The Influence of Occupational Safety Culture, Leadership and Motivation toward Job Satisfaction and Employee Performance at PT. Total Logistic and Operation Support in Eastern Kalimantan

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Abstract: Research concerning in company’s culture have been widely conducted both in Indonesia and abroad. However, there are not many research who take interest in conducting occupational safety culture research, especially in Indonesia. Moreover, research on occupational safety culture associated with leadership, job satisfaction, motivation and performance is hard to find. The study aims to describe the influence of occupational safety culture, leadership, and motivation toward job satisfaction and employee performance at PT Total Logistic and operation support in Eastern Kalimantan. Besides, this paper is explanatory research type which analyzes the influence of each exogenous variable against Endogenous variables. The data was collected through questionnaires sent to 250 employees, most of them are field supervisor level and several superintendent level. There were 150 questionnaires which are validly completed and returned for analysis. Statistical method used to test each Hypotesis was path analysis. The result that most Hypothesis were confirmed, from 7 Hypothesis, only One (H2) that had to be rejected. While other 6 hypothesis i.e. H1, H3, H4, H5, H6, H7 were accepted. These result indicated that occupational safety culture has a significant Impact regard to job satisfaction (H1), but there is no significant impact on employee performance (H2). Whilst, Leadership variable gives significant Impact on both job satisfaction (H3) and Employee performance (H4). Motivation significantly obtains impact on job satisfaction (H5) and Employee Performance (H6). Finally, Job satisfaction contributes a significant impact on employee performance (H7)

Keywords: Influence of Occupational Safety Culture, Leadership, Motivation, Job Satisfaction, Employee Performance.

I. Introduction

1.1 Background of the Research

Oil and gas industry has important role again indonesian economic development, either for energy, fuel, state income in which could hand up multiplier effect where the oil gas industry taken place. Unfortunately, oil gas industry thought as the capital-intensive industries with high risk such as; accident, wildfire, explosion and other environmetal impact. However, energy exploration as well as production rapidly growth either within technological innovation or operational management improvement sustainably. Based on oil and gas law No. 22/2001, government through manistry of energy and mineral resource (ESDM) keep ongoing effort to improve work safety hence indonesian oil gas industry could be run well, reliable and environmental friendly. Dealing with this it is needed the education and control due to employee safety and health within oil and gas business activities. The work safety within oil gas industry should be refered as cultural safety. Likewhat general directur of oil and gas ESDM said that “the hard task ragard to cultural safety is to certain labors on it importance” (Dirjen Migas, 2016). As matter of fact although it was regulated, the work safety just become formal n with no full implementation, if it was commited it is just to follow the regulation only. Besides, almost all accident was caused by low of cultural safety.

Some action assumed common among the company by the strong cultural make the job got proper appreciation. Strong culture could help any work since it can give required structure and control with no must formal bureaucracy engagement that just hindered the innovation-motivation growth.

To realize a culturel life In daily activities, it is needed character, attitude, and strong leadership style to run and reach organization goals. Some of oil gas company management mybe proud of the achievements of the safety culture that they build and keep to reduce number of work accident. Therefore, some excellt company
prefer leader with no only on short profit oriented but also alongside with skill of leadership managerial of cultural safety.

Concern with organization goal, motivation play some role to goad their employee how to get it. It will boost employee spirit so they have best performance and use all skill to realize what has been the company goal (Hasan, 2017). Nevertheless, each people has different character responding thier company reward, hence it will influence their job satisfaction level. High job satisfaction will encourage the realization of organizational goals effectively, where the feeling of likes or dislikes of employees to their work as a result of interaction of employees with the environment that tangible attitude and behavior in work (Priansa, 2016).

Performance is the embodiment of the talent and the ability in which formed into real work. This shows that the achievement of workers in an organization can be measured from the work that has been done and usually describes the process of the work.

1.2 Problem of the Research

The problem is what is the influence of occupational safety culture, leadership, and motivation toward job satisfaction and employee performance at PT Total Logistic and operation support in Eastern Kalimantan?

1.3 Objective of the Research

To describe the influence of occupational safety culture, leadership, and motivation toward job satisfaction and employee performance at PT Total Logistic and operation support in Eastern Kalimantan.

