

The Influence Of Perception About Organizational Culture And Leadership Style Toward Lecturer's Job Satisfaction And Their Organization Commitment (A Study At Private Accounting Higher Education Institution)

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Abstract

The purpose of this research was to examine the effect of organization culture and leadership style on job satisfaction and organization commitment amongst academicians. The research adopts both qualitative and quantitative approaches through a survey with 172 lecturers of Accounting Program at private Universities in Bandung, Indonesia as well as interviews with the managers and lecturers. The findings showed that organization culture and leadership style positively related to job satisfaction and organization commitment compare with organizational culture.

Key words: Organizational culture, leadership style, job satisfaction, organizational commitment

INTRODUCTION

In an increasingly competitive and turbulent business environment, human capital play crucial role in organizational survival, adaptation and competitive advantage (Robinson, 2006). In this regard it is widely recognized that the employees satisfaction and commitment are critical part of attracting and retaining them (Lawler & Finegold, 2000; Pollitt, 2005; Robinson, 2006). Organizational commitment and job satisfaction have received significant attention in studies of work place. There are various factor that influence job satisfaction and commitment. Organizational culture and leadership style were shown to have significant impact on both job satisfaction and organizational commitment (Sunardi et al., 2009, Sumarno, 2005, Gudono, 2007, Lok & Crowfort, 2003). Sunardi (2009) states that the attention given to organization culture, leadership style and employee satisfaction surveys as a means of predicting employees' commitment to and satisfaction with the company is one of the most prominent trends in organizations today.

There has been an increase in the number of public and private educational institutions in Indonesia. The educational

institutions in the country are currently facing intense competition as well as continual environmental change, as they attempt to meet the human resource demands from various industries. At the same time, institutes have been asked to reexamine their roles in nation-building. In this situation, Academic staff commitment is a key issues. Sunardi et al. (2009) argued that commitment from the academic staff in the education sector to the overall organizational goal is very important, but recently, not much attention has been given to the issue of commitment among the academic staff in the higher education sector.

This study aimed to obtain empirical evidence about the influence of organizational culture as well as an understanding of leadership style on job satisfaction and organizational commitment among academic staff in higher education. This research conducted on the faculty of accounting departments in Bandung Indonesia. This study is expected to provide input in the development of organizational culture and leadership style that will increase job satisfaction and organizational commitment.

THEORETICAL FRAMEWORK

Organizational Culture

Cultures refers to the set of common belief, attitudes, and norms that explicitly or implicitly guide managerial actions (Anthony, 2003 p: 9). Culture is the shared knowledge and schemes created by a set of people for perceiving, interpreting, expressing, and responding to the social realities around them (Lederach, 1995), and is an active living phenomenon through which people jointly creates and recreates the worlds in which they live (Morgan, 1997).

Organizational culture can influence how people set personal and professional goals, perform tasks and administer resources to achieve them. Organizational culture affects how people think consciously and subconsciously, make

decisions and ultimately the way in which they perceive, feel and act. Past researches have suggested that organizational culture can exert considerable influence in organizations particularly in areas such as performance and commitment (Sempaneet et al., 2002). Organizational culture is deeply rooted within the organizational system, as it is a process, which evolves over a long time. An organization's culture determines the way the organization conducts its business, and as a result also influences its processes. Because of its deep-rooted nature, the culture of the organization is difficult to change, as there is often resistance against giving up something, which is valued and has worked well in the past.

Sempaneet et al. (2002) find that there is a close relationship between job satisfaction and organizational culture where job satisfaction is the result of organizational culture. In their study, however, some facets prove positive relations and others negative relations. They argue that this varied relation depends on employees that how differently they perceive cultural perspective. Huang and Chi (2004) argued that if the employees are satisfied with the culture of the organization it will motivate them to work hard and their obligations would be consistent which finally would raise organizational performance. Aoms and Weathington (2008) state that the organization with strong and suitable culture positively affects not only the satisfaction of the employees but also the job commitment of the employees with the organization

Leadership Style

Leadership is the process of interaction between leaders and followers where the leader attempts to influence followers to achieve common goals (Yulk, 2005). Leadership is the ability and personality to influence and persuade other parties to take action to achieve a common goal (Numberi, 2010:5). Leadership is the essence of management. Bass (1985) stated that a leader who can inspire and motivate could give positive influence for employees in executing their obligations.

Leadership style is defined as the pattern of behaviors that leaders display during their work with and through others (Hersey and Blanchard, 1993). Miller et al. (2002) view leadership style as the pattern of interactions between leaders and subordinates. It includes controlling, directing, indeed all techniques and methods used by leaders to motivate subordinates to follow their instructions. Leadership styles can be classified according to the leaders' power and behavior as autocratic, democratic, and laissez-faire, where styles are distinguished by the influence leaders have on subordinates (Mullins, 1998; Rollinson, 2005). Therefore, leaders will be more effective when they know and understand the appropriate usage of power (Hersey et al., 2001).

Job Satisfaction

Employee job satisfaction is defined as the extent of the sense which every employee feels about their working environment (Tien & Chao, 2012). Job satisfaction is a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences.

