |
| Knowledge Management → Employee Performance (Y2) | 0.966 | 0.966 | 0.966 |
| Organizational Culture (X1) → Job Satisfaction (Y1) | 0.286 | 0.286 | 0.286 |
| Knowledge Management → Job Satisfaction (Y1) | 0.684 | 0.684 | 0.684 |
| Job Satisfaction (Y1) → Employee Performance (Y2) | 0.903 | 0.903 | 0.903 |

In the summary table the results of the path analysis above show that the results of the multiplication of direct influence between the Organizational Culture variables on Employee Performance through Job Satisfaction obtained a figure of 0.258. For the path of indirect influence of the Knowledge Management variable on Employee Performance through Job Satisfaction, a result of 0.617 is obtained. While the total value of 0.037 is a direct influence of the variable Organizational Culture on Employee Performance. This figure is smaller than the total value of 0.966, which is the result obtained from the direct influence of the Knowledge Management variable on Employee Performance. Thus, the comparison of direct and indirect influence pathways can be obtained from the sum of the total effects so that it can be obtained that the total direct effect is 1.003 while the result of indirect effect of 1.878 then the path of the influence of Organizational Culture and Knowledge Management variables on Employee Performance through Job Satisfaction at the Grand Palace Hotel Malang is the most powerful indirect influence pathway on the structural equation model constructed (Figure 4.6). Thus, the job satisfaction variable can be said as a Moderating variable.

4.3. Hypothesis testing
a) Hypothesis Test I
Hypothesis I test results in regression can be shown in the following table:

| Variable | Regression Coefficient | T value | P Value |
|----------|------------------------|---------|---------|
| Organizational culture → Job satisfaction | 0.286 | 2.906 | 0.006 |
| Knowledge Management → Job satisfaction | 0.684 | 6.952 | 0.000 |

From the results of the first hypothesis test on the influence of organizational culture and knowledge management on Job Satisfaction in the table above, then the coefficient value obtained from Organizational Culture is 0.286, t value is 2.906 and p value is 0.006 which is less than p ≤ 0.05 (α = 5%), then these results can be interpreted that Organizational Culture has a Significant effect on Job Satisfaction. As for the Knowledge Management variable beta coefficient values of 0.684, t value of 6.952 and p value of 0.000 are smaller than p ≤ 0.05 (α = 5%), which indicates that knowledge management has a significant effect on Job Satisfaction. Thus it can be concluded that the First Hypothesis can be accepted.

b) Hypothesis Test II
Hypothesis test II in the regression model is presented in the following table:
### Table 3 The Influence of Organizational Culture and Knowledge Management on Employee Performance

| Variable                        | Regression Coefficient | T value | P Value |
|---------------------------------|------------------------|---------|---------|
| Organizational culture → Employee performance | 0.037                  | 1.316   | 0.196   |
| Knowledge Management → Employee performance | 0.966                  | 34.334  | 0.000   |

R = 0.993  
R Square (R²) = 0.986

Based on the second hypothesis test in the table above proves that organizational culture with a beta coefficient of 0.037, t value of 1.1316 and p value of 0.196 is greater than p ≥ 0.05 (α = 5%). Thus, Organizational Culture does not have a significant influence on Employee Performance. Knowledge Management coefficient value is 0.966, t value is 34.334 and p value is 0.000. This number is smaller than p ≤ 0.05 (α = 5%), therefore Knowledge Management has a significant effect on Employee Performance. Because given the value of the variable Organizational Culture p = 0.196 is greater than (≥) 0.05, it can be concluded that the second hypothesis cannot be accepted.

c) Hypothesis Test III
The regression results for Hypothesis III test are presented in the table below:

### Table 4 Effect of Job Satisfaction on Employee Performance

| Variable                        | Regression Coefficient | T value | P value |
|---------------------------------|------------------------|---------|---------|
| Job satisfaction → Employee performance | 0.903                  | 12.979  | 0.000   |

R = 0.903  
R Square = 0.811

From the third hypothesis test table above about the effect of Job Satisfaction on Employee Performance can be obtained beta coefficient of Job Satisfaction that is 0.903, t value of 12.979 and p value of 0.000 which is smaller than p ≤ 0.05 (α = 5%), so that at this study can be concluded that Job Satisfaction has a significant effect on employee performance and the third hypothesis can be accepted.

