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ETHICAL VALUES, ORGANIZATIONAL CULTURE AND JOB SATISFACTION EFFECT TOWARDS THE QUALITY OF SERVICE IN INFORMATION TECHNOLOGY COMPANY

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ABSTRACT

The primary drive of ethical value and organizational culture in a company is how to generate a strong foundation in which employees could have a decisive stand point when it comes to the job satisfactions in the organization. Therefore, a company that has a specific value and culture can nurture the positive job satisfaction inside the organization; thus the company will also be able to diminish the loss of negative performance while trying to grow the Quality of Service inside the company. This study will discuss the correlation between ethical values and organizational culture that are affecting employee's job satisfaction which in the end resulted in the quality of service. From the study, it showed that ethical values has a significant, positive and robust effect towards job satisfaction, employees value organizations which morale is high and it boosts workplace ethics, when employees are satisfied they present in their best for the organization.

INTRODUCTION

The primary drive of ethical value and organizational culture in a company is how to generate a strong foundation in which employees could have a decisive standpoint when it comes to the job satisfactions in the organization. Therefore, a company that has a specific value and culture can nurture the positive job satisfaction inside the organization; thus the company will also be able to diminish the loss of negative performance while trying to grow the quality of service inside the company.

This value would take a positive impact towards the company's future generation and guarantee the sustainable growth if applied within a specific

culture. Overall, the link between ethical value and organizational culture is theoretically strong towards the job satisfaction, consequently resulted in extraordinary performance to the quality of service in the company. If a company can balance all four of these variables, then it indicates that the company will be able to improve the overall performance within the company as it is directly linked with how the employees are performing their day to day job. If the culture is absolute, it can cause an increasing value of the performance, thus causing a sustainability performance for the future.

The company used in this research is a leading systems integrator, independent and locally owned company, their business focus on finding the solution that meets the client's business requirement through the design, development, maintenance and deployment of IT based services which included but not limited to the IP based security systems, network infrastructure and cloud networking. Established in Tangerang Selatan and emerges as one of the leaders in the deployment of system technologies including business applications, blueprint, data center, cloud computing, structured cabling, GPON (Gigabit Passive Optical Networks), wireless infrastructure, telephone services, and security systems integration.

Problem Formulation

In this competitive and unpredictable world of IT Business, IT company will always try to keep and enhance their place as a leader to the business, and this is where employees play an essential role in the business, a high quality services will maximize customer loyalty, gain higher market share, higher profitability, and finally customer satisfaction which is the ultimate goal of these companies. Companies may reach these long-term and short-term goals with satisfied employees. It implies organizations that desire to improve their customer satisfaction must have concerned with internal issues related to employees satisfaction and view their employees as customer too (Harter, Schmidt, & Hayes, 2002; Wangenheim, Evanschitzky, & Wunderlich, 2007). Therefore, in the IT Company, it is essential to nurture its workers and its clients, a satisfied client could only be terminated from the best service that an IT company employees served. There is a common belief that an IT job is just programming skills, while only half of it is right. In fact, it is an art of communication between the user and the maker on what they need and what can be arranged to achieve it; and that is why a happy client could only have resulted from a satisfied employees.

Based on the background that has been constructed, the focus of this paper would be associated with Quality of Service in IT Company. The fundamental objective of this study was to determine the level of Ethical Value and Organizational Culture which may affect Job Satisfaction, thus resulted in the level of Quality of Service in IT Company.

LITERATURE REVIEW

This study will discuss the correlation between ethical values and organizational culture that are affecting employee's job satisfaction which in the end resulted in the quality of service. Ethics can be described as a set of principles that contains behavioral codes to determine what is right or wrong, in conceptualizing ethics as a field of study one rationalizes what actions are right or wrong and assesses whether they are just or fair from different perspectives in the eyes of an individual, organizational or societal levels

(Khalidah, Rohani, & Mashitah, 2014). According to Daft, Murphy, and Willmott (2014), Ethical values are now considered among the most important.

Corporate accounting scandals, allegations that top managers of some organizations made personal use of company funds, and charges of insider trading have blanketed the media in recent years. One conclusion we can draw is that ethics do denote not only moral appeals but also moral action (Küng, 2013). Ethical values do not focus solely on the ethics of the employees to decide whether it's good or bad; it is rather to whatever decision they make, which is the result in positive or negative consequence. Ethical value explains the decision makings of each employee, and what impact caused to the company, whether it's good or bad, there will always be an impact.

