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# **ORGANIZATIONAL CULTURE, WORK ENVIRONMENT, AND SELF-EFFICACY TO GEN Z'S JOB SATISFACTION**

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## **ABSTRACT**

*Human resources are needed to carry out daily activities, such as engaging in interactions and communication within a community (work environment, organization, and other activities). Based on previous research, there are still differences in research findings. This study aims to find the effect of organizational culture, work environment, and self-efficacy on Gen Z's job satisfaction. Data was collected using a questionnaire with a Google Form which was distributed via social media. The total number of respondents of this study is 130, domiciled in Jakarta with the aged around 18-25 years and have at least worked for 1 year. The data were examined using the SmartPLS 4.0 application. The results of the study show through hypothesis testing that all the independent variables have a positive and significant effect on Gen Z's job satisfaction.*

**Keywords:** *Organizational culture, work environment, self-efficacy, job satisfaction*

## **1. INTRODUCTION**

Humans can be considered social beings because they engage in reciprocal activities and interact with other humans in their daily lives. Generally, humans start interacting even while they are still in the mother's womb. This is said because a mother often experiences interactions or movements from the unborn baby in the womb. Family is the first environment in which humans grow and learn how to interact, especially with other family members, primarily parents.

Interactions among humans are referred to as social activities or socialization. Meanwhile, a group of humans is called a community. Human communities with shared goals will create an organization, such as a group of people working together, like a neighborhood community, charity organizations, labor unions, or companies (Aurellia, 2022).

Over time, these communities will continue to generate new generations, one of which is "Generation Z," which has been discussed in recent years. Generation Z consists of individuals born between 1997 and 2012, with a maximum age limit of 25 years. Generation Z is estimated to represent around 27 percent (27%) of the global workforce in 2025 (BPS, 2021). It is said that Generation Z is the first digital generation that cannot function without the internet, consisting of confident digital natives (Kompas, 2022).

Generation Z possesses distinct characteristics compared to other generations. Their characteristics include a fondness for technology, flexibility, higher intelligence, and tolerance for cultural differences. Generation Z is also known for being open-minded but inclined towards instant culture and less sensitive to privacy concerns. Internet and technology are familiar to Generation Z, and they use social media as a means to express all their experiences, making it a global communication medium (Aeni, 2022).

This undoubtedly makes Generation Z vulnerable to conflicts due to their openness in using social media. Organizational culture and work environment are practical determinants of job satisfaction for Generation Z. Self-efficacy also plays an important role in improving job satisfaction among Generation Z towards a better direction.

Job satisfaction is a feeling that supports or does not support an employee related to their job and their self-condition (Mangkunegara, 2013). Several factors influence job satisfaction. Research conducted by Pawirosumarto, Sarjana, and Gunawan (2017) shows that job satisfaction can be positively and significantly influenced by the work environment, leadership style, and organizational culture, but it does not have an effect on employee performance. Meanwhile, research by Dameria and Ekawati (2022) states that organizational culture and work environment have a positive and significant impact on job satisfaction. Research by Lestari et al. (2020) states that job satisfaction can be positively and significantly influenced by self-efficacy and the work environment. Research by Sumaila and Rossanty (2022) reveals that self-efficacy and organizational culture can positively and significantly influence job satisfaction. Research by Saripuddin (2017), Susetyo, Kusmaningtyas, and Tjahjono (2014) shows that the work environment and organizational culture can positively and significantly affect job satisfaction. Research by Indriyani, Kusniawati, and Kader (2021) states that self-esteem and self-efficacy can positively and significantly influence job satisfaction. Research by Juwaini et al. (2021) states that work motivation has a positive but not significant impact, organizational culture has a negative and significant impact, and leadership has a positive and significant impact on job satisfaction, but job satisfaction does not affect performance. Furthermore, research by Putri and Wibawa (2016) states that self-efficacy and work motivation have a positive and significant impact on job satisfaction. Research by Sugianto and Turangan (2021) states that leadership, motivation, and organizational culture have a positive and significant impact on job satisfaction. Employee empowerment and self-efficacy can also have a positive and significant impact on job satisfaction, but goal-setting programs do not affect job satisfaction (Sitinjak & Adiputra, 2022).