d) Hypothesis Test IV
Regression results for hypothesis IV testing can be seen in the following table:

### Table 5 The Effect of Organizational Culture and Knowledge Management on Employee Performance through Job Satisfaction

| Variable                        | Regression Coefficient | T value | P value |
|---------------------------------|------------------------|---------|---------|
| Organizational culture → Employee performance | 0.037                  | 1.316   | 0.196   |
| Knowledge Management → Employee performance | 0.966                  | 34.334  | 0.000   |
| Organizational culture → Work Management | 0.286                  | 2.906   | 0.006   |
| Knowledge Management → Job satisfaction | 0.684                  | 6.952   | 0.000   |

In the table above the results of the fourth hypothesis test show Job Satisfaction can mediate Organizational Culture variables, because the coefficient value of b5 with a probability of less than 5%, organizational culture is said to have a significant effect on Job Satisfaction at the Grand Palace Hotel Malang. In addition, because the coefficient value of b3 has a probability greater than 0.05 which is 0.196 so these results can show that organizational culture does not have a significant effect on employee performance. Thus the fourth hypothesis in this study cannot be accepted.
4.4. Discussion

a. Description of variable Organizational Culture, Knowledge Management, Job Satisfaction and Employee Performance at the Grand Palace Hotel Malang.

1) Organizational culture

Organizational culture is determined by several indicators namely Clothing, Office Design and Office Spatial Planning. The average value of the Office Spatial Indicator is 3.93 which means that the indicator has the most important contribution to the variable Organizational Culture. In addition, these results provide an overview of each Grand Palace Malang hotel employees about the arrangement of roomy and panoramic workspaces that can make it easier for employees to be more flexible in coordinating to complete work. If viewed from the average value of the Office Spatial Indicator, the majority of employees of the Grand Palace Hotel Malang agree and support that Office Spatial Planning is the main factor in working. Therefore, Grand Palace Malang Hotel management needs careful consideration and review of the values of the organizational culture that significantly impact the work of employees. The results of this study are identical with Schein's research which says that values in culture one of which includes Office Spatial Planning being the main value in shaping and directly influencing one's behavior to work in an organization [15].

2) Knowledge Management

In this study, knowledge management is formed by several indicators including documents, notes and experience. The average value of the document indicator that became the main variable in the Knowledge Management variable was 3.68. These results indicate that employees of the Grand Palace Hotel Malang have a personal document in completing work.

Documents become the most important part in supporting the work of someone in an organization. Based on the criteria of the average value generated above illustrates the majority of employees of the Grand Palace Hotel Malang agree that in completing a job there is a separate document about important and fundamental things for the good of the organization. Therefore, Knowledge Management variables need to be considered for organizational progress and excellence. In line with Falah research which says that organizations need to consider knowledge management as one of the methods in managing employee performance in order to obtain maximum work results [16].

3) Job satisfaction

Indicators of job satisfaction include the Principles, Personality and Nature of Work. The highest score of each indicator of job satisfaction is the Nature of Work for 3.98. This figure shows that job satisfaction is formed by the nature of work and also the majority of employees at the Grand Palace Hotel Malang agree that in completing work in accordance with the available time, position and competency that is owned so that the management in the organization needs to realize the importance of job satisfaction. This can indirectly provide employee encouragement in achieving better work results. In addition, job satisfaction is also a measure of employee comfort in carrying out the tasks assigned by the organization [17].

4) Employee performance

Employee Performance variable indicators in this study consisted of Productivity, Consistency and Quality of Work. Productivity is the main variable in the Employee Performance variable. this is evidenced from the highest average score for productivity of 3.68. This figure shows that productivity is an aspect that is considered important in employee performance, basically the majority of employees of the Grand Palace Hotel Malang complete work in accordance with their respective work volumes based on company standards with quality and capabilities. In addition, productivity implies employee morale in working to achieve superior work results. In his research, Ferreira & Du Plessis said that productivity is part of the completion of tasks by an employee in achieving the expected work results based on the job description [18].

b. The Influence of Organizational Culture and Knowledge Management on Job Satisfaction.

Overview of Organizational Culture variables that have a regression coefficient of 0.286. This figure shows that the level of job satisfaction is formed based on the basic values guided by an employee in an organization. This means that these conditions can be measured by how comfortable the employee is to complete the work. Mustika in his research said that organizational culture variables also have a positive contribution to job satisfaction [19].

