

# The Influence of Organizational Culture and Entrepreneurial Orientation on the Job Satisfaction, Organizational Commitment, and Employee's Performance

Karneli, Okta<sup>1</sup> Nimran, Umar<sup>2</sup> Al Musadiq<sup>2</sup> Nayati Utami, Hamidah<sup>2</sup>

1.Faculty of Social Political Science, University of Riau, Indonesia

2.Business Administration Department, Faculty of Administrative Science, University of Brawijaya, Malang, Indonesia

## Abstract

This study aimed to describe and explain the influence of organizational culture and entrepreneurial orientation on the job satisfaction, organizational commitment and employee's performance. This study was qualitative design with the primary data source was derived from the 120 people on four medium scale (UM) companies which process food and beverage in Pekanbaru. A questionnaire was used as the instrument to gain the data, and the data analysis method employed in this study was the Structured Generalized Component Analysis (GSCA). There were some important findings in this study, namely: first, job satisfaction is a perfect mediation of the influence of organizational culture on the employee's performance; second, organizational commitment perfect mediation of the influence of entrepreneurial orientation on the employee's performance. Job satisfaction and organizational commitment may affect the increase in the employee's performance. In general, the results of the analysis showed that the job satisfaction and organizational commitment as determiners in improving the employee's performance. Organizational culture is the only factor that can increase the job satisfaction which then can improve the employee's performance. Likewise with the organizational commitment, entrepreneurial orientation is the only factor which can improve organizational commitment which is to improve the employee's performance.

**Keywords:** organizational culture, entrepreneurial orientation, job satisfaction, organizational commitment, employee's performance, medium enterprise

## Introduction

There have been some inconsistent results from previous studies which showed some particular factors that may affect the employee's performance. Darmawan (2011) explained that the organizational culture affects the employee's performance. Some other similar researches were carried out by Eoh (2011), Kotter and Hasket (1997), Gibson et al. (1997), Kilman et al. (1988), and Ghani (2006). The other researches, however, found the opposite results that the results of the organizational culture do not affect the employee's performance, as stated in the researches by Raka (2003), Oparanma (2010), Abdulah and Herlina (2010), Rante (2010), and Sunaji, et al. (2013).

Keh, et al. (2007) described that the entrepreneurial orientation affects the employee's performance. Some other studies that have similar results are like by Wiklund (1998), Hirsich (1995), Riyanti (2003), Hui-Li, Y, et al. (2008), Amirudin (2013), Wang (2008), June, et al. (2006) and Muzakar Isa (2011). The research by Reswanda (2011), however, showed different results that entrepreneurial orientation does not affect the performance of the employees.

The difference of the results is the indications that the employee's performance may not be directly influenced by the organizational culture and the entrepreneurial orientation; however, it requires the mediating role of other factors such as job satisfaction (Sarmiento et al., 2007; Pushpakumari, 2008; Dizgah, et al., 2012) and organizational commitment (Widyaningrum, 2011; Clercq, 2010; Engelberg et al., 2011; Sumarno (2005).

MEs (small and medium enterprises business, or in Indonesia known as UM) as part of small and medium-sized businesses (SMBs) or enterprises (SMEs) have a strategic role with the following reasons, such as: (1) the number of workers 91.8 million people or 97.3% of the entire workforce; and (2) the contribution of GDP to 60% (*Kemenkom dan UKM, 2012*). With the strategic role of the existence of SMEs, the provincial government of Riau through Department of Cooperation and SMEs is to involve in the development of SMEs, various problems in the development of SMEs, however, are still found during the process (*Dinas Koperasi dan UKM Provinsi Riau dan Kota Pekanbaru, 2012*).

The number of SMBs in Pekanbaru is 68,728 SMEs, the biggest number in Riau Province compared with the other cities or regions, such as the number of SMEs in Kampar 45,446 SMEs, Inhil with 44,891 SMEs, Bengkalis (42,029 SMEs), Rohil (34,036 SMEs), Rohul (27,074 SMEs), Inhu (26,488 SMEs), Siak (22,948 SMEs), Kuansing (21,450 SMEs), Dumai (20,782 SMEs) and Palalawan with 13,824 SMEs.

This research was conducted at UM with consideration that there has been stagnant growth of SMEs with the total of 2,516 businesses for the last three years since 2010 to 2012. This research focused on the food

and beverage processing sector because based on the Medium Term Development Plan (RPJM) of Pekanbaru, the focus of the medium term development is to strengthen and grow of 10 clusters of industries, including food and beverage industry. In addition, the data from statistic center in Pekanbaru showed that the amount of labor which has been absorbed by the ground processing business is as much as 25,062 or approximately 30% of the total workforce, and the amount of total public expenditure for food and beverage consumption in 2011 is also amounted to 44% of the total expenditure of the population (*BPS Pekanbaru, 2011*).