Organizational culture is essentially the core values of an organization that serves as the foundation for the attitudes, behaviors, and actions of all members of the organization (Wardiah, 2016).

Research by Pawirosumarto, Sarjana, and Gunawan (2017) states that organizational culture has a positive and significant impact on job satisfaction. Several other studies, such as research by Dameria and Ekawati (2022), Sumaila and Rossanty (2022), Saripuddin (2017), Susetyo, Kusmaningtyas, and Tjahjono (2014), and Sugianto and Turangan (2021), conclude that the influence of organizational culture on job satisfaction is positive and significant. However, there is a discrepancy in the results of the study by Juwaini et al. (2021), which states that organizational culture has a negative but significant impact on job satisfaction.

The work environment plays a crucial role in employees' obligations, where a pleasant atmosphere, satisfaction, and comfort can influence improved performance (Saripuddin, 2017).

Research by Pawirosumarto, Sarjana, and Gunawan (2017) states that the work environment has a positive and significant impact on job satisfaction. Several other studies, such as research by Lestari et al. (2020), Dameria and Ekawati (2022), Saripuddin (2017), Susetyo, Kusmaningtyas, and Tjahjono (2014), conclude that the influence of the work environment on job satisfaction is positive and significant.

Self-efficacy is an individual's belief in their ability to carry out and manage every activity to achieve optimal performance (Kartika et al., 2018).

Research by Sumaila and Rossanty (2022) states that self-efficacy has a positive and significant impact on job satisfaction. Several other studies, such as research by Indriyani, Kusniawati, and Kader (2021), Putri and Wibawa (2016), and Sitingjak and Adiputra (2022), conclude that the influence of self-efficacy on job satisfaction is positive and significant. Self-efficacy partially has a positive and significant impact on job satisfaction (Lestari et al., 2020).

## **2. RESEARCH METHOD**

This research utilizes 130 samples of residents in Jakarta aged 18 to 25 years old who have been working for one year. The sample size in this study was determined based on Roscoe's theory, where a good sample size ranges from 30 to 500 respondents ( $30 \leq \text{respondents} \leq 500$ ) (Sekaran & Bougie, 2013). The collected data will then be analyzed using the Partial Least Square-Structural Equation Modeling (PLS-SEM) approach with the SmartPLS 4.0 software. This research involves data analysis, including tests for validity and reliability, determination coefficient ( $R^2$ ), effect size ( $f^2$ ), predictive relevance ( $Q^2$ ), Goodness of Fit (GoF), and hypothesis testing.

The research instrument in this study uses a questionnaire for data collection. The measurement scale used in this research is ordinal, in the form of a Likert scale, to measure agreement or disagreement by respondents with questionnaire questions, divided into five score categories: 1 = strongly disagree, 2 = disagree, 3 = neutral, 4 = agree, 5 = strongly agree.

## **3. RESULT AND DISCUSSION**

### **Validity Analysis**

This research employs the Structural Equation Modeling (SEM) technique in the analysis of validity, which comprises convergent validity (Average Variance Extracted (AVE) and outer loadings) and discriminant validity (Fornell-Larcker criterion and cross-loading).

Based on the validity analysis results in Table 1, it is indicated that each research variable is valid. The Average Variance Extracted (AVE) results are greater than 0.50 ( $> 0.50$ ). The organizational culture variable has an AVE value of 0.553; the work environment is 0.667; self-efficacy is 0.761, and job satisfaction is 0.619.

