

Approaching Job Performance through the Mediation of Organizational Culture, Job Satisfaction and Career Development

Wiwik Istyarini¹, Anis Eliyana^{2*}, Ida Ayu Brahmasari³, Andik Matulelessy⁴, Muhammad Ali Ahmad⁵

¹STIE Al Anwar Mojokerto, Indonesia
istyariniwiwik3@gmail.com

²Universitas Airlangga, Indonesia
anis.eliyana@feb.unair.ac.id

³Universitas 17 Agustus 45, Indonesia
brahmasari@untag-sby.ac.id

⁴Universitas 17 Agustus 45, Indonesia
andikmatulelessy@yahoo.com

⁵National College of Business Administration and Economics Lahore, Pakistan
aliahmadbzu@gmail.com

ABSTRACT

The aim of this research is to analyze and prove the effects of organizational culture, entrepreneurial leadership, work stress, and career development on employees' job performance through employees' job satisfaction. This research was conducted in the production division of the state-owned companies (BUMN) in the manufacturing and strategic industries in East Java. The analysis technique is Structural Equation Modeling with statistical program of AMOS 19 as a tool to measure the relationship quality of organizational culture, entrepreneurial leadership, work stress, and career development on employees' job satisfaction and performance.

9 hypothesis formulations which are proved to be statistically accepted are:

- H1: Organizational culture significantly affects job satisfaction,
- H2: Entrepreneurial leadership significantly affects job satisfaction,
- H3: Work stress significantly affects job satisfaction,
- H6: Entrepreneurial leadership significantly affects job performance,
- H7: Work stress significantly affects job performance,
- H9: Job satisfaction significantly affects job performance,

While the rejected hypotheses are:

- H4: Career development significantly affects job satisfaction,
- H5: Organizational culture significantly affects job performance,
- H8: Career development significantly affects job performance

The results of the research indicate that entrepreneurial leadership and work stress affect employees' job satisfaction, in which they have implication on employees' job performance in state-owned companies (BUMN) in East Java. Furthermore, job satisfaction is also affected by organizational culture.

Keywords: Organizational Culture, Entrepreneurial leadership, Work Stress, Career Development, Job Satisfaction, Job Performance, Quality Job

Correspondence:

Anis Eliyana
Universitas Airlangga, Indonesia
Email: anis.eliyana@feb.unair.ac.id

INTRODUCTION

Human resources are the assets which stand as the executors of policy and operational activities. The resources of the company, such as capital, methods, and machines cannot give optimal results without qualified and effective human resources. Human resource potentials as the executors directly involve in the industrial development process. Employees' job

performance includes ways of thinking and energy that are tangible, visible, and countable in creating products with good quality and quantity based on the standards, in order to build people's trust. In this case, it is hoped that state-owned companies can give positive contributions to the government with the resources. Nevertheless, the reality proves differently. Some state-owned companies face loss, as follows:

Table 1: Work and Budget Plan (WBP) Realization of PT. Boma Bisma Indra

	WBP	Realization	Percentage
PASURUAN			
Foundry	5,251	2,337	44.50
Industrial equipment	33,000	10,65732.30	32.30
SUB TOTAL	38,251	12.994	33.97
SURABAYA			
Machinery	190	79	41.58
Project management	100,044	34,153	34.10
Sub Total	100,234	34,232	34.07
TOTAL	138,485	47,226	34.10

Source: Internal Data of PT. Boma Bisma Indra

From the data above, the income of all business units of PT BBI has not met the target in WBP. The smallest realization is from the industrial maintenance with the percentage 32.30% of WBP, followed by MPJ with the percentage 34.7%, and also machinery and foundry with the percentage 41.58% and 44.50%. This condition happened due to the lack of optimum management, and the dual-functions of state-owned companies, that is fulfilling public needs and improving social welfare, which lead the companies to become profit oriented. Besides, manufacturing and strategic industry of state-owned companies are seen as complex problems in this free trade era. Hence, the employees need to be ready in the competition and qualification.

To reach perfect performance, job satisfaction stands as one of the important factors. To have consistent job satisfaction, companies should take care of the employees' working environment and cultural problems as the basis of adaptation and organizational success key (Rashid *et al.*, 2003). However, there are only a few studies which analyse the correlation of organizational culture toward human resource variable, especially employees' performance (Pool, 2000). In an organization, there is a need of leaders who have entrepreneurial spirit that push economic development through good innovation for the products and services, and also support human resource allocation to be more productive (Gupta *et al.*, 2004).