Considering the inconsistent results of previous researches as well as the strategic role of SMEs in Pekanbaru of Riau Province, the purpose of this study could be formulated to describe and explain the influence of: (1) cultural organization on the employee's performance, (2) organizational culture on the job satisfaction, (3) job satisfaction on the employee's performance, (4) job satisfaction on the organizational commitment, (5) entrepreneurial orientation on the organizational commitment, (6) organizational commitment to the employee's performance, (7) entrepreneurial orientation on the employee performance.

### Review of Literatures and Hypotheses

Organizational culture has a significant role to the success of an organization, for example, to build the organization's performance or empower the employee's performance. The extent to which the organizational culture can affect the effectiveness of the organization can be observed from how strong or weak the organizational culture. Robbins (2003) stated that every organization should have a strong culture because it will have a greater impact on the behavior of the members of the organization. It is proven that through the strong culture may cause all activities of the members are directed to the organization's mission and the achievement of organizational goals. Meanwhile, according to Kotter and Hasket (1997), if the organizational culture is well managed, it will be able to improve the employee's performance. Additionally, according to O'Really (2002), organizational culture is oriented to the results and performance will demand high expectations and emphasis on aggressiveness, competitiveness, and utilization of opportunities and to encourage and support the dissemination of information and reward good performance of the members.

The empirical research between organizational culture and the employee's performance were carried out by the Widyaningrum (2011) with the subject of the study was the paramedics and medical personnels which indicate that significant influence of organizational culture on the employee's performance, in that case was the paramedics and medical personnels. Research from Widyaningrum (2011) was supported by Gupta (2011) and Varma (2011) who also found that there is a relationship between organizational culture and the employee's performance.

Caterina and Intan (2012) also examined the influence of the organizational culture on the employee's performance. Caterina and Intan stated the results of the study that organizational culture has positive and significant effect on the employee's performance. In addition, Gupta (2011) found the relationship between the cultural dimension practice which consists of future orientation, uncertainty avoidance, human orientation, egalitarianism, gender and power distance on the employee's performance. Parul (2012) empirically assessed the impact of corporate culture on the employee's performance and the organizational productivity in private companies in the region Saurashtra. The results of the study addressed that corporate culture affects the employee's performance. Similar study was also conducted by Ojo (2009), Ahmad (2012) and Ebstebam et al., (2011), where the results of their research stated that organizational culture affects the employee's performance significantly and positively. Based on the results of theoretical and empirical studies above, then the hypothesis that can be built is as follows:

**Hypothesis 1:** the organizational culture has significant influence on the employee's performance

According to Schein (1991), organizational culture is the actualization of the dominant values belonging to the organization which are supported and developed by individuals within the organization who will be the philosophy in directing organizational policies in managing the employees. Meanwhile, according to Robbins & Coulter (1999) and Robbins (2003), the organizational culture is almost the same as the rules that exists within an organization, where the members must abide by these rules. As the result, that organizational culture is the values followed by all members as a guide in carrying out the work. Robbins and Judge (2007) stated that the employees form the subjective perception upon the whole organization which is based on objective factors such as the emphasis on work detail, emphasis on the results, the emphasis on people and teams as well as aggressiveness and stability in the organization. Either good or bad perception will then influence the job satisfaction of the employee which is the impact of the growing strength of the organizational culture.

Studies which examined the similar results about the relationship between the organizational culture and the job satisfaction were carried out by Pirzada et al., (2011), Memon et al., (2012) and Pattnaik (2011). The results of the studies indicate that the organizational culture significantly influences the job satisfaction. Based on the theoretical and empirical results above, the hypothesis can be derived as follows:

**Hypothesis 2:** the organizational culture has significant influence on the job satisfaction

Over the years, the managers of companies believe that an employee who is satisfied with their job is to have high performance. Gomes (2000) expressed that job satisfaction with the work related to job performance, absenteeism, turnover intentions, working age, level position and the size of the company.

The empirical study which examines the job satisfaction and the employee's performance was carried out by Warsono (2004), of which the research results showed that the employee's satisfaction has significant and direct effect on the employee's performance. The study which concerns job satisfaction was also investigated by Sarmiento et al., (2007), Pushpakumari (2008) and Dizgah et al., (2012). Their results revealed that there is a positive and significant effect between the job satisfaction and the employee's performance. Based on the theoretical and empirical studies above, hypothesis can be derived as follows:

**Hypothesis 3:** the jobs satisfaction has significant influence on the employee's performance

The job satisfaction and organizational commitment are intertwined each other, but they are attitude of the employee that can be distinguished. Job satisfaction relates to an effective response to the environment in which to work, while the organizational commitment is more stable and may last longer as it is compared to the job satisfaction (Norrish & Niebuhr, 1983; in Istianto, 2010). Employees may only temporarily not be satisfied with their work but remain committed to the organization where they work. According to Gregson (1992), satisfaction is a sign of the beginning of someone's commitment to the organization. Luthans (2003) says that if the job satisfaction of employees is fulfilled, then there will be a good commitment to the organization. That is to say job satisfaction will affect the organizational commitment.

