

The Effect of Job Satisfaction, Management Innovation, and Organizational Motivation on Organizational Performance

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Abstract—The aim of this study is to assess the impact of job satisfaction, managerial innovation and organizational motivation on the organizational performance of Riau oil companies in Indonesia in the current digital age. The reliability test was based on Cronbach's Alpha, and a correction factor for the total number of corrected items was used to test the internal consistency of the responses to the questionnaire. The ANOVA test can be used to estimate respondents' perceptions of these factors based on the chosen demographic data. Finally, there is analysis of different regression models to examine the relationship between job satisfaction, innovation management, organizational motivation and organizational performance. The results of the study show that innovation management influences from organizational motivation to organizational performance. The variables of managerial innovation and motivation at work have a positive effect on the variables of organizational performance. This study highlighted the importance of the relationship between job satisfaction, innovation management, organizational motivation and organizational performance in the context of oil companies. This result has important implications for the shipping researchers and professionals. Although the research relationship between job satisfaction, managerial innovation, organizational motivation and organizational performance is conducted in other disciplines, empirical research studies in oil companies are not discussed.

Keywords—*job satisfaction, management innovation, organizational motivation, organizational performance and oil company*

I. INTRODUCTION

One of the challenges facing oil and gas companies (MIGAS) in today's digital age is the ability to assess the impact of job satisfaction, managerial innovation and organizational motivation on the performance of their oil and gas activities. Job satisfaction describes how satisfied an individual is with the job [1]. It is often considered as a pleasant or positive emotional state resulting from the

assessment of work or professional experience [2]. Job satisfaction has to do with the way how people feel about their job and its various aspects [3]. It is closely linked to many organizational phenomena, such as motivation, performance, leadership, attitude, conflict, etc. [1] An earlier study also discovered that internal job characteristics were the most important factors that influenced job satisfaction. This complex phenomenon consists of several factors [1]. These factors include salary, work environment, autonomy, communication and organizational commitment in relationship to managerial innovations [4].

Management innovation refers to various changes in operational management practices and establishes new management practices to enhance organizational performance. It increases the efficiency and effectiveness of internal organizational processes, increase productivity and competitiveness [5-8] In addition, previous research Mol [6] has shown that the introduction of new management practices can help to maintain competitiveness and increase motivation at work.

Work motivation is distinguished by two forms, motivation to work from motivation at work [9]. First it relates to internal factors related to individual participation in observable work settings, the second relates to internal factors related to individual work performance (e.g. performance). Work valence is considered as the main indicator of motivation to work because it refers to the overall assessment of work participation in organizational performance [9].

In organization, performance is a way of measuring efficiency. There is no doubt that setting goals and objectives is the most important organizational objective for achieving performance and improving the overall performance of the organization. Defining and measuring performance is a challenge for researchers, as interest in the organization is often conflicting [10]. A research show that performance is often

used to measure an organization's overall condition and associated policies [11]. Furthermore, organizational performance can be measured by financial and non-financial performance [12].

II. LITERATURE REVISION

The relationship between job satisfaction and organizational performance drew attention and debate. When an organization analyses its performance, it uses job satisfaction as a step. An employee with a positive attitude towards work is satisfied and willing to commit to that commitment, which increases the organization's performance [13]. Under the right conditions, managers meet the needs of employees to increase job satisfaction, therefore they can intensify their efforts to achieve good organizational performance [14]. A research suggests that job satisfaction has a significant positive impact on organizational performance, including financial performance, service and behaviour [12]. Based on the previous literature, this study suggests the first hypothesis:

H1 Job satisfaction has a positive effect on organizational performance.

Managerial innovation plays an important role in increasing the efficiency and effectiveness of internal organizational processes [8]. Managerial innovation is an activity that aims to improve organizational performance, showing a positive correlation between the introduction of new practical management and productivity growth [6]. Although there is little empirical evidence for the relationship between the introduction of innovation management and organizational performance, partnerships, as has been demonstrated in practice, with various leaders in innovation management in their sector. For example, the long-term leader of the automotive it, Toyota, remains dominant in a competitive industry, because its management innovations include just-in-time and target costs [15]. From the previous literature, this study suggests a second hypothesis:

H2 Management innovations have a positive impact on organizational performance

According to Lawler III EE [16], the relationship between organizations and employees is not just focused on the task itself, but they should take the initiative to develop an effective motivation system that can increase employee motivation for their work. This, in turn, helps to improve efficiency and quality of work and allows companies to achieve their performance results. Ojeda et al [17] uses salary increases as a motivational tool to determine that they are effective in motivating employees and improving organizational performance. The flexibility of wage increases has also had a positive impact. A research from Ojeda et al [18] examined the impact of motivation on individuals and their contribution to organizational performance, concluding that organizations need to define clear strategies for combining performance and rewards. A research also found that monetary incentives are important factors in employee motivation and job performance

that contribute significantly to the return to organizational performance [19]. This study suggests a third hypothesis:

H3 Organizational motivation has a positive effect on organizational performance.

III. METHODS

This research refers to research that has been done by Pang an Lu [20]. The design of this study examines the effect of job satisfaction (job satisfaction), management innovation (Innovation management), organizational motivation (motivation organization) to organizational performance (organizational performance) at the company's oil and gas (Gas) in Riau, Indonesia.