There are some reasons in choosing manufacturing and strategic industry of state-owned companies as the objects in this study: first, there are consistent development programs in the companies for the human resources through integrated human resource management to achieve long-term corporate plan; second, there are income factors, career development systems, recruitment systems, and human resource information systems that show employees' dissatisfaction, work stress, and organizational culture as the predictor of job satisfaction; and last but not least, these companies have an important role in improving national economics.

Based on the background above, the purpose of this study is to analyse and prove:

1. The effect of organizational culture to employees' job satisfaction in manufacturing and strategic industry of state-owned companies in East Java.
2. The effect of entrepreneurial leadership to employees' job satisfaction in manufacturing and strategic industry of state-owned companies in East Java.
3. The effect of work stress to employees' job satisfaction in manufacturing and strategic industry of state-owned companies in East Java.
4. The effect of career development to employees' job satisfaction in manufacturing and strategic industry of state-owned companies in East Java.
5. The effect of organizational culture to employees' performance in manufacturing and strategic industry of state-owned companies in East Java.
6. The effect of entrepreneurial leadership to the employees' performance in manufacturing and strategic industry of state-owned companies in East Java.
7. The effect of work stress to employees' performance in manufacturing and strategic industry of state-owned companies in East Java.
8. The effect of career development to employees' performance in manufacturing and strategic industry of state-owned companies in East Java.

9. The effect of job satisfaction to employees' performance in manufacturing and strategic industry of state-owned companies in East Java.

Theoretical Background

Organizational culture as a part of management study is placed on the value and also behavioral norms (Xenikou & Furnham, 1996). Condition of an organization is affected by working culture in that organization. According to Hofstede (1991), culture is not a concrete behavior or a thing that can be seen and observed by a person. Culture is not a philosophy or value system that can be said or written in organizational statutes, but it is rather an assumption which is placed behind values; it determines individual behavior model to the organizational values, organizational atmosphere, and leadership. An organization with a certain culture gives attraction to the individuals with certain characteristics to join with. Organizational culture is informal and unwritten, but it has an important role as ways of thinking, accepting conditions, and having feelings in the organization.

Furthermore, organizational culture is supported by entrepreneurial leadership: Entrepreneurialship is a dynamic process of vision, change, and creation. It requires an application of energy and passion towards the creation and implementation of new ideas and creative solutions. The essential ingredients include: the willingness to take calculated risks in terms of time, equity, or career; the ability to formulate an effective venture team; the creative skill to marshal the needed resources; the fundamental skill of building a solid business plan; and finally, the vision to recognize opportunity that others see as chaos, contradiction, and confusion.

On the other hand, according to Nasurdin *et al.* (2005), the definition of work stress is an unspecific response of human physics to an increasing demand. Related to work stress, Robbins (2006) divided work stressor into three potential categories, which are environment, organization, and individual. From the organizational stressors, there are five variables of stressors: conflict, blocked career, competition, work overload, and non-conducive working environment.

Career shows that individual employees' development in certain levels can be reached in a certain period of working time in an organization (Robbins, 2006). By some means or other, career development of an individual employee in an organization is not the same from one to another, because it is based on various factors. Central point to develop a career is basically on three things: intellectual ability, leadership, and managerial. Career development is a formal approach done by an organization in order to guarantee employees in that organization to have qualification and ability, and also appropriate experiences when needed (Robbins, 2006).

In the new career management model, a company has a role through organizational career management (OCM). OCM can be defined as activities and organizational opportunities to guarantee the managers and employees to fulfill more needs in the future. OCM practices include career, career path, training activities and development, target development program, internal promotion, formal staffing policy, standard promotion criteria, assessment center, job posting, job matching, career counseling outplacement counseling and mentor-protégé relationship. These practices are conducted correctly with effective costs and with factor considerations such as human resource availabilities, financial condition, top

management values, social economic environment and industry, and company business strategy.

There are many benefits of OCM for the company: 1. Minimize core employee turnover, 2. Support unproductive employee turnover, 3. Evaluate and develop skills to hold an important role in the future, 4. Develop oriented corporate values in general, 5. Maintain continuity, 6. Reduce unhealthy competition, 7. Create positive cooperation image, and 8. Maintain managerial policy.

Every individual's working in an organization normally hopes to get everything that is beneficial and profitable for himself or herself. A view of organizational member to the condition of the working environment, and satisfaction and dissatisfaction feelings to that condition, will affect behavior of that person in working. As stated by Robbins (2006), job satisfaction is a common behavior to a person's job; it is the difference between the amount of results received and what a person hopes to get.