**Table 1.** Average Variance Extracted

<b>Variable</b>	<b>Average Variance Extracted (AVE)</b>
Organizational Culture	0.553
Work Environment	0.667
Self-Efficacy	0.761
Job Satisfaction	0.619

The validity analysis results in Table 2 indicate that each research variable is valid. The outer loading results are greater than 0.50 ( $> 0.50$ ).

**Table 2.** Outer Loadings

	<i>Outer Loadings</i>
OC1 $\leftarrow$ OC	0.821
OC2 $\leftarrow$ OC	0.816
OC3 $\leftarrow$ OC	0.505
OC4 $\leftarrow$ OC	0.784
WE1 $\leftarrow$ WE	0.864
WE2 $\leftarrow$ WE	0.853
WE3 $\leftarrow$ WE	0.757
WE4 $\leftarrow$ WE	0.789
SE1 $\leftarrow$ SE	0.830
SE2 $\leftarrow$ SE	0.878
SE3 $\leftarrow$ SE	0.907
JS1 $\leftarrow$ JS	0.740
JS2 $\leftarrow$ JS	0.801
JS3 $\leftarrow$ JS	0.780
JS4 $\leftarrow$ JS	0.824

Based on the validity analysis results in Table 3, it is stated that each research variable is valid. The square root of AVE values in the constructs is higher than the correlations with other latent variables.

**Table 3.** Fornell-Larcker Criterion

	<b>OC</b>	<b>SE</b>	<b>JS</b>	<b>WE</b>
<b>OC</b>	<b>0.743</b>			
<b>SE</b>	0.633	<b>0.872</b>		
<b>JS</b>	0.685	0.656	<b>0.787</b>	
<b>WE</b>	0.662	0.679	0.761	<b>0.817</b>

The validity analysis results in Table 4 indicate that each research variable is valid. The indicator values are higher for each construct compared to the indicators of other constructs.

**Tabel 4.** Cross Loading

	<b>OC</b>	<b>SE</b>	<b>JS</b>	<b>WE</b>
<b>OC1</b>	<b>0.821</b>	0.561	0.569	0.501
<b>OC2</b>	<b>0.816</b>	0.547	0.592	0.597
<b>OC3</b>	<b>0.505</b>	0.187	0.231	0.197
<b>OC4</b>	<b>0.784</b>	0.476	0.545	0.561
<b>SE1</b>	0.411	<b>0.830</b>	0.524	0.598
<b>SE2</b>	0.612	<b>0.878</b>	0.583	0.523
<b>SE3</b>	0.619	<b>0.907</b>	0.607	0.657
<b>JS1</b>	0.496	0.523	<b>0.740</b>	0.631
<b>JS2</b>	0.576	0.558	<b>0.801</b>	0.602
<b>JS3</b>	0.444	0.414	<b>0.780</b>	0.482
<b>JS4</b>	0.617	0.548	<b>0.824</b>	0.652

<b>WE1</b>	0.557	0.570	0.627	<b>0.864</b>
<b>WE2</b>	0.586	0.642	0.690	<b>0.853</b>
<b>WE3</b>	0.594	0.495	0.606	<b>0.757</b>
<b>WE4</b>	0.412	0.497	0.549	<b>0.789</b>

## Reliability Analysis

The results of the reliability analysis in Table 5 state that each research variable is reliable. The Cronbach's alpha and composite reliability results are greater than 0.70 ( $> 0.70$ ).

**Table 5.** Reliability Analysis

	<b>Cronbach's Alpha</b>	<b>Composite Reliability (rho_a)</b>	<b>Composite Reliability (rho_c)</b>
<b>OC</b>	0.729	0.777	0.827
<b>WE</b>	0.833	0.839	0.889
<b>SE</b>	0.842	0.848	0.905
<b>JS</b>	0.795	0.801	0.866

## Data Analysis

### Coefficient of Determination ( $R^2$ )

The results of the coefficient of determination ( $R^2$ ) analysis in this study, indicate that job satisfaction as the dependent variable can be explained by changes in the independent variables (organizational culture, work environment, and self-efficacy) to the extent of 65.1% (close to  $1 = 100\%$ ), with the remaining 34.9% being explained by other variables. The  $R^2$  value in this study falls within the range of a strong moderating model ( $0.5 \leq R^2 < 0.75$ ).