Paul Ayobam Akanbi (2011) in Darmawan (2013) examined the relationship between the job satisfaction and the organizational commitment to the health of the workers in Nigeria. The results showed that there is significant job satisfaction on the organizational commitment. Richards et al., (2002) conducted a study aimed at assessing the effect of job satisfaction on the organizational commitment of elementary school teachers. The findings of the research concluded that job satisfaction aspect affects on the organizational commitment. Based on the theoretical and empirical studies above, hypothesis can be derived as follows:

**Hypothesis 4:** the job satisfaction has significant influence on the organizational commitment

Kuriloff et al., (1993) stated that the characteristics of entrepreneurship can be identified from the values and behaviors which belong to the organization or corporation, including high commitment, risks, ability to see the opportunities and level of objectivity in seeing something, giving feedback and having optimism. Meanwhile, according to Lumpkin and Dess (1996), the result of entrepreneurial orientation is the work of individuals and organization which consist of sales, market share, organizational commitment and stakeholder satisfaction as the result of actions taken by entrepreneurs in the entrepreneurial process. Based on the description above, the hypothesis can be derived as follows:

**Hypothesis 5:** entrepreneurship orientation has significant influence on the organizational commitment

The theory which is used as the basis to see the level of job involvement with the employee's performance is based on the organizational commitment and employee's performance by Meyer et al., (1991), which said that employees who are bound to dedicate wholeheartedly to the success of the organization and this course will improve their performance. The similar argument is presented by Greenberg and Baron (1993) who said that employees who have a high organizational commitment are more productive and more stable employees, so that in the end it will also lead into a more profitable organization. According to Luthans (2003), if a person has high organizational commitment, the achievement of organizational goals to be crucial for these individuals; otherwise, the individuals with low organizational commitment will have a low attention and tend to satisfy personal interests above the organization. Robbins (2001) says that employee with high commitment to the organization means taking sides in the organization who has hired them.

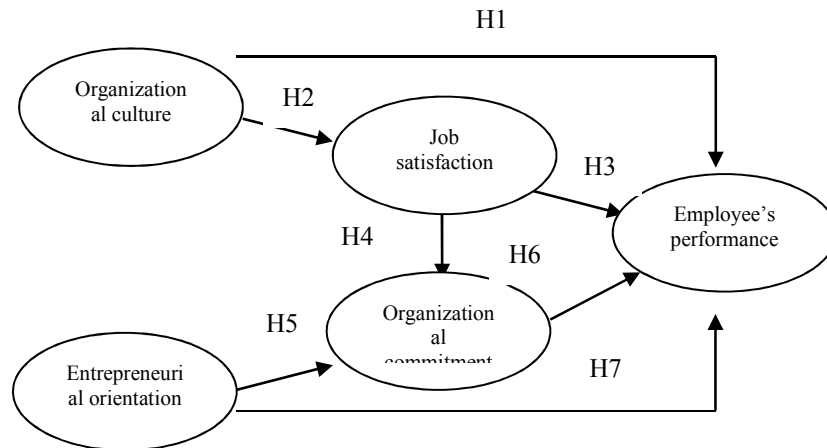
For the empirical research that examines the relationship between organizational commitment and performance has been carried out namely by Widyaningrum (2011), Clercq (2010), Engelberg, et al., (2011), Sumarno (2005). The results showed that organizational commitment has influence on the performance, both organizational performance and the employee's performance or individual. Based on the theoretical and empirical results above, hypothesis can be derived as follows:

**Hypothesis 6:** the organizational commitment has significant influence on the employee's performance

The theoretical basis which is used to examine the relationship between entrepreneurial orientation and the employee's performance is the theory of Tzokas et al., (2001) and Lumpkin and Dess (1996). According Tzokas et al., (2001), entrepreneurial orientation is less focus on the relationship between the organizational culture and business orientation, but rather on the relationship between the structure of the company, management style and employee's performance. Meanwhile, according to Lumpkin and Dess (1996), the dimensions of entrepreneurial