II. Theoretical Framework

Strong culture will help business performance as it creates a huge motivation among the employees. Sometimes, if all employees follow the same values and norms, they will gain comfortable environment in working environment: the commitment and loyalty among employees will enhance people to be better in their working performances. Some special event or advices which are held on public area will intrinsically appreciate the working performance of their employees. For example, having discussion with all staff and accept their opinion will make them to feel undre appreciation of their boss. According to Kotter and Hesket (1992) strong culture among employees will improve their working performances as it gives structural and control without taking a shoulder of their formal bureaucracy.

According to Cooper (2004) the occupational safety culture is taken its perspective from the employees, the trust priority of occupational safety which is given to the organisation, and it is used as early prevention of occupational safety failure potential. Along with previous statements, Richter and Koch (2004) states that occupational safety culture is media of safety handling which is the reflection of trust, perception, and values used by all employees concerning with occupational health and safety. They should be continuously monitoring the process within 3 domains. They are the environment, attitude factor, and staff factor. It must be started with individual consciousness and commitment of the leaders. Then, they must be a good example that will be spread among their employees. They must socialise that safety culture is one of ‘core value’ of company as safety is the most important for the company.

On its practical field, in order to implement the culture, it needs characteristics of clear leadership to follow the process of organisation. Leadership, according to Alvesson (2002:93), means to contribute on the achievement and decide the strategy, influence group identity, and improve the culture of an organisation. Some oil and gas company earn their pride by the successful of their safety culture. They improve and maintain their safety quality to reduce accident during working process. The term leadership in this perspective is known as OHS leadership (Occupational Health and Safety). The leadership informs people on how a leader change structure of an organisation by creating, communicating, and supervising the vision of organisation. The employee must contribute on creating the vision of the company. Thus, the vision is representation of all people at company and it would inspire them while working. As stated by Gunawan, he says “Safety is a cultural of excellence that requires transformational Leadership”. The good leader does not concern their vision on short-term benefit but also excellent operation system.

In order to achieve organisation missions, motivation is an important aspect to trigger the employee contribution. Motivation means contributing, establishing, or triggering motive which cause employee to have desire of their working performances (Priansa, 2016:200). Motivation triggers employee passion, their passion will lead them to work hard and contribute their best effort and skills to achieve the company mission. Motivation, in psychology field, is known as a process of psychology which empower individual or group to behave or act in completing their ultimate idea. The implementation of motivation in company is achieved if: the fundamental need of employee such as food, cloth, and home is fulfilled; the safety of both project activity or production operation of oil and gas has been granted by company; and the pension fund for retired employee has matched with the criteria by state constitution. Those three points, if granted by company, the employee will able to work within standard of company as their fund, safety, and trust have been granted by the company.
Moreover, the company could grant a bonus for their best employee of the year. For example, a zero accident bonus will be granted for employee whose working performance does not record a single accident. The reward could be material or immaterial reward such as workshop training or a certificate.

Performance is major criteria for employees to measure their success rate of working performances. Performance is not merely on individual characteristic or skill, but, performance is the implementation of skill and characteristics itself. Performance is a concrete result as products of their skill and characteristics. The definition above shows that the succession on achieving company vision is a measure tool to identify the performances of employees. There are two main characteristics of performances measurement, they are outcome and behaviour

This research was conducted at PT Total Logistic and Operation Support company in Eastern Kalimantan Province, Handil II Base Field. This field is one of the fields where the base of operations is logistic and supply support for other fields (other fields are named: CPU, CPA, SPU, NPU, Senipah, Bekapai and Southern Mahakam).

The purposes of this study are: 1) to discuss the effect of safety culture toward job satisfaction, 2) to discuss the influence of culture Work safety on employee performance, 3) to discuss the influence of leadership on job satisfaction, 4) to discuss the influence of leadership on employee performance, 5) to discuss the influence of motivation on job satisfaction, 6) and to discusses the effect of job satisfaction on employee performance in PT Total.

III. Research Method

This research belongs to explanatory study which tries to reveal the causal connection between exigent variables (Occupational of Health and Safety, leadership, and motivation) toward endogen variables (job satisfaction and staff performance). The research was conducted at eastern Kalimantan.

The population of this study covers all staff, contractors on field, and 250 superintend staff. The questionnaires are sent to staffs on February 16th – April 16th 2017. From 250 questionnaires, 150 of them are returned back to the researcher. Those handed back questionnaires are valid and able to be data of the study. In order to analyse the data, Structural Equation Modeling (SEM) versi 2.0 is used.