According to Hofstede, Organizational culture is defined as the way in which members of an organization relate to each other, their work and the outside world in comparison to other organizations. It can either enable or hinder an organization's strategy (Hofstede Insight, 2017). Organizational culture is the set of values, norms, guiding beliefs and understandings that are shared by members of an organization and taught to new members. It represents the mostly unwritten, feeling part of the organization.

Everyone participates in culture, but culture generally goes un-noticed. It is often only when organizations try to implement new strategies or programs that go against basic cultural norms and values that they come face to face with the power of culture (Daft et al., 2014). Culture is important because it comprises a powerful, latent, and often unconscious set of forces that determine both individual and collective behaviors, ways of perceiving, thought patterns, and values. In particular, Organizational culture is important because cultural elements determine organizations' strategies, goals, and modes of operating (Schein, 1999). Due to its effects and potential impact on organizational success, Organizational culture has received much attention in the last two decades. Organizational change may include changes in employees' attitudes, technology, performance, management, or infrastructure. One major issue in organizational change is determining the types of corporate culture that favor organizational change (Rahman, Kamarulzaman, & Sambasivan, 2013).

Luthans (2011) once said that job satisfaction is a happy or emotional state, a positive emotion that comes from a person when scoring a job or when they get a satisfying experience that is resulted from the perception of employees about how good their work is appreciated. Meanwhile, according to Robbins and Coulter (2018) job satisfaction is the public attitude towards his work individually, whereas those who work will be disillusionment with negative. Another definition from Robbins and Judge (2015) explained that job satisfaction as a positive feeling about work given that this person had understood their characteristics and realize what has made them feel motivated. Rivai and Sagala (2011) also explained that the sense of job satisfaction is an evaluation which describes someone over his feeling of happy or not happy, satisfied or not satisfied in their work.

According to Jordan, Turner, Fink, and Pastore (2007), Diener (2000) on Firoozi (2017) one of the essential psychological characteristics of an individual that can affect their job performance is the drive to act; one type

of such drive is job satisfaction. Job satisfaction is the attitudes or interpretations of the employees towards the job, the working surroundings and more generally to the open reaction of the individual to the distinct role. Following Masrurah, Nursanti, and Irvianti (2016) job satisfaction is defined as one's affective attachment to the job viewed either it is entirety (global satisfaction) or concerning a particular aspect (facet satisfaction) (Tett & Mayer, 1993). Greenberg and Baron (2000) pronounced job satisfaction as a person's positive or negative feeling about their job. Based on the conclusion of the theory above demonstrates that job satisfaction states out the satisfying feeling that is expressed within their job desk and their relief of being emotionally attached to their job.

While according to Goveas (2011), service quality refers to the level of quality of service, i.e., the guaranteed quality of service. High quality of service is a high level of performance or achieved quality of service. It is imperative to ensure that the workforce is well motivated and efficient to achieve excellence in the class. Quality of service is a critical factor for the success of any organization, quality of service would mean a high level of communication between the organization and its customers. Customers demand comprehensive information delivered in a timely fashion. By doing so, the organization demonstrates respect and caring for its customers.

Conceptual Framework

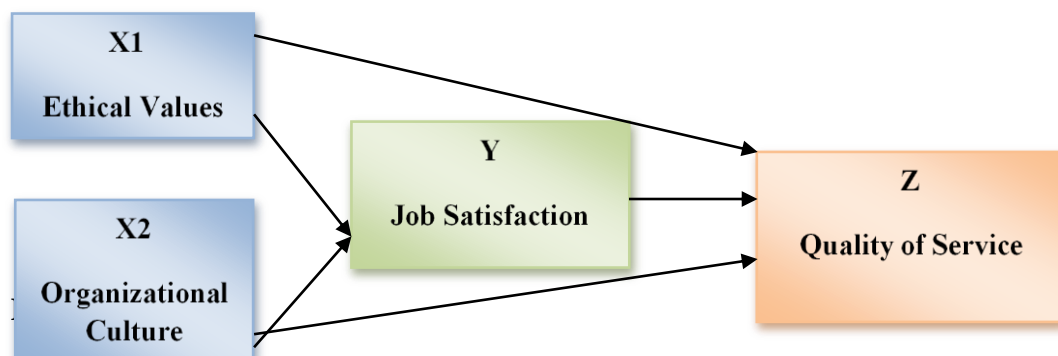


Figure 1. Conceptual Framework

Based on arguments and findings of the previous research and also from the theoretical framework above, the following hypothesis is formulated using previous research:

H1: Ethical Value does influence Job Satisfaction

H2: Organizational Culture does influence Job Satisfaction

H3: Job Satisfaction does have a significant impact to the Quality of Service

H4: Ethical Value has a direct influence to the Quality of Service

H5: Organizational Culture has a direct influence to the Quality of Service

MATERIALS AND METHODS

This study is an associative type of research, which intended to find the relationship between independent variable with the dependent variable, and also the mediating variable. The research unit would be the employee of PT. XYZ as a sample of IT Company. The time horizon used is cross

sectional, which means that the information is gathered only once over a certain specified period.