orientation individually affect the the performance. Firstly, innovation which is related to the desire to support creativity and experimentation as parts of process to introduce new services and products on new things to develop new processes. By introducing a new product or service which is faster than competitors, it may help the company to improve its performance (Jambullingan, et al., 2005). Secondly, proactive, which is according to Zahra and Covin (1995) explain that the company can target a proactive stance to new market segments, getting a higher price and moving faster than the competitors. Thirdly, aggressive to compete to show the company's desire to respond directly and intensely the competitors to enter and expand its market position. Thus proactive attitude and competitive aggressiveness are associated with the performance in different ways. Fourth, risk taking which meanis a tendency to act speculatively in the new markets that has been known. Relationship with the performance of risk-taking occurs through risk strategy and makes them more varied. According to Isa Muzaka (2011),who examines the performance of entrepreneurial orientation of furniture industries in Klaten Central Java, the results showed that the best way to improve performance is through technological and organizational innovation. While the study carried out by Wang (2008) moved from the idea that entrepreneurship orientation is as acore ingredient of success of each company. Nevertheless, an important message from the findings of previous studies is that if only to examine the direct effect of entrepreneurial orientationon the company's performance, it will provide incomplete picture. Based on the description of the theories and previous researches, the hypothesis can be derived as follows:

**Hypothesis 7:**the entrepreneurial orientation has significant influence on the employee's performance  
 Based on the review of literature, the conceptual model of this research is explained as follows:



**Research Method**

This study employed quantitative approach to collect the data which was conducted through a survey with data collection instruments such as questionnaires. The data were processed using descriptive analysis techniques and inferential analysis is GSCA (Generalized Structured Component Analysis)

The population in this study was all employees of the SMEs of food and beverage processing in Pekanbaru. Determining the number of sample of the employees was based on census method, so that all employees who work on 4 selected companies, amounting to 120 people. Description of the data is shown in the following table:

Aspects	Categories	Frequency	Percentage (%)
Gender	Male	24	20
	Female	96	80
Age	≤ 20	40	33
	21 – 30	64	53
	31 – 40	13	11
	≥ 40	3	3
Education	Junior high	6	5
	Senior high	103	86
	Bachelor (S1)	11	9
Position	Administration	17	14
	Cashier	14	12
	Marketing	12	10
	Production sector	19	16
	Sales promotion girl	58	48
Employee's status	Permanent employee	82	68
	Non-permanent	38	32
Work tenure	1 - 3 years	97	81
	4 - 6 years	18	15
	>6 years	5	4

### Research Finding

The outer testing model showed that the 13 indicators on the organizational culture are significant (see Appendix 1); 10 indicators of entrepreneurial orientation are significant indicator (see Appendix 2); 13 indicators of job satisfaction are significant indicators (see Appendix 3); 6 indicators of organizational commitment are significant (see Appendix 4); 10 indicators on the employee's performance are significant (Attachment 5).

The inner testing model (Appendix 6) showed that of 7 hypotheses which have been decided, only 5 hypotheses were accepted, while the other two hypotheses were rejected. For the accepted hypotheses were H2, H3, H4, H5 and H6, while H1 and H7 were rejected.

Results of testing to the first hypothesis (H1) showed that organizational culture which has been implemented or used as values in the organizational life by the employees has not been able to increase the the employee's performance of SMEs in food and beverage processing sector in Pekanbaru. The lack of opportunity provided to the employees with high business instinct and also the lack of rewards to the employees whose high achievements may cause the employees do not have a strong desire and motivation to be committed for their best to the company. This lacking recognition may result in the company losing the opportunity to have good and optimum performance from its employees. As Robbins (2003), the employee's performance is a function of the interaction between the ability and motivation of the employees. When there is inadequate or absence of motivation that might encourage employees to perform well, it may affect the employee's performance itself. One example of motivation that can be given by the company is the recognition from the company to the employees's whose high achievements; the form of such recognition is to reward outstanding employees. Another factor is that the company does not require or is less involved the employees in addressing any issues of the company. It was proven from the responses or inquiry of the respondents during the observation who disagreed when it is said that the company requires or involves the employees into the company's to the problem. According to Robbins, the employee's performance is a function of the opportunities for performance, motivation and ability.

The results of the testing to the second hypothesis (H2) suggested that the organizational culture significantly has influence on the job satisfaction or acceptance. Based on test results, we may conclude that the organizational culture has been implemented or used as values in the organizational environment by the employees as members in the corporation and has been able to increase the employee's satisfaction towards their job at the SMEs on food and beverage processing in Pekanbaru.

According to Robbins and Judge (2007) the employees establish solid subjective perception upon the organization based on the objective factors such as the emphasis on work detail, the emphasis on the results, the emphasis on people and teams as well as aggressiveness and stability; either the perception is good bad, it may influence the job satisfaction.