IV. Finding and Discussion

4.1 Finding

4.1.1 Instrument validity result

According to validity result, it is stated that the instrument of the study, which forms the latent variables, is valid. The value of correlation coefficient is 0.006 which means higher than r-critical. Statistically, the value of highest indicator is 0.816 while the lowest is 0.578.

4.1.2 Reliability Result

From statistics result, the reliability result toward latent variable of this study is stated as reliable. The Cronbach’s Alpha value is above the critical Cronbach’s Alpha which is 0.60. The highest Cronbach’s Alpha variable is 0.848 while the lowest is 0.724.

4.1.3 Structural Equation Modelling (SEM)

Structural equation modelling is converted into 4 phases. They are result of measurement mode, SEM assumption test, result of structural model, and evaluation of synchronisation model. There are three important points that must be described in assumptions of SEM, they are normality, outlier, and multicollinearity.

a) Normality

The result of normality assumption test by using Assessment of Normality shows that all measuring indicators are normally distributed. It depends on the critical ratio of skewness and kurtosis within univariate or multivariate condition is < 2.58 (H0 is accepted).

b) Outlier

In all observation process, the range value of Mahalanobis is below matrix covariance sample determinant value. The highest value of Mahalanobis range is 86.59 which is occurred at 40th experiment. Thus, the violation of outlier assumption was not found.

c) Multicollinearity

The determinant matrix value is 0,020. The value is preceding zero (0) value. Thus, the violation of multicollinearity assumption was not found.

The table below shows result of structural analysis, the standardized structural coefficient estimation is as follows:

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Table 1. Regression Weight Model Structural (Standardized)

<table>
<thead>
<tr>
<th>Causality</th>
<th>Estimation</th>
<th>SE</th>
<th>CR</th>
<th>Prob</th>
<th>Note</th>
</tr>
</thead>
<tbody>
<tr>
<td>Occupational Safety Culture → Job Satisfaction</td>
<td>0.296</td>
<td>0.071</td>
<td>3.647</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>Occupational Safety Culture → Staff Performance</td>
<td>0.288</td>
<td>0.089</td>
<td>3.259</td>
<td>0.012</td>
<td>Significant</td>
</tr>
<tr>
<td>Leadership → Staff Performance</td>
<td>0.108</td>
<td>0.077</td>
<td>2.116</td>
<td>0.034</td>
<td>Significant</td>
</tr>
<tr>
<td>Motivation → Staff Performance</td>
<td>0.313</td>
<td>0.053</td>
<td>5.726</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>Job Satisfaction → Staff Performance</td>
<td>0.546</td>
<td>0.190</td>
<td>2.688</td>
<td>0.007</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Source: Primary Data Processing

4.2 Discussion

4.2.1 The occupational safety culture impact towards job satisfaction

Based on the value of Critical Ratio (CR) in table 1, the result shows 3,647 > 1.96 within significance level is 0.000 < 0.05. It concludes that Safety Culture has a significant effect on Job Satisfaction (Hypothesis 1 is accepted). This finding indicates that company culture dimension has an effect on job satisfaction of the employees, who have a greater understanding of company culture dimension show more positive reaction to job satisfaction. This is in accordance with Boon's (2005) study organization to job satisfaction at health organization in Malaysia, and research from Rao (2007) about company culture dimension influence toward job satisfaction at manufacturing sector and IT in India. Other opinions that support this research are conducted by Mulyono (2013) concludes that Safety culture has a significant effect on job satisfaction in the Operation Division of Gold Mine in PT Newmont Nusa Tenggara. Organizational Safety culture is part of organizational culture, according to Marcouilides and Heck (1993) in Brahmarsi and Agus (2008) [12], organizational culture is a concept that can be used as a means of measuring conformity of organizational goals, , and organizational tasks, as well as the resulting impacts, because without a valid and reliable measure of the critical aspects of organizational culture then statements about the impact of culture on employee job satisfaction and company performance will continue to be based on speculation, personal observation and case studies.