Dependent variable (Organizational Performance) and independent variables (Job's satisfaction, management innovation, and organizational motivation) in this study is measured by using an interval scale, and assessment of respondents' answers do with scale Likert, from 1 to 5, where (1) very unsatisfactory (2) unsatisfactory (3) mediocre (4) satisfying (5) very satisfying. The dependent variable in this study is organizational performance and independent variables are job satisfaction, management innovation, and organizational motivation. Data obtained using structured questionnaire. The minimum number of samples in this study was 100 respondents, namely employees in one of the Oil and Gas companies in Riau, Indonesia.

Instrument testing is done by testing the validity and reliability. Validity test is a test that is used to assess the validity of a questionnaire in assessing an aspect of research. This test uses factor analysis, which assesses each question or indicator of each variable can confirm a variable / factor. Factor analysis is used to test whether the question items or indicators of each variable used can confirm a factor / construct / variable. Questions that have a measuring indicator have a high loading factor based on the large number of samples [21]. Reliability is the consistency of the measurement results relative who performed more than once and is an index that shows the confidence of a measuring instrument for reliable [22].

IV. RESULTS AND DISCUSSION

This study aims to evaluate the effect of Job Satisfaction, Management Innovation, Organizational Motivation on Organizational Performance. The results of data processing use SEM (structural equation modeling). Before the test the hypothesis, first we do testing of goodness-of-fits the model to determine whether the data used in accordance with the model. Based on the results of the RMR, GFI and Baseline Comparisons show in table 1 and 2, it was concluded that the goodness-of-fits model.

TABLE I. GODNESS-OF-FITS TABLE RMR, GFI

Model	RMR	GFI	AGFI	PGFI
Default Model	.026	.703	.561	.476
Saturated Model	.000	1.000		
Independence Model	.139	.198	.075	.172

TABLE II. BASELINE COMPARISONS

Model	NFI Dental	RFI rhol	IFI Delta 2	TLI rho2	CFI
Default Model	.712	.631	.752	.677	.748
Saturated Model	1.000		1.000		1.000
Independence Model	.000	.000	.000	.000	.000

In SEM results. There are variables that have been tested. Like Organizational performance, job satisfaction, management innovation and organizational motivation. The following SEM results have been received in the yellow line:

TABLE III. SEM REGRESSION WEIGHTS TABLE

	Estimate	SE	CR	P	Label
OP ← JS	-.946	-.428	2.208	.027	
OP ← MI	886	646	1.372	170	
OP ← OM	1.533	809	1.896	058	
KH ← JS	1.000	-	-	-	
PS ← JS	.716	.076	9.380	-	
BK ← JS	.892	.087	10.285	-	
VK ← JS	.695	.103	6.763	-	
SP ← JS	.734	.064	11.441	-	
PM ← MI	1.000	-	-	-	
SM ← MI	1.367	.230	5.952	-	
TM ← MI	1.927	.263	7.333	-	
TK ← OM	1.000	-	-	-	
PK ← OM	1.231	.226	5.457	-	
KK ← OM	.940	.195	4.821	-	
LK ← OM	1.974	.317	6.222	-	
PF ← OP	1.000	-	-	-	
PNF ← OP	1.556	.239	6.509	-	

Based on the table 3 of hypothesis testing, there is a positive influence on the variable MI (Management Innovation) against OP (Organizational Performance) and OM (Organizational Motivation) variable against OP (Organizational Performance). But for the variable JS (Job Satisfaction) to OP (Organizational Performance), does not have a positive effect.

The results of the research data conclude that the first hypothesis (H1) Job satisfaction has a positive effect on organizational performance, is not proven because based on the results of research data in the SEM table, it didn't get a yellow line on its result, indicating that Job satisfaction has no positive effect on organizational performance. It can be concluded that research from Shiu and Yu [12] is not supported and not proven.

Second hypothesis (H2), Management innovation has a positive effect on organizational performance, is proven because based on the results of research data in the SEM table, it got a yellow line on its result, indicating that Job satisfaction has positive effect on organizational performance. The research

from Walker and Mol [8] is supported and proven based on the result of hypothesis testing.

And the last hypothesis (H3) Organizational motivation has positive effects on organizational performance, is proven because based on the results of research data in the SEM table, it got a yellow line on its result, indicating that Job satisfaction has positive effect on organizational performance. It makes a research from Lawler III EE [16] supported and proven.

V. CONCLUSION

The results showed that the Management innovation and Organizational motivation have a positive effect on Organizational performance. But there is no positive effect of Job satisfaction on Organizational performance. The reason of no positive effect of job satisfaction on Organizational performance is because there's a bad environment in the working area. The hot climate affects the employee who work outside the building. The climate in Riau is too hot and can cause employees who work in the field to be uncomfortable and disrupt their performance at their company. In the digital era, Management innovation and Organizational motivation have more important effects on Organizational performance because varied innovations and employee's motivation based on the modern digital era that make a tasks easier to completed will improve an organizational performance.

By knowing the effects of job satisfaction, management innovation and organizational motivation on organizational performance in oil and gas companies (MIGAS), it can help companies improve the performance or performance of their companies so they can compete in today's sustainable digital era. Companies that tend to have good management innovation and organizational motivation will have a positive effect on organizational performance so that it will increase profits in the Oil and Gas company.

Companies must be able to help improve organizational performance in order to increase the effectiveness and efficiency of internal organizational processes, increase productivity and increase competitiveness in the digital age. Company could adopt management practices with innovative new effort to improve performance within the organization. And provide more rewards or rewards to motivate employees to be more active and enthusiastic about working.

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