The employee's job satisfaction at the SMEs on food and beverage processing in Pekanbaru was at the high enough level which averagely was 4.03. The job satisfaction measurement was conducted by using five dimensions with thirteen indicators. The dimensions with the highest contribution was the job satisfaction itself with an average of 4.09, consisting of indicators like feeling satisfied because the current work in accordance with the employee's ability and the employ can finish their job enjoyly. An employee may feel happy and he or

she is able to finish their work because the employee feels that the work currently being done in accordance with its capabilities.

The result of the testing of the third hypothesis (H3) that the job satisfaction has significant influence on the employee's performance was acceptable. Based on the test results, it can be concluded that job Satisfaction has significant influence to the increase the employee's performance at the SMEs on food and beverage processing in Pekanbaru.

As asserted by Gibson et al., (1997) who stated that the relationship between the job satisfaction and the employee's performance, over the years, the managers of companies believe that an employee who is satisfied with their job will have high performance. Gomes (2000) assted as well that the job satisfaction is associated with the job performance and achievement, absenteeism, intentions to move to other place, working age, level position and the size of the company. Based on these findings, it can be concluded that the job satisfaction belonging to the employees of the SMEs on food and beverage processing in Pekanbaru may improve the employee's performance as supported by Gibson et al., (1997) and Gomes (2000). Thus, it can be concluded that the business has already managed the job stisfaction well. As it is said by Davis and Newstrom (1996), high job satisfaction is an indication that the organization is well-managed by the management of the company which is basically as the result of good and effective behavior management so it is to improve the employee's performance. The role of management in creating good atmosphere in the organization may eliminate job dissatisfaction factors and bring peace in working environment for the employees to perform maximally.

In relation to test to the fourth hypothesis (H4) which stated that the job satisfaction has significantly influence on the organizational commitment was acceptable. Based on the test results, it can be concluded that the higher the level of the job satisfaction of the employees at the SMEs on food and beverage processing in Pekanbaru, then the organizationalommitment will also increase. The job satisfaction is a form of expression in which the employees feel pleasant or unpleasant at work. The job satisfaction can be defined as an individual's attitude towards their work (Robbins, 2003). In general, job satisfaction is related to the attitude of an employee to finish their work. Someone is willing to work because there is a motivation, expecting to move towards a better and satisfying, it means that their job is a form of activity aimed at obtaining satisfaction. Job satisfaction of the employees at athe SMEs on food and beverage processing in Pekanbaru was measured by five indicators: indicators of satisfaction with the work itself, the payment of wages or salaries, promotion, supervision, and co-workers.

The result of the t esting to the third hypothesis (H5) which states that the entrepreneurial orientation has significant influence on the organizational commitment was acceptable. Based on the test results, it can be concluded that the higher the entrepreneurial orientation owned by the leaders or the owner of the company, the organizational commitment of the employees at the SMEs on food and beverages processing in Pekanbaru will also increase.

Lumpkin and Dess (1996) said that the results of the entrepreneurial orientation are the works of the individuals and the organizations which consist of sales, market share, organizational commitment and stakeholder satisfaction. All are the result of actions conducted by the entrepreneurs in the entrepreneurial process. According to Covin and Slevin (1991), entrepreneurial orientationlevel is reflected in the three dimensions of entrepreneurship, namely entrepreneurial risk dimension, innovation dimension, and proactive dimension. A leader or owner who has a high entrepreneurial orientation will generate a high level of organizational commitment.

The testing of the third hypothesis (H6) which states that the organizational commitment significantly influencethe employee's performance was acceptable. Based on the test results, it can be concluded that the higher the organizational commitment of the employees at the SMEs on food and beverage processing in Pekanbaru, the employee's performance will also increase.

Meyer et al., (1991) stated that the employees are bound wholeheartedly with the company or organization because they have a high commitment which is dedicated to the success of the organization and this commitment will improve their performance. A similar argument is also presented by Greenberg and Baron (1993) who stated that the employees with high organizational commitment are more productive and they are more stable. How big the organizational commitment of the employees will determine the prospect of the organization to achieve its objectives in the future. Organizational commitment is considered as the value orientation of the organization that shows how the individual is very considerate and thinks and prioritizes the work and interests of the organization. Such individuals will try to provide more values for their work done in order to help achieving the organizational goals.

In accordance with the concept of organizational theory by Sutrisno (2010) who explains that the organizational commitment is funmanetal for the development of the organization, especially in order to maintain and achieve the organization's goals. Robbins (2006) said that the organizational commitment is the degree to which an employee to associate himself with his work and actively participates in achieving the

company's goal and considers his performance critical to the achievement; and consider it is valuable for him as well. As Luthans (2006) statement that the organizational commitment is an attitude that includes a strong desire to remain as the member of the organization, the desire to work hard in accordance with the wishes of the organization, certain beliefs, and acceptance to the values and goals of the organization.