4.2.2 The occupational safety culture impact towards employee performance

According to the value of Critical Ratio (CR) in table 1, the data obtains 1.529 > 1.96 with a significance level of 0.126 < 0.05. It can be concluded that the Safety Culture has no significant effect on Employee Performance (Hypothesis 2 is rejected). This finding is similar with Mulyono (2013) work at PT Newmont Nusa Tenggara mining company, this is also in accordance with Anna (2013) research on a coal mining company in Poland. Their result states that the existing Safety culture is far from ideal OHS standard where in safety management the role of formal management systems and procedures are dominant. Hudson, (2001), states that the primary role of the most formal management system is the achievement of the objectives accordingly with conditions and to avoid punishment. These findings are also relevant with regard to the inadequate effect of OHS culture on employee performance, since the formation of culture in the organization needs a process of thinking and acting to become a safe working habit, it requires a long time and support of existing management systems. So that, employees are expected to work safely (Hasan, 2017). The ideal model from organizational culture is the result of interaction of the habits that influence groups of people within the organization will form an overall perception of the organization based on factors such as risk tolerance, team pressure, and peer support. This overall perception will be the culture or personality of the organization should be able to support and influence the performance of employees (Brahmarsi and Agus, 2008). Like the Occupational Safety culture, it should be more important than all the results, procedures, and regulations that are able to bind employees (Anna, 2013) [13] in daily work.

4.2.3 The leadership impact towards job satisfaction

Based on the value of Critical Ratio (CR) in table 1, it obtained for 4.994 > 1.96 with a significance level of 0.000, Leadership has a significant positive effect on Job Satisfaction (Hypothesis 3 is accepted). These findings support Mulyono's research (2013) which mentions that leadership style has an effect on job satisfaction. The main leadership style is transformational and transactional, different leadership style factors have an impact on employee satisfaction components. Employees’ consideration and the transformational style is a strong candidates to improve job satisfaction factors (Hamidifiar, 2010). In another study relating to organizational culture, leadership style, and employee satisfaction at power cable company in Taiwan (Chang, 2003), it states that the transformational leadership style tends to be more acceptable to employees and influences employee satisfaction and innovation levels. the transformational leadership style creates a safe and lenient influence on its followers and improves the level of job satisfaction, as leaders will seek to unite between
organizational goals and the goals of the workers, convincing them to believe that they can manage the masterpiece and motivate them to achieve the goals has been determined in the research Furkan (2012). This is also supported by the study of Dimitrios and Athanasios (2014), the experience of job satisfaction in employees is strongly influenced by the perception of organizational culture and leadership style.

4.2.4 The leadership impact towards employee performance

According to the value of Critical Ratio (CR) in table 1, the result shows $2.116 > 1.96$ with a significance level of $0.034 < 0.05$, it can be seen that leadership has a significant positive effect on employee performance (Hypothesis 4 is accepted). Leadership is a combination of strong traits to inspire others to act and possess skills that can be used to persuade others to accept voluntary direction and goals (Cole, 2005). Leaders are people who can influence the behaviour of others to achieve a goal (Mulyono, 2013), and leadership styles can be felt and enjoyed directly in short time. So that, changes of leadership has a real impact on an organization. According to Blake and Mouton (1964), leadership is the value of production activities and employees that have shown the best results of the work done by employees. Cited from the report of the International Association of Oil and Gas Producers-OGP (2013) [21], the primary objective of leadership must implement an ongoing system by ensuring proper placement and equipment in operation and maintenance process. An operational activity in the Oil and Gas Industry will result in potential hazards to people and the environment, it is therefore essential that management is committed to safety practices, operational performance, and integrity assets of critical equipment well, to prevent workplace accidents. And the best way for a leader is to deliver that commitment through consistent use of capability, competence and workload motivation across all operational activities starting from engineering, and practical engineering descriptions being safe, comfortable and environmentally responsible. With strong leadership, the company succeeded in maintaining a high standard of asset integrity and operational control, besides FA Gunawan et al. (2016: 5) also stated that superior companies need leaders who does not only pursue short-term profits without managing the operations superior.

