

THE ROLE OF WORK CULTURE IN THE SUCCESS OF BUREAUCRATIC REFORM IN INDONESIAN AGENCY FOR AGRICULTURAL RESEARCH AND DEVELOPMENT

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Abstract: This study aims to determine the effect of work culture and motivation on performance. This study uses secondary data and primary data which was collected through questionnaire's survey from the government employees of Indonesian Agency for Agricultural Research and Development, Ministry of Agriculture. The population in this study a number of 7525 people, while the samples are taken as 176 respondents who are civil servants Balitbangtan. The method of analysis using Structural Equation Modeling (SEM) analysis. According to the method of Partial Least Square (PLS), work culture and motivation have a significant impact on performance. The study also showed that the most dominant factor influencing performance is the motivation. According to this result, Balitbangtan need to continue to improve the application of cultural values and motivation of civil servants because they have a direct impact on performance. Support from the systems, policies, and budgets is required to achieve good performance of employees, which is one indicator of the success of bureaucracy reform program.

Keywords: Work culture, motivation, performance, partial least square (PLS)



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Currently, the condition of governance in Indonesia is not ideal yet. This is marked by the practice of corruption, collusion, and nepotism, low level of transparency and accountability of government bureaucracy, and low level of discipline and work ethic of employees.

Regarding the important role of civil servants in bureaucratic reform and the obstacles related to the current state of governance

that is not ideal, thus the improvement of civil servant performance becomes the main thing to be considered. If civil servants, who are currently the main driver of bureaucratic reform program, have the same performance as civil servants a few decades ago, then certainly this bureaucratic reform process will not run optimally.

Gibson (1997) defines performance as a result of work related to organizational goals such as quality, efficiency and other work effectiveness criteria. The performance of human resources can be defined as the fulfillment of the goals of individual work that have been established in accordance with the organizational goals. Robbins (1996) defines employee performance as a function of the interac-

tion between ability and motivation. If there is something inadequate, the performance will be negatively affected.

According to Safrizal et.al (2014), in addition to being influenced by the skill of employees, performance is also influenced by work culture. A strong work culture is believed to be a mainstay of performance improvement. The development of work culture is a very important internal focus because work culture is the essence of philosophy to achieve success by creating values that provide general direction and behavioral guidance for components of organization, from the top to the bottom of the organization. In order to cope with rapid and diverse changes, organization is required to develop management skill to anticipate events and changes that may occur in both a short and long period of time as well as to design the strategies and methods to deal with or overcome them if they become problems. The development of organizational culture is a strategy to provide services to the customers of organization.

Indonesian Agency for Agricultural Research and Development has a vision to become a world-class research and development institute, which requires high performance of every employee. The focus of bureaucratic reform program that has been implemented in Indonesian Agency for Agricultural Research and Development is to improve employee performance by giving performance allowance. Performance allowance as a part of external motivation is expected to improve employee performance. This performance improvement program still has various obstacles, such as the work paradigm of civil servants. Therefore, it is necessary to do research on the influence of work culture on the success of bureaucratic reform program; one of the indications is the improvement of civil servant's performance.

RESEARCH METHOD

Conceptual Framework

This research is taken from the existing employment problems related to the vision of Indonesian Agency for Agricultural Research and Development to become a world-class research and de-

velopment institute, which should be supported by organizational performance and high performance of civil servants. This research studied the relationship between motivation and work culture as factors which are suspected to have an influence on the performance of civil servants.

This study aims to determine the extent to which the influence of work culture and motivation on the performance of civil servant in Indonesian Agency for Agricultural Research and Development. The relationship between these variables was tested through Structural Equation Model (SEM) approach that allows quantitative measurement of those aspects. Thus, it is expected to provide a clear and complete picture of information about the views of civil servants, which are very useful for improving employment management of Indonesian Agency for Agricultural Research and Development in the future. The conceptual framework of this research is presented in detail in Figure 1.

Research Variables

Variables used in this research consist of latent variables and manifest variables as indicators of latent variables. There are three latent variables analyzed, i.e. work culture, motivation, and performance, each of them is reflected by several indicators. Latent variables and research indicators are presented in Table 1 below.