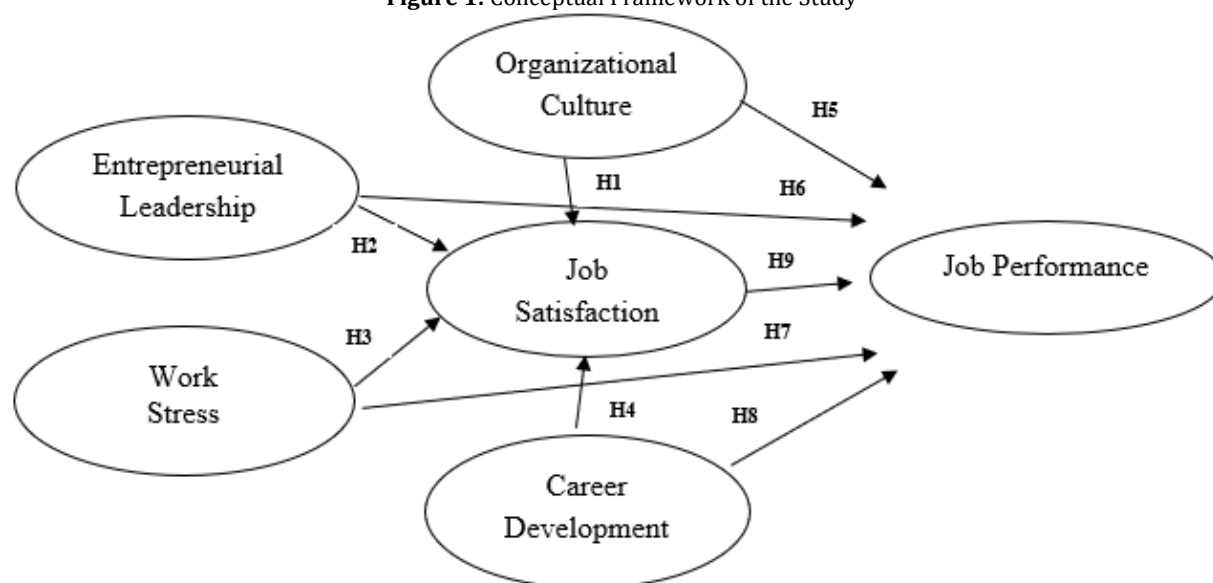
Robbins' statement is an understanding of job satisfaction in general which reflects that job satisfaction is a relationship between an individual with a job and the working environment. Job satisfaction will happen if an

individual love his/her job and the environment, in contrast, job dissatisfaction will happen in an organizational member if he or she does not love his or her job, as stated by Cherrington (1995) as "Job Satisfaction refers basically to how much employees like their jobs".

Celluci and Vries in Mas'ud's (2004) formulated indicators of job satisfaction: salary satisfaction, promotion, co-worker, provider, and the job itself. The organizational success is affected by employees' job performance, so that every company will take effort to improve employees' performance to achieve organizational purpose set. Organizational culture that grows and is maintained well will be able to bring the organization better in development. On the other hand, leadership skills in moving and exploiting employees will affect the performance.

Soedjono (2005) stated that there are 5 criteria used to measure employees' job performance individually: 1. Quality 2. Quantity produced 3. Punctuality 4. Effectiveness in increasing profit and decreasing loss 5. Autonomy 6. Working Commitment 7. Responsibility. Systematically, the conceptual framework of this study is as follows:

Figure 1: Conceptual Framework of the Study



- Hypothesis 1 (H1) : Organizational culture significantly affects job satisfaction
Hypothesis 2 (H2) : Entrepreneurial leadership significantly affects job satisfaction
Hypothesis 3 (H3) : Work stress significantly affects job satisfaction
Hypothesis 4 (H4) : Career development significantly affects job satisfaction
Hypothesis 5 (H5) : Organizational culture significantly affects job performance
Hypothesis 6 (H6) : Entrepreneurial leadership significantly affects job performance
Hypothesis 7 (H7) : Work Stress significantly affects job performance
Hypothesis 8 (H8) : Career Development significantly affects job performance
Hypothesis 9 (H9) : Job Satisfaction significantly affects job performance

METHODOLOGY

This study is an explanatory research to describe whether there are effects of organizational culture, entrepreneurial leadership, work stress, career development, job satisfaction to the employees' job performance. As a research of causal comparative study, it does not only describe the correlation of one variable to another variable, but also analyzes the effects and compares the effects based on the categories (Mudrajad, 2006).