Luthans (2003) stated that the commitment is determined by personal variables and organizational variables. Personal variables include age, tenure in the organization, and disposition of individuals as positive or negative affective and control either both internal and external attribution (Sutrisno, 2010).

The testing of the seventh hypothesis (H7) which states that the entrepreneurial orientation has significant influence on the employee's performance was unacceptable. Based on the test results, it can be concluded that the entrepreneurial orientation level owned by the leader / owner has not been able to increase the employee's performance at the SMEs on food and beverage processing in Pekanbaru

According to Tzokas et al. (2001), the relationship of entrepreneurial orientation tends to the structure of the company, management style and the performance. Meanwhile, according to Lumpkin and Dess (1996), entrepreneurial orientation dimensions individually affect the performance. The entrepreneurial orientation dimensions consist of, firstly, innovation which is associated with the desire to support creativity and experimentation in an effort to introduce new services and products on new things to develop new processes. By introducing a new product or service faster than the competitors, it can help the company to improve its performance (Jambullingan et al., 2005). Second, proactive, according to Zahra and Covin (1995) who explain that the company can target stance proactively to new market segments, gaining a higher price and moving faster than the competitors. Third, aggressiveness to compete shows the company's desire to respond directly and intensely the competitors to enter and expand its market position. Thus proactive attitude and aggressiveness to compete are associated with the performance in different ways. Fourth, risk taking which means a tendency to act speculatively in new markets that has been familiar. The relationship between the performance and risk-taking occurs through risk strategy and makes them more varied.

According to Tzokas et al., (2001) and Lumpkin and Dess (1996), the leader or the owner of a company must have an entrepreneurial spirit which consists of three dimensions of entrepreneurship: innovative, proactive and risk-taking. As these three dimensions are not owned by the leader or the owner of the company, of course, it would not have a significant influence on the improvement of employee's performance. This indication can be seen on the respondents in relation entrepreneurial orientation from the leader or the owner of the company.

## Conclusion

The following is the conclusion that can be drawn from this study that the job satisfaction and organizational commitment can directly improve the employee's performance. While the organizational culture and entrepreneurial orientation does not directly affect the employee's performance, rather the employees should go through some aspects like job satisfaction and organizational commitment to improve their performance.

This study tested globally without distinguishing or classifying the owners of the SMEs whether they are local people and foreigners, and methods of cross sectional data collection become the limitation of this research.

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**Appendix 1**

Organizational culture variable as the first exogenous variable was constructed of thirteen indicators, namely: the emphasis on work detail (X1.1), precise at work (X1.2), the emphasis on the company's issues (X1.3), opportunity for the employees with business instinct (X1.4), the emphasis on the employee's work achievement (X1.5), giving rewards and recognition to the employees (X1.6), the employees are required to trust each other (X1.7), the employees are required to support each other (X1.8), the employees are required to work cooperatively (X1.9), the employees compete each other (X1.10), responsive to the company's issues (X1.11), the employees are required to maintain work routine (X1.12), and the employees are required to work hard to achieve the company's goals (X1.13). The measurement results of the thirteen indicators were to form organizational culture variable as presented in Table 5.7. All indicators showd significant mark ( $CR > 1.96$ )

<i>Variables and indicators</i>	<i>Loading</i>			<i>Weight</i>			<i>SMC</i>		
	<i>Estimate</i>	<i>SE</i>	<i>CR</i>	<i>Estimate</i>	<i>SE</i>	<i>CR</i>	<i>Estimate</i>	<i>SE</i>	<i>CR</i>
Organizational culture	<b>AVE = 0.316, ALPHA =0.812 PC=0,854</b>								
Work in detail	0.613	0.057	10.75*	0.142	0.022	6.37*	0.376	0.069	5.44*
Precise at work	0.597	0.065	9.21*	0.150	0.021	7.02*	0.357	0.079	4.54*
Attention to company's problem	0.668	0.063	10.64*	0.164	0.024	6.93*	0.447	0.083	5.38*
Providing opportunity	0.359	0.120	2.98*	0.089	0.032	2.75*	0.129	0.078	1.66
The emphasis on the work achievement	0.499	0.093	5.36*	0.126	0.023	5.52*	0.249	0.088	2.84*
Giving rewards	0.464	0.113	4.1*	0.115	0.032	3.64*	0.216	0.096	2.25*
Having high trust each other	0.652	0.078	8.37*	0.170	0.024	7.16*	0.425	0.098	4.32*
Supporting each other	0.519	0.087	5.93*	0.129	0.020	6.35*	0.269	0.083	3.24*
Work cooperatively	0.625	0.064	9.75*	0.132	0.024	5.48*	0.391	0.079	4.93*
Responsive to company's issues	0.586	0.070	8.37*	0.128	0.025	5.05*	0.343	0.082	4.2*
Competitive	0.659	0.054	12.24*	0.173	0.026	6.72*	0.434	0.069	6.25*
Maintaining work routine	0.583	0.087	6.72*	0.130	0.023	5.56*	0.340	0.094	3.63*
Achieving company's goals	0.373	0.121	3.07*	0.109	0.033	3.35*	0.139	0.084	1.65