### Effect Size ( $f^2$ )

The results of the effect size analysis ( $f^2$ ) in this study, indicate that organizational culture, work environment, and self-efficacy as independent variables have an impact of 0.103, 0.282, and 0.039, respectively, on job satisfaction (KK) as the dependent variable. This suggests that the influence of organizational culture and self-efficacy on job satisfaction is very low ( $0 \leq f^2 \leq 0.20$ ). Meanwhile, the influence of the work environment on job satisfaction is low ( $0.21 \leq f^2 \leq 0.50$ ).

### Predictive Relevance

The result of the predictive relevance analysis ( $Q^2$ ) in this study is 0.619, indicating that the relationships between the variables used in this research are considered relevant in measuring the research model because they have a predictive relevance value ( $Q^2$ ) greater than 0 ( $Q^2 > 0$ ).

## Goodness of Fit

Based on the Goodness of Fit (GoF) calculation results, it can be stated that the research model is good (fits well) with a Goodness of Fit (GoF) value of 0.65, which falls into the large category ( $> 0.36$ ).

## Hypotheses Testing

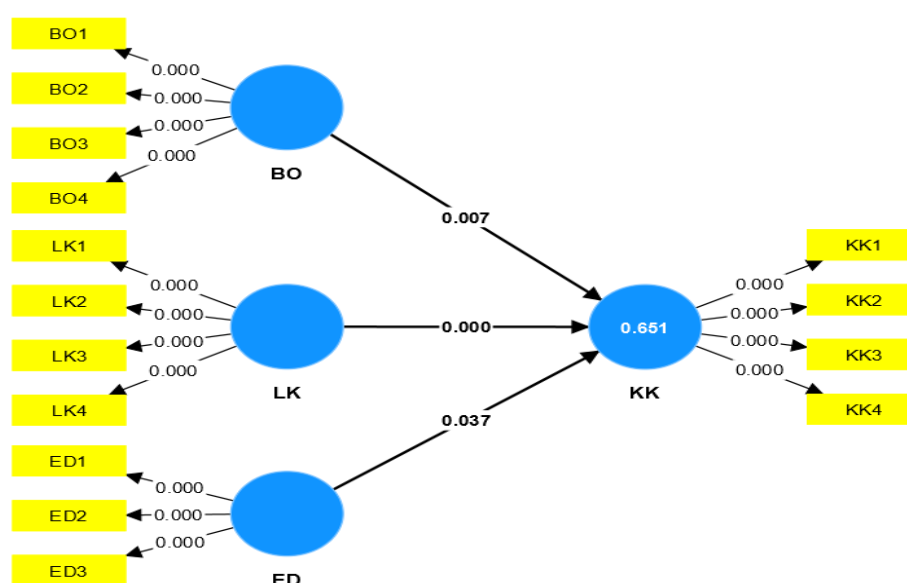
The results of Significance Test can be seen as follows:

**Table 6.** Significance Test

Variable	Original Sample	<i>t</i> -statistics	<i>p</i> values	Remark
OC→JS	0.269	2.705	0.007	Accepted
WE→JS	0.469	5.210	0.000	Accepted
SE→JS	0.168	2.085	0.037	Accepted

Based on the results of hypothesis testing in Table 6, it can be concluded that organizational culture has a positive and significant influence on the job satisfaction of Generation Z in Jakarta. This is supported by the hypothesis testing results in Table 9, which show that the organizational culture's effect on job satisfaction has a *t*-statistics value of 2.705 and a *p*-value of 0.007. Furthermore, the work environment has a positive and significant influence on the job satisfaction of Generation Z in Jakarta. The hypothesis testing results in Table 6 indicate that the work environment's effect on job satisfaction has a *t*-statistics value of 5.210 and a *p*-value of 0.000. Self-efficacy also has a positive and significant influence on the job satisfaction of Generation Z in Jakarta. The hypothesis testing results in Table 6 show that self-efficacy's effect on job satisfaction has a *t*-statistics value of 2.085 and a *p*-value of 0.037.