Each of the variables have specific indicators to analyze: organizational culture with management distance, trust between employees, disciplinary, competition, and integration as the indicators (Hofstede, Greet, Bond, 1998; Luk, 1998; Mas'ud, 2004); entrepreneurial leadership with confidence, anticipation, visionary, creativity, strategic thinking, change-orientation, bravery to take risk, continual improvement and effective communication as the indicators; work stress with working environment, working atmosphere, job load, job demand, working hours

and group support as the indicators (Lapidus and Chonko in Mas'ud's, 2004); career development with five dimensions of intellectual skills, leadership skills, managerial skills and job promotion as the indicators; job satisfaction with satisfaction of salary, promotion, co-worker, leader, and the job itself as the indicators; job performance with innovative behaviors, initiative decision, self-potential levels, time management, quantitative and qualitative job achievement and target-oriented skills as the indicators (Bono and Judge, 2003 and Sing *et al.*, 1996).

Measurement scale used to the total population of around 1, 054 employees who work in the production department of state-owned company is Likert with the Interval Raga 1 to 5: Strongly agree (5), Agree (4), Neutral (3), disagree (2), and strongly disagree (1). The sample should be 240 with structural equation modeling (SEM) and the cluster sampling based on the state-owned company area in East Java are PT. BBI, PT. PAL, and PT. Barata. For the second step, purposive and quota sampling is used in this study with the criteria that the employees have worked permanently for more than 3 years. The primary data are from questionnaires and secondary data are from document exploration from manufacturing and strategic industries of state-owned companies.

Convergent validation can be seen from the score of critical ratio. If the score of critical ratio is two times bigger than error standard, then the variable indicators in that model are valid. Analysis discrimination validity is determined from the constraints on the correlation parameter between both constructs which are estimated 1.0 and after that, Chi Square Different test is conducted to

the scores of constraint models which will result as constraint or unconstraint (Anderson & Garbing, 1988 in Ferdinand's, 2002). Reliability analysis measurement is conducted with SEM model (Structural Equation Modeling).

The interpretation of latent construct measurement is based on the significance levels of loading factor or Lambda co-efficiency (λ) which is based on the probability scores (p). It is significant if p is less than or equals with 0.05. After that, to test the complete construct model and significant indicators, regression co-efficiency is used. Significance measurement is based on the scores of probability (p), and imitation limit is that p score is less than or equals 0.05.

Descriptive analysis is intended to find out study distribution results in each variable category. According to the purpose of this study, data analysis is based on SEM model (structural equation modeling) that is a set of statistic techniques that are possible to test a set of complex and simultaneous correlation in data analysis techniques, theoretical model development, and SEM assumption testing (Structural Equation Modeling).

Before data analyzing, structural equation model is used as assumption testing, minimum sample measurement, normality assumption, and outlier evaluation. Model testing is conducted by comparing the scores of Goodness of Fit indices with cut off value. SEM assumption evaluation is conducted during AMOS operation process with the evaluation of Loading Factors and Lambda scores, Regression Weight Estimate, critical ratio coefficient lambda and probability. The results of counting Goodness of Fit index from the structural model are:

Table 2: Scores of Goodness of Fit and Cut Off Value Structural Model

Criteria	Results of Model Testing	Critical Value	Notes
Probabilities χ^2 chi-square	350.126 Prob. 0,000	≥ 0.05	Unfit model
Cmin/df	1.316	≤ 2.00	fit model
RMSEA	0.036	≤ 0.08	fit model
GFI	0.895	≥ 0.90	Unfit model
AGFI	0.872	≥ 0.90	Unfit model
TLI	0.884	≥ 0.90	Unfit model
CFI	0.897	≥ 0.90	Unfit model

Source: Data Processed

The results of calculation show that suitable criteria for the model give inappropriate indexes from what is recommended. The scores of χ^2 are the suitability of indexes which are affected by the amount of sample. For that reason, to find out the suitability of model using GFI, AGFI, TLI dan CFI, all indexes should be below 0.09.

Besides, suitability index of residual basis is that RMSEA score is above recommended limit 0.08 and cmin/df 1.316 which is also above recommended limit 2.00. To correct model suitability, there is a need of modification.