Organization Commitment

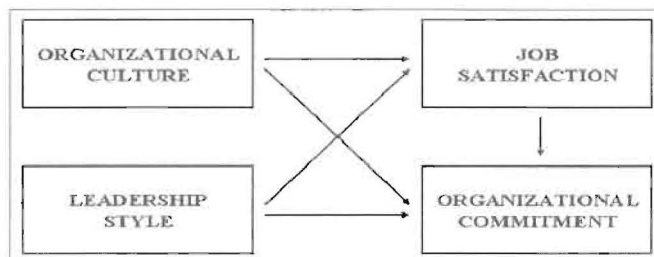
Commitment to organization represents the attitude and management of organization which is related to the relationship among individual and organization (Maskan, 2009). Sunardi (2009) explained that in the conceptual, organizational commitment has at least three characteristics, namely a strong belief and acceptance of the goals and values of the organization, a willingness to give a strong effort for the benefit of the organization, and a strong desire to remain a member of the organization.

Meyer and Allen (1991) classified three types of commitment: (1) affective commitment is employee's emotional attachment to, identification with and involvement in organization. (2) Normative commitment reflects the desire to behave in ways believed morally right rather than in ways to fulfill personal goals. Normatively committed individuals are loyal to an organization because they believe they should be. (3) Continuance commitment reflects the weighing of the costs and benefits of leaving an organization. Individuals high on continuance commitment feel attached to an organization not because of good feelings toward the company or a feeling of moral obligation, but because the perceived costs of leaving an employer are too high.

RESEARCH MODEL AND HYPOTHESIS

The focus of the present research is to build a proposition to investigate the influence of organization culture, leadership style toward job satisfaction and organization commitment. The available findings suggest that there could be a relationship between organization culture, leadership style, job satisfaction and organization commitment. Based on theoretical framework, the model of the research can be illustrated as follow:

Figure 1 - Research Model



Based on the model, there are five hypothesis:

1. $H_{01} : r_{yx1} = 0$, There is no relationship between organizational culture and job satisfaction
 $H_{a1} : r_{yx1} \neq 0$, There is relationship between organizational culture and job satisfaction
2. $H_{02} : r_{yx2} = 0$, There is no relationship between

organizational culture and organizational commitment

$H_{a2} : r_{yx2} \neq 0$, There is relationship between organizational culture and organizational commitment.

3. $H_{o3} : r_{yx3} = 0$, There is no relationship between leadership style and job satisfaction.

$H_{a3} : r_{yx3} \neq 0$, There is relationship between leadership style and job satisfaction

4. $H_{o4} : r_{yx4} = 0$, There is no relationship between leadership style and organization commitment

$H_{a4} : r_{yx4} \neq 0$, There is relationship between leadership style and organization commitment

5. $H_{o5} : r_{yx5} = 0$, There is no relationship between job satisfaction and organization commitment

$H_{a5} : r_{yx5} \neq 0$, There is relationship between job satisfaction and organization commitment

RESEARCH METHODS

Population and Sample

The population of this study was lectures of accounting department in private universities in Bandung, Indonesia. The samples were selected randomly from the accounting lecturers at private universities in Bandung. 172 questionnaires were distributed and 72 were returned. This research can be classified as descriptive research based on the method of obtaining the considered data.

Instrument

A questionnaire was designed based on factors that mentioned above and consists of a series of statement (statements). respondent may either agree or disagree with these statements to varying degrees (using a five-point Likert scale). The results were graded using the five point Likert Scale ranging from 1- strongly disagree to 5 strongly agree.

DATA ANALYSIS AND DISCUSSION

Validity and reliability

Validity of the construct was measured by checking the square root of the average variance for each construct. The value of all construct is above 0.3 as suggested by Nasir (2006). From the result of validity test, all items in the construct are valid.

The reliability of the items In order to test the reliability and internal consistency of each factor, Cronbach's alpha scores were calculated. As shown in Table 1 the constructs' reliability scores are ranging from 0.942 to 0.760. These are above the minimum acceptable level of 0.6 (Lance et al., 2006). Table 1 refers to the measurement of reliability of the instruments that been used in this research.

Table 1 - Reliability of Variables

No.	Variables	Alpha Score
1.	Organizational culture	0.912
2.	Leadership Style	0.942
3.	Job satisfaction	0.760
4.	Organizational commitment	0.777

Source: analysis result , 2012

Correlations Analysis

The correlations of organizational culture, leadership style, job satisfaction and commitment are summarized on the following table:

Table 2 - Correlation Analysis

		Job Satisfaction	Organization Commitment
Organization Culture	Pearson correlation	.235	.535
	Sig (2 tailed)	.047	.000
Leadership Style	Pearson correlation	.317	.573
	Sig (2 tailed)	.007	.000
Job Satisfaction	Pearson correlation		.388
	Sig (2 tailed)		.001

Source: analysis result , 2012

The table above shows the correlation between organization culture and job satisfaction is weak but significant, on the other side, organization culture shows strong relationship towards organization commitment and very significant.