4.2.5 The motivation impact towards job satisfaction

Based on Critical Ratio (CR) value in table 1, the result shows $4.726 > 1.96$ with significance level of $0.000 < 0.05$, it could be concluded that motivation has a significant positive effect on job satisfaction (accepting hypothesis 5), it mean that employees are well motivated, they will feel the direct influence on job satisfaction. Because, motivation of work is needed by employee to achieve high job satisfaction. Although according to the nature of job satisfaction itself, the amount is very relative or different between one person to another. This is consistent with the motivational theory of Abraham Maslow, asserting that man at his work is motivated by a desire to satisfy some of the needs that exist in a person. The hierarchy of the most basic needs to the complex needs or the highest level, the desire to meet the needs can affect one's behaviour. Only unsatisfied need can drive their behaviour, higher need has function as motivators while lower hierarchy needs are least satisfied (Indriyo and Sudita, 1997: 30). Hasibuan (1996: 5) suggests that motivation is a force as results of one's desire to satisfy his needs. Supported also by Brahmansari and Agus (2008) research, case study at PT Pei Hai International Wiratama and research Hayati and Indra Caniago, (2012) [24] at sharia bank in Bandar Lampung states that motivation has an impact on job satisfaction.

4.2.6 Motivation impact towards employee performance

According to Critical Ratio value (CR) at table 1, the result shows $3.539 > 1.96$ with significance level of $0.000 < 0.05$. It could be concluded that motivation has a significant positive effect on job satisfaction (Hypothesis 6 is accepted). The finding states that the more employees earn positive motivation, the better working performance they will be. This result is supported by a research conducted by Edri (2015) which the setting of the study was the national defence ministry employee. Similar finding is also found during Hayati and Indra research which arrange the research at Muamalat Bank, Mandiri Syariah Bank, BNI Syariah, BRI Syariah, dan Bandar Lampung Syariah Bank. Those all researches state that motivation contribute a direct positive impact toward employee performance. The company vision will be achieved if the motivations of all employees are well maintained within by focusing on the change and development of social and technology. By continuously improving human resource of the company, their ability must be synchronised with latest technology. Thus, the employee ability will be in line with institution desire.

4.2.7 The job satisfaction impact toward employee performance

Based on Critical Ratio (CR) value in table 1, the experiment obtains $2.688 > 1.96$ with significance level of $0.007 < 0.05$. It can be concluded that job satisfaction have an effect on Employee Performance (hypothesis 7 is accepted), it means that job satisfaction will increase employee performance. According to Megginson, Mosley, and Pietri (1982) quoted by Wanda (2005), they suggest that people will experience job
satisfaction when they feel good about their work, and these feelings are often related to the profession and will result in good performance. Besides, Priansa (2016) stated that high job satisfaction will encourage the realization of organizational goals effectively. Because, job satisfaction reflects person’s feeling towards his/her work in (Danang, 2013: 26). This is apparent in the positive / negative attitude of the employee to the work and everything that is faced in the work environment. This is supported by Mulyono's research (2013) at PT Newmont Nusa Tenggara, Brahmasari research, and Agus (2008) [12], state that job satisfaction affects employee performance.

V. Conclusion and Suggestion

5.1 Conclusion

In conclusion, the most of employees in the object of this study agree that occupational safety, leadership, and motivation are very important to increase job satisfaction around company environment. Concerning with the working performance of PT Total devisi Logistic dan Operation support employee, some variables such as leadership, motivation, and job satisfaction of the employees contribute a significant impact toward employee performance. In the other hand, occupational safety culture does not affect employee performances. Because, the effect of OHS needs a very long time to be fully implemented and felt by the employees. The discipline to wear safety tools are mandatory for individual to make sure that their own body is well protected. This indirect effect is different with direct variables such as leadership and motivation whose effects could be felt and implemented directly among the employees.

5.2 Suggestion

To suggest the development of study, addition of another variety of variables would obtain even more interesting result for the study. Another variables that could be added are education, workshop, burnout, company environment, character growing, or career development of the employees.

The instrument of collecting data could be improvised by using email or online questionnaire such as software polling. This method could shorten the duration of data collecting and simplify the filling process. Thus, there will be more questionnaire to be handed back to the researcher and the data will be collected electronically to reduce missing data possibility.

For the company leader, the result of this study is very effective and constructive for the development of their institution. They could improve their policy concerning with the occupational safety culture, leadership, motivation, or job satisfaction. This study is a solid prove that occupational safety culture is a toll to measure the working performance of the employee. This will be a challenge for company to improve their OHS quality.

A suggestion for another researcher is that this study could be a reference for another manuscript that possesses similar topic and model. Furthermore, this study is a good reference for a research using human resource and employee performance factors. Because of the limited exigent variable, there must be another variable added to this study that may effect on employees performances. Thus, the study will be greatly improved by increasing the varieties of the variables.

Reference

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