The analysis results of model modification estimation using AMOS 21.0 program are:

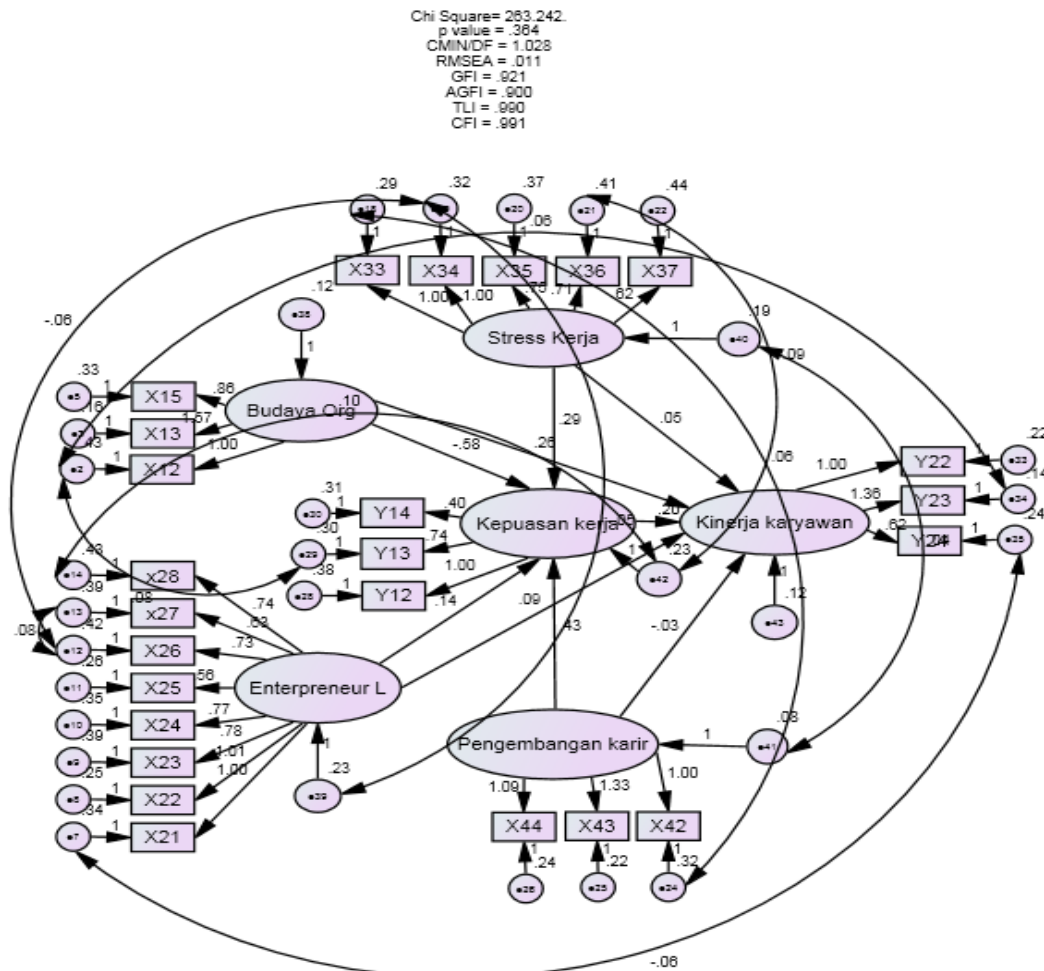


Figure 2: Modification Model

The calculation results of Goodness of Fit indexes from modification model are as follows:

Table 3: The Values of Goodness of fit and cut off value modification model.

Criteria	Model testing results	Critical value	Notes
Probabilities χ^2 chi-square	263.242 Prob.0.364	$\geq 0,05$	Fit model
Cmin/df	1.028	$\leq 2,00$	Fit model
RMSEA	0.011	$\leq 0,08$	Fit model
GFI	0.921	$\geq 0,90$	Fit model
AGFI	0.900	$\geq 0,90$	Fit model
TLI	0.990	$\geq 0,90$	Fit model
CFI	0.991	$\geq 0,90$	Fit model

Source: AMOS 21 Output proceeded

RESULTS

The following is Regression Weight and Standardized Regression Weight structural equation model which is modified:

Table 4: Causality Test of Regression Weight

			Estimation	S.E.	C.R.	P
Job Satisfaction	<---	Organizational Culture	0.578	0.188	3.078	0.002
Job Satisfaction	<---	Entrepreneurial leadership	0.145	0.106	2.363	0.017
Job Satisfaction	<---	Work Stress	-0.291	0.150	-2.491	0.014
Job Satisfaction	<---	Career Development	0.427	0.238	1.179	0.073
Job Performance	<---	Organizational Culture	0.052	0.091	0.571	0.568
Job Performance	<---	Entrepreneurial leadership	0.086	0.071	2.211	0.027
Job Performance	<---	Work Stress	-0.263	0.118	-2.223	0.026
Job Performance	<---	Career Development	0.032	0.156	0.208	0.836
Job Performance	<---	Job Satisfaction	0.197	0.087	2.259	0.024

Source: AMOS 21 Output proceeded

Organizational culture variable significantly affects employees' job satisfaction in manufacturing and strategic industry of state-owned companies in East Java. The research hypothesis is accepted since CR value is 3.078 with the probability $0.002 < 0.05$.