Value of the Regression Coefficient of Knowledge Management Variables in this study amounted to 0.684. based on the results obtained, Knowledge Management has a significant effect on Job Satisfaction at the Grand Palace Hotel Malang. This means that Job Satisfaction will increase if there is a Knowledge Management Variable in the Grand Palace Hotel Malang. Research conducted by Kurniawan said that Knowledge Management has a significant influence on Job Satisfaction [8].
c. The Effect of Organizational Culture and Knowledge Management on Employee Performance

Based on the value of the regression coefficient of the Organizational Culture variable that is 0.037 with a probability level of more than 0.05, there is no significant effect of organizational culture variables on employee performance. Therefore the results of this study indicate that Employee Performance will change if there is no Organizational Culture. This result is inversely proportional to Mariam's research that there is a significant influence of the variable Organizational Culture on Employee Performance [20].

The Knowledge Management Variable has a regression coefficient of 0.966 and the probability value is less or less than 0.05 which illustrates that each increase in the Knowledge Management Variable, increases the Performance of Employees. This means that Knowledge Management significantly influences Employee Performance at the Grand Palace Hotel Malang. This result is supported by Uslima's research which proves that knowledge management has a significant influence on employee performance [11].

d. Effect of Job Satisfaction on Employee Performance

In this study, the regression coefficient value on the job satisfaction variable is 0.903. This figure shows that with job satisfaction, it has an impact on improving employee performance. One aspect that increases employee performance in organizations is job satisfaction. In addition, the level of employee satisfaction at work can be achieved if viewed from the variable job satisfaction which has an average value of 4.27. Mariam's research proves that job satisfaction has a significant effect on employee performance [20].

e. The Effect of Organizational Culture and Knowledge Management on Employee Performance through Job Satisfaction

In this study the Job Satisfaction variable can mediate knowledge management on employee performance which means that employee performance at the Grand Palace Malang hotel will get better with the increase in knowledge management. The condition is measured through the Knowledge Management variable probability value of less than 0.05. Ardiansyah in his research found that knowledge management has a positive influence on employee performance [21]. In addition, employee performance will decline if there are no organizational culture variables. This is evidenced that job satisfaction cannot mediate the variable in question.

5. CONCLUSIONS AND RECOMMENDATIONS

5.1. Conclusion

From the results of the research and discussion in this study, the following conclusions are drawn:

1) Employees at the Grand Palace Hotel Malang. This means that, the lower the organizational culture, the employee's performance will tend to change. Therefore, organizational culture has the main task The results of descriptive statistical analysis of organizational culture variables, knowledge management, job satisfaction and employee performance illustrate that the majority of employees at the Grand Palace Hotel Malang tend to be active in carrying out tasks and functions for organizational sustainability. Hotel management is considered good in implementing organizational culture. Knowledge management is one of the methods applied to achieve good work results by relying on the size and level of employee performance in a company.

2) It turns out that Organizational Culture and Knowledge Management have a significant influence on Job Satisfaction at the Grand Palace Hotel in Malang.

3) Organizational culture does not have a significant effect on performance to improve employee performance. In addition, knowledge management has a significant effect on employee performance.

4) It turns out that job satisfaction has a significant effect on employee performance at the Grand Palace Hotel Malang. These results indicate that increasing job satisfaction also increases employee performance.

5) Job satisfaction moderates organizational culture and knowledge management on employee performance. Job Satisfaction becomes the most important part to be considered and considered by top management, because through job satisfaction employee work results can be achieved.

5.2. Suggestion

From the conclusions above, the suggestions in this study are as follows:

1) Practical
   PT Arga Mulia Graha is a forum that aims to improve the work of its employees, management should always prioritize employee job satisfaction. PT Arga Mulia Graha needs to examine more deeply the application of Organizational Culture and Management to the fullest because these two aspects are very influential in improving employee performance. On the other hand, it is necessary to hold a socialization regarding the values that are the foundation of the employees’ work, so that they hope that young employees will get the job done better.

2) Theoretical
   The results of this study are expected to be a guideline by the management of the Grand Palace Hotel Malang as a source for realizing the vision and mission that has been predetermined through a model built based on aspects of human resources.
REFERENCES

1. Simanjuntak, P. J. 2011. *Manajemen & Evaluasi Kerja*, Edisi Ketiga, Lembaga Penerbit Fakultas Ekonomi Universitas Indonesia, Jakarta.