The questionnaires were given to PT. XYZ employees; these questionnaires were given towards the 101 respondents. The respondents' profiles were divided into 3 point of view:

Respondents Profile based on Gender

Based on the questionnaire, the profile of respondent sample comprised of 55.45% men and 44.55% women;

Table 1.

Respondent Profile Based on Gender

Characteristic	Respondent	Percentage
Gender	Men	56
	Women	45
	Total	101
		100%

Respondents Profile based on Age

Based on the questionnaire, Respondent profile based on age, illustrate in table 2 as follows:

Table 2.

Respondent profile based on Age

Characteristic	Respondent	Percentage
Age	21 – 30	21
		20.8%
	31 – 40	39
		38.6%
	41 – 50	41
		40.6%
	Total	101
		100.00%

Respondents Profile based on Education Level

Based on employee education level, 9.9% are High School Graduates, 12.87% has Diploma 37.62% are Undergraduates, 29.7% has Master Degree and 9.9% has Doctoral Degree.

Table 3.

Respondent profile based on education level

Characteristic	Respondent	Percentage
Education Level	High School	10
		9.9%
	Diploma	13
		12.88%
	Undergraduates	38
		37.62%
	Master Degree	30
		29.7%
	Doctoral Degree	10
		9.9%
	TOTAL	101
		100.00%

Analysis Method

In this research, the analysis begins by gathering the data with questionnaires using a Likert scale, then test the validity, reliability and normalization. The data gathered are analyzed using SPSS to answer the

intentions of the research, using correlation, and path analysis. This testing was performed using Coefficient Correlation.

RESULTS AND DISCUSSIONS

Descriptive Statistics

Descriptive statistics illustrate the description of the data used to generate the regression equation. In part of the descriptive statistics, the value of the minimum, maximum, mean and standard deviation will be shown.

The average value of Culture variable is 39.64 and the value of Standard Deviation is 1.80. The average value of variable Ethical Value is 30.72 and the value of standard deviation is 1.42. The average value of variable Job Satisfaction is 34.34 and the value of standard deviation is 1.27. The average value of variable Quality of Service 35.94 and the value of Standard Deviation is 1.31.

Validity Test

Validity testing is used to measure whether a questionnaire is legal or valid. The higher the validity of a measuring instrument, the more precise the measurement tool on target.

Testing the validity of the study is to correlate the scores grains questions with a total score of constructs or variables exist. Correlation tests were done using "*Pearson Correlation*." The basic decision making by comparing the value of significance level of significant (5%) are as follow:

- If $r_{\text{count}} \geq 0.2$, then the data is valid.
- If $r_{\text{count}} < 0.2$, then the data is invalid

According to the requirement, all questions are valid because the r_{count} of each item is greater than 0.2 and therefore can proceed to the next step of calculation.

Correlation

Correlation analysis aims to see whether or not a linear relationship exists between two variables and measure it while also measuring the relationship between them. The criteria for the strength of correlation between the two variables are described below:

Based on the result, the significance of the correlation between the Ethical Value and Job Satisfaction is 0.00, which is worth less than the 5% significance level (0.05); hence it means that there is a significant relationship between Ethical Value and Job Satisfaction. Further evidence that indicates the positive correlation is the Pearson Correlation value of 0.61 that is classified as strong. Values marked positive correlation coefficient indicates that the relationship between the variables, which are Ethical Value and Job Satisfaction, have a direct correlation.

The significance of the correlation between the Organizational Culture with Job Satisfaction is 0.00, making it less than the significance level of 5% (0.05), which means there is a significant relationship between Organizational Culture with Job Satisfaction. Furthermore, it has a positive correlation value amounted to 0.55 belonging to the category of considerably strong. Values marked positive correlation coefficient indicates that the relationship between the variables of Organizational Culture with Job Satisfaction has a direct correlation.

Lastly, it can be seen that the significance of the correlation between Job Satisfaction with Quality of Service is 0.00, which is worth less than the significance level of 5% (0.05), it shows that there is a significant relationship between Job Satisfaction with Quality of Service. It also has a positive correlation with a Pearson Correlation value of 0.83, and it is classified as strong. Values marked positive Correlation Coefficient indicates that the relationship between the variables Job Satisfaction with Quality of Service have a direct correlation.