1. Entrepreneurial leadership variable significantly affects employees' job satisfaction in manufacturing and strategic industry of state-owned companies in East Java. The research hypothesis is accepted since CR value is 2.363 with the probability $0.017 < 0.05$.

2. Work stress variable significantly affects employees' job satisfaction in manufacturing and strategic industry of state-owned companies in East Java. The research hypothesis is accepted since CR value is -2.491 with the probability $0.014 < 0.05$.

3. Career development variable insignificantly affects employees' job satisfaction in manufacturing and strategic industry of state-owned companies in East Java. The research hypothesis is rejected since CR value is 1.179 less than 1.96 with the probability $0.073 > 0.05$.

4. Organizational culture variable insignificantly affects employees' job performance in manufacturing and strategic industry of state-owned companies in East Java. The research hypothesis is rejected since CR value is 0.571 less than 1.96 with the probability $0.568 > 0.05$.

5. Entrepreneurial leadership variable significantly affects employees' job performance in manufacturing and strategic industry of state-owned companies in East Java. The research hypothesis is accepted since CR value is 2.211 with the probability $0.027 < 0.05$.

6. Work stress variable significantly affects employees' job performance in manufacturing and strategic industry of state-owned companies in East Java. The research hypothesis is accepted since CR value is -2.273 with the probability $0.026 < 0.05$.

7. Career development variable insignificantly affects employees' job performance in manufacturing and strategic industry of state-owned companies in East Java. The research hypothesis is rejected since CR value is 0.208 less than 1.96 with the probability $0.836 > 0.05$.

8. Job satisfaction variable significantly affects employees' job performance in manufacturing and strategic industry of state-owned companies in East Java. The research hypothesis is accepted since CR value is 2.259 more than 1.96 with the probability $0.024 < 0.05$.

DISCUSSION

This study found that the model connects six variables in the conceptual model i. e. organizational culture, entrepreneurial leadership, work stress, career development, job satisfaction, and job performance. This study eliminates some indicators because they do not fulfill the factor requirements, but the indicators are still able to be used as variable measurement, as follows:

- Organizational culture: professionalism, management distance, co-workers' trust, and competition.
- Entrepreneurial leadership: confidence, anticipation, visionary, creativity, strategic thinking, changed-orientation, risk taker, continual improvement, and effective communication.
- Work stress: working environment, job load, job demand, working hours, and group support
- Career development: intellectual skills, leadership skill, managerial skill, and job promotion.

- Job satisfaction: satisfaction of salary, promotion, co-worker, and leader.

- Job performance: innovative behavior, initiative decision, self-potential level, and time management.

In this study, beside finding out a new model above, it is also found out that there are effects of organizational culture, entrepreneurial leadership, work stress, and career development to job satisfaction and employees' performance in manufacturing and strategic industry of state-owned companies in East Java based on causal regression weight testing results.

The Effects of Organizational Culture to Job Satisfaction

From the descriptive analysis results, it is found out that employees generally have a high level of job satisfaction with the average score 3.99 out of 5. This high level of job satisfaction is supported by job promotion for doing the job well, as a result the employees are satisfied with the promotion and also with co-worker; working atmosphere is very enjoyable because the communication goes well among employees, the leaders fully support the employees' achievements in which it gives positive effects on the employees. Job satisfaction is also pushed by the salary. From SEM analysis (Structural Equation Modeling), it is found out that employees' job satisfaction is affected by organizational culture. This finding are in line with Khan et al. statements (2011) that there is a correlation between organizational culture and job satisfaction.

The Effects of Entrepreneurial Leadership to Job Satisfaction

From the descriptive analysis results, it is found out that employees generally have a high level of job satisfaction with the average score 3.99 out of 5. This high level of job satisfaction is supported by job promotion satisfaction, co-worker satisfaction, leader satisfaction that leaders fully support the employees' achievement and also salary satisfaction. From SEM analysis (Structural Equation Modeling), it is found out that employees' job satisfaction is affected by entrepreneurial leadership.