2. Rivai, Veithzal. 2008. Manajemen Sumber Daya Manusia untuk Perusahaan. PT. Raja Grafindo Persada: Jakarta.

3. Santis, A. S., Neto, M. T. R., & Verwaal, E. 2018. Does cultural capital matter for individual job performance? A large-scale survey of the impact of cultural, social and psychological capital on individual performance in Brazil. *International Journal of Productivity and Performance Management*, 67(8), 1352–1370.

4. Schein, Edgar H. 2004. *Organizational culture and Leadership* (Third Ed.). Jossey-Bass: San Francisco.

5. Warrick, D. D. 2015. Understanding, building, and changing organization cultures. In D. D. Warrick & J. Mueller (Eds.), *Lessons in changing cultures: Learning from real world cases*, Rossi Smith Academic Publishing. (pp. 1–16).

6. Warrick, D. D., Milliman, J. F., & Ferguson, J. M. 2016. Building high performance cultures. *Organizational Dynamics*, Vol. 45. No(1), 64–70.

7. Shahzad, Fakhar. 2014. Impact Organizational Culture On Employees’ Job Performance, *International Journal Of Commerce And Management* Vol. 24. No (3) pp 219-227.

8. Kurniawan, Fajar. 2018. Pengaruh Knowledge Management Dan Lingkungan Kerja Terhadap Kinerja Karyawan Dengan Kepuasan Kerja Sebagai Variabel Intervening. *Tesis* Program Magister Manajemen-Program Pascasarjana, Universitas Islam Indonesia.

9. Davenport, Thomas, H., and Laurence Prusak. (1998). *Working Knowledge: How Organizations Manage What They Know*. Harvard Business School Press, Boston.

10. Dalkir, Kimiz. 2011. *Knowledge Management In Theory And Practice*, 2nd Edition. Massachusetts: MIT Press.

11. Uslima, Dadi Amna. 2018. Pengaruh Knowledge Management Terhadap Kinerja Karyawan Dimaliasi Learning Organization. *Tesis Program Studi Magister Manajemen. Universitas Islam Indonesia*.

12. Robbins, P. Stephen. 2006. *Perilaku Organisasi*. Edisi Sepuluh. Erlangga, Jakarta.

13. Locke, E. A. 1976. *The nature and causes of job satisfaction*. In M. D. Dunnette (Ed.), *Handbook of industrial and organizational psychology*. Chicago, IL: Rand McNally.

14. Munandar, A.S., Sjabadhyni, Bertina, & Wutun, Rufus Patty. 2004. *Pemajuan Budaya Organisasi Dalam Peningkatan Unjuk Kerja Perusahaan*. Cetakan Pertama, PII Fakultas Psikologi UI, Depok.

15. Schein, Edgar H. 1992. *Organizational Culture and Leadership*, Jossey Bass, San Francisco.

16. Warrack, Thomas, H., and Laurence Prusak. (1998). *Working Knowledge: How Organizations Manage What They Know*. Harvard Business School Press, Boston.

17. Mustika, Agnes, and Hardi Utomo. 2014. Pengaruh Budaya Organisasi terhadap Kinerja Karyawan dengan Variabel Kepuasan Kerja sebagai Variabel Intervening (Studi Kasus Pada Koperasi Simpan Pinjam Gradika Kecamatan Tuntang Kabupaten Semarang Tahun 2013). *Among Makarti*, Vol 6. No 12.

18. Mariam, Rani. 2009. “Pengaruh Gaya Kepemimpinan Dan Budaya Organisasi Terhaap Kinerja Karyawan Melalui Kepuasan Kerja Karyawan Sebagai Variabel Intervening”, *Tesis Program Studi Magister Manajemen-Program Pascasarjana, Universitas Diponegoro, Semarang*.

19. Ardiansyah. Mochamad. 2017. Pengaruh Manajemen Pengetahuan Terhadap Kinerja Karyawan (Studi Kasus Pada Bank Bjb Kantor Cabang Utama Jalan Braga Nomor 12 Bandung). *e-Proceeding of Management*. ISSN : 2355-9357. Vol 4, No 3.