Leadership style also has stronger relationship towards job satisfaction compare to organizational culture and significant. However, the correlation between leadership and organization commitment indicates strong relationship of two variables and high significant level.

Job satisfaction and organization commitment has weak but significant relationship. This indicates that organization should put more attention on job satisfaction of the organization members to increase their commitment to the organization.

The results of the study reveal that organization culture and leadership style has significant relationship towards job satisfaction and organization commitment. Based on the results of the study, all hypotheses are accepted. This study adds previous researches empirically.

Regression Analysis

A regression analysis was performed to examine the relationship among organization culture, Leadership style, job satisfaction, and organization commitment.

- A. The influence of the Organizational Culture on Job satisfaction

The results of the regression analysis indicated that the effects of organizational culture factors on the job satisfaction was statistically significant. The research found score of determination coefficient (R^2) as 0.055. The finding indicated that organization culture contribution to job satisfaction is 0.055 or 5.5% of the overall job satisfaction was explained by the organizational culture. The rest (94.50%) job satisfaction may be influenced by other factors that were not explored in this research.

- B. The influence of organizational culture on Organizational Commitment

The results of the regression analysis indicated that the effects of organizational culture factors on the organization commitment was statistically significant. The research found score of determination coefficient (R^2) as 0.286. The finding indicated that organization culture contribution to organization commitment was 0.286 or 28.6 % of the overall organization commitment was explained by the organizational culture. The rest (72.4%) organization commitment may be influenced by other factors that were not explored in this research.

C. The Influence of leadership style on job satisfaction

The results of the regression analysis indicated that the effects of leadership style factors on the job satisfaction was statistically significant. The research found score of determination coefficient (R^2) as 0.10. The finding indicated that organization culture contribution to job satisfaction was 0.10 or 10 % of the overall job satisfaction was explained by the leadership style. The rest (90 %) job satisfaction may be influenced by other factors that were not explored in this research.

D. The Influence of leadership style on organizational commitment

The results of the regression analysis indicated that the effects of leadership style factors on the organization commitment was statistically significant. The research found score of determination coefficient (R^2) as 0.328. The finding indicated that organization culture contribution to job satisfaction was 0.328 or 32.8 % of the overall organization commitment was explained by the leadership style. The rest (68.20 %) job satisfaction may be influenced by other factors that were not explored in this research.

E. The Influence of job satisfaction on organizational commitment

The results of the regression analysis indicated that the effects of job satisfaction factors on the organization commitment was statistically significant. The research found score of determination coefficient (R^2) as 0.150. The finding indicated that job satisfaction contribution to organization commitment was 0.150 or 15 % of the overall job satisfaction was explained by the organizational culture. The rest (85 %) organization commitment may be influenced by other factors that were not explored in this research.

Hypothesis tests

Hypothesis tests were performed by establishing acceptance and rejection criteria of hypothesis as follow:

- Ho was accepted if : $t_{test} \leq t_{table} \text{ (df = n-2)}$
 Ho was rejected if : $t_{test} \geq t_{table} \text{ (df = n-2)}$

The following table represents the summary of the result of

hypothesis testing. The table shows the comparisons of t-test and t-table as base of acceptance hypothesis decisions. For 72 samples and alpha 0.05, t table is 1.6669. Based on the table, all of ttest are above the t-table score.

Table 3 - Result of hypothesis tests

Hyp	Relationship between	t_{test}	$t_{table} \text{ (5\%)}$	Significance
1.	Organizational culture and job satisfaction	2.023	1.6669	047 (significant)
2.	Organizational culture and organization commitment	5.292	1.6669	000 (significant)
3.	Leadership style and job satisfaction	2.792	1.6669	007 (significant)
4.	Leadership style and organization commitment	5.849	1.6669	000 (significant)
5.	Job satisfaction and organization commitment	3.518	1.6669	001 (significant)

Source: analysis result, 2012

Therefore, all of H_0 was rejected and all of H_a was accepted:

1. There is relationship between organizational culture and job satisfaction
2. There is relationship between organizational culture and organizational commitment.
3. There is relationship between leadership style and job satisfaction
4. There is relationship between leadership style and organization commitment
5. There is relationship between job satisfaction and organization commitment

CONCLUSION, IMPLICATION, LIMITATION, AND RECOMMENDATION

The results above shows that organization culture, leadership style, job satisfaction and organization commitment have significant relationship. Implication of this research is that higher education institutions should put more attention on organization culture and leadership style in order to increase academicians' job satisfaction and organization commitment. Higher education management should have strong organization commitment and show the implementation of the organization commitment to all organization members. The socialization of the organization values also needed to increase the awareness and the acceptance of organization values and embedded in their daily behavior.

However, some of the limitations faced in this study are that the sample size was small and the respondents were from only one specific department. This is a pilot study and further study in this area will be implemented which will cover a larger sample and with academicians from different departments and universities.

In future, research will be conducted using a more differentiated measure for leadership styles, organization commitment and job satisfaction. This study was conducted in private educational institutes. Future studies should attempt to cover more educational institutes. A comparison also made between the institutes public institutes and private institutes.

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