This finding are in line with Yang's statements (2008) and also support Fransiska's (2014), in which entrepreneurial leadership should be able to influence the employees to do the work until the employees come up with ideas and good performance. A leader should also be able to approach the underlings effectively so that they will feel appreciated and triggered to contribute to the company. Therefore, the role of entrepreneurial leadership is very important in a company as the success key for the company. Leadership is the main power needed to create a change to be better.

The Effects of Work Stress to Job Satisfaction

From the descriptive analysis results, it is found out that generally employees have a high level of job satisfaction with the average score 3.99 out of 5. This high level of job satisfaction is supported by job promotion satisfaction, co-worker satisfaction, leader satisfaction that leaders fully support the employees' achievement and also salary satisfaction. From SEM analysis (Structural Equation Modeling), it is found out that employees' job satisfaction is affected by work stress.

This finding are in line with Coetzee (2010) who proved that work stress has a strong connection with employees' job satisfaction. It is also in line with Robbins statements (2006) that the effect of work stress psychologically can decrease job satisfaction. Robbins (2006) also stated that work stress can cause dissatisfaction. Stress in a dynamic

condition in an individual in facing opportunities, constraints, or demands are related to what is hoped to get; and the results are percept to be uncertain, but important.

The Effects of Career Development to Job Satisfaction

The testing results of SEM Analysis (Structural Equation Modeling) using AMOS 21.0 program show that career development does not affect job satisfaction in manufacturing and strategic industry of state-owned companies in East Java. It means that the research hypothesis stating that career development has a positive effect on employees' job satisfaction in manufacturing and strategic industry of state-owned companies in East Java is rejected.

This finding shows that the results are not in line with what Veithzal Rivai stated (2004) in which it is showed that career development is an important aspect that the management can increase the productivity, improve the employees' behaviors to the job, and build higher level of job satisfaction. Non-linier findings with the previous researches are caused by lack of hoping for career development in state-owned companies, since this development does not give better rights from what the employees expect before in the form of materials and non-materials. In reality, career development is more like career plan execution to improve personality by a person in achieving career plan.

The Effects of Organizational Culture to Employees' Performance

From the descriptive analysis results, it is found out that generally employees have a high level of job satisfaction with the average score 3.99 out of 5. This high level of job satisfaction is supported by job promotion satisfaction, co-worker satisfaction, leader satisfaction that leaders fully support the employees' achievement and also salary satisfaction. From SEM analysis (Structural Equation Modeling), it is found out that employees' performance is affected by organizational culture.

It can be concluded that the testing results with SEM analysis (Structural Equation Modeling) using AMOS 21.0 program show that organizational culture does not affect employees' performance in manufacturing and strategic industry of state-owned companies in East Java. It means that the research hypothesis stating that organizational culture gives positive effects to employees' performance in manufacturing and strategic industry of state-owned companies in East Java is rejected.

This finding is not linier with Ujo's Research (2009) which stated that there are positive and significant effects of organizational culture to employees' performance. For people in Indonesia, there is a lack of organizational culture issue to achieve maximal working behaviors. That is because from time to time, there are no changes in organizational culture. Organization does not really care about creating new values; and there are some weaknesses in process of socializing values to the employees.

The Effects of Entrepreneurial Leadership to Employees' Performance

From the descriptive analysis results, it is found out that generally employees have a high level of job satisfaction with the average score 3.99 out of 5. This high level of job satisfaction is supported by job promotion satisfaction, co-worker satisfaction, leader satisfaction that leaders fully support the employees' achievement and also salary satisfaction. From SEM analysis (Structural Equation

Modeling), it is found out that employees' performance is affected by entrepreneurial leadership.

This finding shows that the results are in line with Yang's Statements (2008) and also support Fransiska's (2014), in which entrepreneurial leadership should be able to influence the employees to do the work until the employees come up with ideas and good performance. A leader should also be able to approach effectively to the underlings so that they will feel appreciated, in fact, indirectly they will give contributions to the company. Therefore, the role of entrepreneurial leadership is very important in a company as the success key for the company. Leadership is the main power needed to create a change to be better.

The Effects of Work Stress to Employees' Performance

From the descriptive analysis results, it is found out that generally employees have a high level of job satisfaction with the average score 3.99 out of 5. This high level of job satisfaction is supported by job promotion satisfaction, co-worker satisfaction, leader satisfaction that leaders fully support the employees' achievement and also salary satisfaction. From SEM analysis (Structural Equation Modeling), it is found out that employees' performance is affected by work stress.