Table 4: *Summary of Path Coefficient*

Variable	Path Coefficient	Influence		Accumulated Influence
		Direct	Total	
X1 towards Y	0.44	0.44	0.44	-
X2 towards Y	0.52	0.52	0.52	-
X1 towards Z	0.50	0.50	0.50	-
X2 towards Z	0.45	0.45	0.45	-
Y towards Z	0.88	0.88	0.88	-
X1 and X2 towards Y	-	-	-	0.56
X1,X2 and Y towards Z	-	-	-	0.77
δ_1	0.66	0.66	0.66	-
δ_2	0.47	0.47	0.47	-

The table above gives details regarding the influence of Ethical Value and Organizational Culture towards Job Satisfaction as well as their impact on Quality of Service results. Ethical Value (X1) directly affects Job Satisfaction (Y) amounting to 0.44 or 43.8%. Organizational Culture (X2) directly affects Job Satisfaction (Y) of 0.52 or 51.7%. The direct influence of Ethical Value (X1), and Organizational Culture (X2) simultaneously towards Job Satisfaction (Y) is of 0.56 or account for 56%. Ethical Value (X1) directly affects Quality of Service (Z) of 0.49 or 49.6%. While the Ethical Value (X1) indirectly affect Quality of Service (Z) through Job Satisfaction (Y) of 0.39 or 38.5% with a total of 0.88 or 88.1%. For Ethical Value variables (X1) towards Quality of Service (Z) indicates that directly influence greater than influence indirectly. This means if the quality objectives, the curriculum, the means, the participants, and the implementation of an Ethical Value then the achievement of improved Quality of Service will be higher. Organizational Culture (X2) directly affects Quality of Service (Z) of 0.45 or 45%. While the Organizational Culture (X2) indirectly affect Quality of Service (Z) through Job Satisfaction (Y) with a total of 0.52 or 52%. For variables of Organizational Culture (X2) for Quality of Service (Z) indicates that directly influence greater than influence indirectly. This means that if the process of Organizational Culture is increased then the achievement of Quality of Service will be higher. Job Satisfaction (Y) directly affects Quality of Service (Z) of 0.88 or 88%. This means if job satisfaction can be improved, then the Quality of Service will be higher. Last but not least, the direct

influence of Ethical Value (X1), Organizational Culture (X2), and Job Satisfaction (Y) simultaneously towards Quality of Service is of 0.77 or 77.5%.

CONCLUSIONS

This study discusses the relationship between Ethical Values and Organizational Culture with Job Satisfaction and its Impact towards the Quality of Service of PT. XYZ and based on the research results, it can be concluded that:

Ethical Values has a significant, positive and strong effect towards job satisfaction, employees value organizations which morale is high and it boosts workplace ethics, when employees are satisfied they give in their best for the organization. Ethical Values might be one of the factors that would increase the level of Job Satisfaction in PT. XYZ

Based on the results it demonstrates that Organizational Culture has a significant positive and considerably strong influence towards Job Satisfaction, Organizational Cultures were significantly (positively) correlated with Leadership behavior and Job Satisfaction. However it's only contributed as a small section from the whole big part which might influence to its Quality of Service in PT. XYZ.

This study ascertained that Job Satisfaction has a meaningful, significant, positive and direct influence impact towards Quality of Service, as pointed out that it can only be earned when organizations take care of their excellence in their employees and in their products. It is concluded that an employee who are satisfied with their job can be fair and honest to his customers and bring about the Quality of Service in Organization. Based on the conclusion it points out that Job Satisfaction contributed as a big impact towards the Quality of Service in PT. XYZ.

Ethical Value influences its Quality of Service; this again brings about a positive correlation between Quality of Service and Ethical Value in employees. It is seen that there is definitely a positive relation between Quality of Service provided by any organization and its employees in accordance with Ethical Values. However, it is best if it goes through the mediating variable of Job Satisfaction which has a more significant impact towards the Quality of Service of PT. XYZ.

The results proves that Organizational Culture has a significant and considerably strong impact towards Quality of Service, which can fuel or weaken the effectiveness of the organization, this is subject to the nature of values, beliefs, and norm. It is, therefore, necessary for higher level managers to not only anchor in the short term activities, as they may leave remaining large part of company resources and reduce its long-term competitiveness. Culture management is generally a frame, a reference system which significantly shape the perception on what the managers have on the environment, perception is revealed in every decision and actions that they made. From the explanation above it proves that there is a significant impact on Organizational Culture towards Quality of Service. but it would be better if it goes through the mediating variable of Job Satisfaction which includes a more substantial effect towards the Quality of Service of PT. XYZ.

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