### APPENDIX 2

Entrepreneurial orientation as the second exogenous variable was measured with ten indicators, namely: finding new markets (X2.1), the number of new product / service created (X2.2), finding new ways to improve distribution channels (X2.3), increasing partnerships (X2.4), the ability to enter new markets (x2.5), courage to create new product / service (X2.6), courage set to lower prices (X2.7), courage to improve product quality or increase the number of product features (X2.8), holding the risk of losing any chance at the risk of failure (X2.9) and seeing failure as a lesson (X2.10). The results of measurement of 10 (ten) indicators that generate the entrepreneurial orientation variables showed a significant mark on the level of 0.05 ( $CR > 1.96$ )

Variables and indicators	Loading			Weight			SMC		
	Estimate	SE	CR	Estimate	SE	CR	Estimate	SE	CR
Entrepreneurial orientation	<b>AVE = 0.404, ALPHA = 0.825, PC = 0.867</b>								
finding new markets	0.421	0.104	4.03*	0.090	0.027	3.36*	0.177	0.074	2.39*
Generating new products	0.661	0.090	7.33*	0.144	0.031	4.63*	0.437	0.115	3.79*
Increasing new distribution channels	0.621	0.068	9.14*	0.150	0.018	8.12*	0.386	0.083	4.64*
Increasing partnership	0.725	0.047	15.56*	0.196	0.020	9.72*	0.526	0.066	7.92*
Courage to enter new market	0.830	0.031	26.36*	0.210	0.020	10.7*	0.688	0.052	13.33*
Courage to introduce new products	0.738	0.057	12.96*	0.188	0.020	9.43*	0.544	0.081	6.73*
Courage to set new prices	0.443	0.101	4.4*	0.106	0.025	4.17*	0.196	0.089	2.19*
Increasing the number of product features	0.643	0.066	9.74*	0.149	0.019	7.96*	0.413	0.083	4.99*
Opportunity and risks are equal	0.613	0.096	6.36*	0.174	0.027	6.47*	0.376	0.108	3.48*
Failure as lesson	0.542	0.105	5.15*	0.126	0.021	5.92*	0.293	0.107	2.76*

### Appendix 3

Job satisfaction variable as the first endogenous variables was measured with thirteen indicators, namely: work according to ability (Y1.1), enjoy the current job (Y1.2), received a salary in line with expectations (Y1.3), salary received equal to the workload (Y1.4), equality of salary payments (Y1.5), promotion opportunities for advancement (Y1.6), promotion based on merit and achievement of employees (Y1.7), supervisors provide assistance (Y1.8), supervisors provide guidance (Y1.9), supervisor support (Y1.10), collaboration with colleagues (Y1.11), partner workers have a strong desire to move forward (Y1.12) and support from co-workers (Y1.13). The measurement result of the thirteen indicators was to form the job satisfaction variable as showed in the following table showed significant signs.

Variables and indicators	Loading			Weight			SMC		
	Estimate	SE	CR	Estimate	SE	CR	Estimate	SE	CR
Job satisfaction	<b>AVE = 0.364, ALPHA = 0.854, PC = 0.904</b>								
Work in accordance with the ability	0.735	0.045	16.27*	0.157	0.026	5.97*	0.540	0.066	8.21*
Enjoying the current work	0.722	0.056	12.86*	0.143	0.027	5.25*	0.522	0.079	6.61*
Salary in line with expectation	0.719	0.054	13.33*	0.153	0.029	5.24*	0.517	0.075	6.9*
Salary in accordance with workload	0.707	0.047	15.03*	0.149	0.024	6.22*	0.500	0.066	7.53*
Equality in payment	0.664	0.047	14.01*	0.124	0.020	6.09*	0.440	0.062	7.14*
Promotion for the advancement	0.593	0.059	10.12*	0.170	0.026	6.43*	0.352	0.068	5.19*
Promotion based on meritocracy	0.620	0.063	9.77*	0.126	0.024	5.33*	0.384	0.078	4.93*
Supervisors provide support	0.509	0.081	6.32*	0.083	0.020	4.12*	0.259	0.079	3.28*
Supervisors provide guidance	0.495	0.100	4.96*	0.132	0.020	6.56*	0.245	0.089	2.77*
Supervisors provide solution	0.517	0.094	5.48*	0.073	0.023	3.11*	0.268	0.090	2.98*
Easy to work with partners	0.555	0.088	6.34*	0.129	0.025	5.08*	0.308	0.098	3.16*
Partners with vision to move forward	0.462	0.107	4.33*	0.121	0.034	3.59*	0.214	0.096	2.23*
Support from partners	0.423	0.115	3.67*	0.075	0.026	2.88*	0.179	0.092	1.95