It can be concluded that the testing results of SEM analysis (Structural Equation Modeling) using AMOS 21.0 program show that work stress negatively affects employees' performance in manufacturing and strategic industry of state-owned companies in East Java. This finding is match with Robbin's ideas (2006) stating that there is a direct connection between work stress and performance, in which in a big amount of researches identifies the correlation between work stress and performance (Mas'ud, 2004). If there is no stress, there will also no work challenge, in results, the performance is also decreasing. As the work stress is increasing, the performance is increasing, because work stress helps the employees to fulfill working needs as healthy stimuli to push the employees responding the work challenges.

The Effects of Career Development to Employees' Performance

From the descriptive analysis results, it is found out that generally employees have a high level of job satisfaction with the average score 3.99 out of 5. This high level of job satisfaction is supported by job promotion satisfaction, co-worker satisfaction, leader satisfaction that leaders fully support the employees' achievement and also salary satisfaction. From SEM analysis (Structural Equation Modeling), it is found out that employees' performance is affected by career development.

It can be concluded that the testing results with SEM analysis (Structural Equation Modeling) using AMOS 21.0 program show that career development does not affect employees' performance in manufacturing and strategic industry of state-owned companies in East Java. It means that the research hypothesis stating that career development gives positive effects to job satisfaction in manufacturing and strategic industry of state-owned companies in East Java is rejected.

This finding is linier with Coetzee research (2010) that there are effects of career development to employees' performance, furthermore, this finding is not linier with Appelbaum *et al.* (2002) stating that a company that has a good career development management will improve employees' willingness to participate in development activities and behaviors to develop, and, that will improve the employees' performance. Based on that research, it can

be concluded that good career development for the employees will increase the employees' performance, or in other words, career development significantly affects employees' performance. In the contrary, the finding, that shows that there is no effect of career development to employees' performance in manufacturing and strategic industry of state-owned companies in East Java, is caused by no specific regulations of career development based on the employees' achievement or success and real abilities.

The Effects of Job Satisfaction to Employees' Performance

From the descriptive analysis results, it is found out that generally employees have a high level of job satisfaction with the average score 3.99 out of 5. This high level of job satisfaction is supported by job promotion satisfaction, co-worker satisfaction, leader satisfaction that leaders fully support the employees' achievement and also salary satisfaction. From SEM analysis (Structural Equation Modeling), it is found out that employees' performance is affected by job satisfaction.

This finding is linier with Sangadji's ideas (2013) stating that job satisfaction affects employees' performance, next, employees who are satisfied with the job work harder and better than the employees who are under pressure and unsatisfied with the job. Satisfaction and employees' behaviors are important in identifying behaviors and responses of the work, through these behaviors, effective organization can be reached. Job satisfaction reflects a person's feeling to the job. It can be seen from employees' positive behaviors to the job and everything he or she faces in the working environment.

CONCLUSION

The conclusion for this study is: Organizational culture significantly affects job satisfaction. Thus, the results prove that the first hypothesis in this study is proven or accepted. These relevant and supporting results are in line with Khan et al. research (2011). Entrepreneurial leadership significantly affects to job satisfaction. Thus, the results prove that the second hypothesis in this study is proven or accepted and the results also support Jensen's research (2008). Work stress significantly affects job satisfaction. Thus, the third hypothesis in this study is proven or accepted. These results, observed from the correlation path, are relevant with Robbins' theories (2006). Career development significantly affects job satisfaction. Thus, the results prove that the forth hypothesis in this study is not proven as a truth, so that the results of this study are not linier with Rivai's (2004). Organizational culture significantly affects employees' performance. Thus, the results prove that the fifth hypothesis in this study is not proven as a truth. These results are not linier with Ujo's research (2009). Entrepreneurial leadership significantly affects employees' performance. Thus, these results prove that the sixth hypothesis in this study is proven or accepted. These results are linier with Yang's research (2008) and also support Fransiska's (2014). Work stress significantly affects employees' performance. Thus, these results prove that the seventh hypothesis in this study is proven or accepted. According to Robbins' (2006) stating that there is a direct connection between stress and performance. Career development insignificantly affects employees' performance. Thus, these results prove that the eighth hypothesis in this study is not proven as a truth. These results are not linier with Coetzee's research (2010). Job satisfaction significantly affects employees' performance.

Thus, these results prove that the ninth hypothesis in this study is proven or accepted. These results are linier with Sangadji's research (2013).

Based on the findings, it is recommended for further studies to analyze the results using Goal Setting Theory and put the intrinsic motivation variables to enrich the study regarding human resources and also to add more research sample in state-owned companies.

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