The results of the hypothesis testing are depicted in Figure 1 within the bootstrap model as follows:



**Figure 1.** Bootstrapping Result

The first hypothesis ( $H_1$ ) suggests that organizational culture has a positive and significant influence on job satisfaction among Generation Z in Jakarta. This is supported by previous research conducted by Pawirosumarto, Sarjana, and Gunawan (2017); Dameria, and Ekawati (2022); Sumaila, and Rossanty (2022); Saripuddin (2017); Susetyo, Kusmaningtyas, and Tjahjono (2014); Sugianto, and Turangan (2021), stating that organizational culture has a positive impact on job satisfaction. Job satisfaction can be achieved by fostering a suitable organizational culture. According to one statement in the questionnaire regarding organizational culture, the majority of respondents require an organizational culture that fosters organizational unity.

The second hypothesis ( $H_2$ ) indicates that the work environment has a positive and significant influence on job satisfaction among Generation Z in Jakarta. This is supported by previous research conducted by Pawirosumarto, Sarjana, and Gunawan (2017); Dameria, and Ekawati (2022); Lestari, et al. (2020); Saripuddin (2017); Susetyo, Kusmaningtyas, and Tjahjono (2014), stating that the work environment has a positive impact on job satisfaction. The work environment is one of the determinants for individuals to achieve the desired job satisfaction. Based on one statement in the questionnaire regarding the work environment, the majority of respondents prefer a work environment with harmonious relationships within the office.

The third hypothesis ( $H_3$ ) indicates that self-efficacy has a positive and significant influence on job satisfaction among Generation Z in Jakarta. This is supported by previous research conducted by Lestari, et al. (2020); Sumaila, and Rossanty (2022); Indriyani, Kusniawati, and Kader (2021); Putri, and Wibawa (2016); Sitinjak, and Adiputra (2022), stating that self-efficacy has a positive impact on job satisfaction. Job satisfaction can be assessed, in part, by appropriate self-efficacy. According to one statement in the questionnaire regarding self-efficacy, the majority of respondents express confidence in completing challenging tasks thoroughly.

#### **4. CONCLUSION**

Based on the results of the tests and analyses conducted in this research, it can be concluded that organizational culture, work environment, and self-efficacy have a positive and significant influence on the job satisfaction of Generation Z in Jakarta.

This research is expected to serve as a reference for future studies on job satisfaction, which can consider using other variables that are more diverse and have not been explored in this research, such as organizational commitment and organizational support.

Additionally, the research topic could be further developed by comparing Generation Z and Millennials. Some recommendations arising from this research include, (1) the Statement "I perform enthusiastically at work," still has respondents answering with the numbers 1 and 2 on the research questionnaire. This is a specific concern and suggestion from the researcher to the company to provide more appreciation to employees so that job satisfaction for each individual can be realized; (2) The company needs to improve the working atmosphere and provide adequate office facilities so that job satisfaction for each individual can be achieved. This can be observed from the statements related to the work environment variable, where respondents still answer with the numbers 1 and 2 on the research questionnaire; (3) Individuals are expected to be more confident and believe in their abilities to perform effectively and complete tasks given to achieve the desired job satisfaction. This can be seen from respondents still answering with the number 2 on the research questionnaire; (4) The company needs to

reconsider policies that have been established earlier, taking into account the workload capacity of each individual to achieve the desired job satisfaction. This is evident from respondents still answering with the number 2 on the research questionnaire, especially regarding the need for improved work quality supervision from superiors.

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