#### Appendix 4

Organizational commitment variable as the second endogenous variable was measured with six indicators, namely: working on the company (Y2.1), emotionally attached to the company (Y2.2), there is no desire to leave the company (Y2.3), difficulty looking for a new job (Y2.4), doing the best for the company (Y2.5) and helping companies with pleasure (Y2.6). The result of measurements of the indicators was to form organizational commitment variable presented in the following table at the level of 0.05 (CR> 1.96).

Variables and indicators	Loading			Weight			SMC		
	Estimate	SE	CR	Estimate	SE	CR	Estimate	SE	CR
Organizational commitment	<b>AVE = 0.441, ALPHA =0.676 , PC=0,816</b>								
Choosing to work on the company	0.429	0.108	3.98*	0.141	0.042	3.32*	0.184	0.091	2.02*
Emotionally attached to the company	0.782	0.035	22.54*	0.323	0.031	10.53*	0.612	0.053	11.57*
No desire to leave the company	0.674	0.067	9.99*	0.259	0.044	5.9*	0.454	0.089	5.09*
Difficulty to find new job	0.411	0.096	4.3*	0.128	0.035	3.62*	0.169	0.076	2.22*
Do the best	0.779	0.059	13.3*	0.305	0.038	8.0*	0.606	0.087	6.95*
Helping with pleasure	0.786	0.042	18.51*	0.283	0.033	8.67*	0.618	0.067	9.23*

#### Appendix 5

The employee's performance as the third endogenous variable was measured with ten indicators, namely: completing the job in accordance with the quality (Y3.1), finishing the job properly (Y3.2), completing the job in accordance with the prescribed number (Y3.3), completing the job exceeds the prescribed number (Y3.4), completing the job in accordance with the time (Y3.5), attending and leaving work on time (3.6), completing the work without supervision (Y3.7), requiring feedback from supervisors (Y3. 8), able to cooperate with partners (Y3.9) and able to cooperate with the leader (Y3.10). The measurement result of the indicators was to form the employee's performance variable showed a significant mark as presented in the following table on the level of 0.05 (CR> 1.96).

Variables and indicators	Loading			Weight			SMC		
	Estimate	SE	CR	Estimate	SE	CR	Estimate	SE	CR
Employee's performance	<b>AVE = 0.349, ALPHA =0.782 , PC=0,863</b>								
In accordance with quality standard	0.724	0.067	10.83*	0.253	0.028	8.98*	0.525	0.095	5.54*
Exceeding quality standard	0.598	0.099	6.04*	0.144	0.036	3.96*	0.357	0.109	3.27*
In accordance with the prescribed number	0.689	0.069	10.01*	0.183	0.025	7.32*	0.475	0.093	5.11*
Exceeding the prescribed number	0.540	0.076	7.06*	0.140	0.027	5.22*	0.292	0.083	3.5*
In accordance with the provided time	0.710	0.078	9.08*	0.227	0.034	6.65*	0.504	0.109	4.6*
On time	0.512	0.103	4.96*	0.151	0.036	4.24*	0.262	0.108	2.43*
Without supervision	0.591	0.098	6.06*	0.185	0.035	5.24*	0.350	0.108	3.23*
Requires feedback from supervisors	0.548	0.104	5.25*	0.129	0.033	3.94*	0.300	0.105	2.85*
Cooperate with colleagues	0.485	0.095	5.09*	0.116	0.032	3.69*	0.235	0.086	2.73*
Cooperate with leaders	0.442	0.105	4.2*	0.122	0.029	4.17*	0.195	0.087	2.24*

**Appendix 6**

	Hypotheses	Estimation	SE	CR	Information
H1	Organizational culture → employee's performance (X1 → Y3)	0.171	0.120	1.43	Not significant
H2	Organizational culture → job satisfaction (X1 → Y1)	0.453	0.088	5.13	Significant
H3	Job satisfaction → employee's performance (Y1 → Y3)	0.258	0.109	2.36	Significant
H4	Job satisfaction → organizational commitment (Y1 → Y2)	0.417	0.086	4.85	Significant
H5	Entrepreneurial orientation → organizational commitment (X2 → Y2)	0.362	0.107	3.38	Significant
H6	Organizational commitment → employee's performance (Y2 → Y3)	0.295	0.101	2.93	Significant
H7	Entrepreneurial orientation → employee's performance (X2 → Y3)	0.022	0.111	0.20	Not significant

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