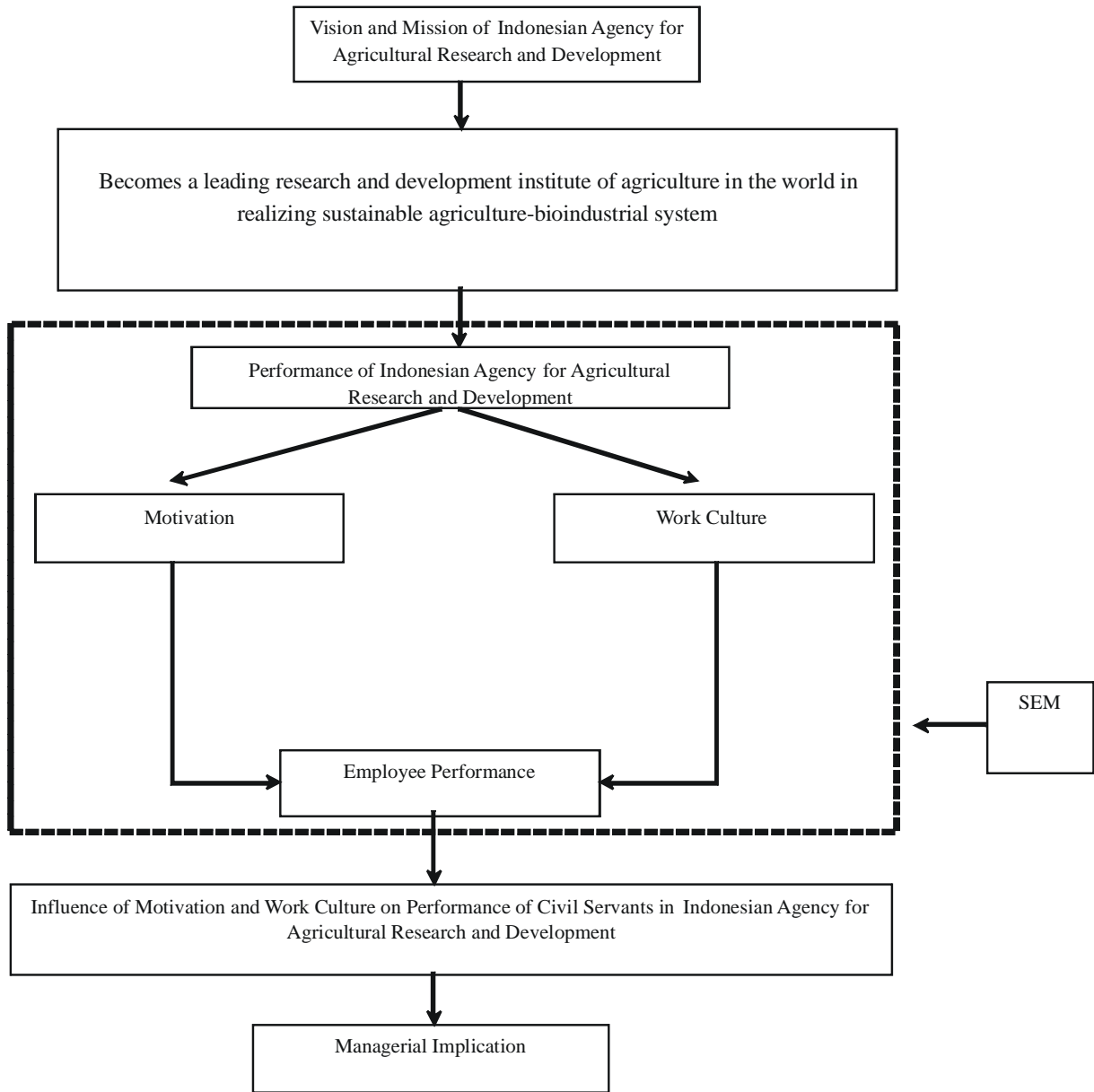


Figure 1 Research Conceptual Framework

Table 1 Research Variables and Indicators

Variable	Indicator	Code
Performance	Target of achievement value	NP
Motivation	Current jobmemberikan kesempatan untuk mencapai suatu prestasi terbaik.	MK01
	Promotion due to achievement	MK02
	Acknowledgement of superiors or co-workers of the performance and achievement	MK03
	Appreciation for achievement	MK04
	Given additional authority and freedom at work	MK05
	Given some new tasks which are more difficult that have not been handled previously	MK06
	Responsibility at work can motivate employees	MK07
	Responsible for his/ her own job	MK08
	Opportunity to be better	MK09
	Opportunity to follow education and training	MK10
	Improve skill in performing the job	MK11
	Satisfaction of working hours	MK12
	Discipline of organization in implementing the rules	MK13
	Sanction or punishment for employees who do not obey the rules	MK14
	Frequency of superiors' supervision on employee performance	MK15
	Frequency of training given by superiors to employees	MK16
	Frequency of discussion in solving problems	MK17
	Noticed complaints	MK18
	Noticed ideas	MK19
	Safe and conducive atmosphere of workplace	MK20
	Employees' understanding on allowance system	TK1
	Suitability of allowance system with the condition of organization	TK2
	Time of allowance distribution	TK3
	Justice in allowance distribution	TK4
	Suitability of allowance with workload	TK5
	Suitability of allowance with the position of employee	TK6
	Suitability of allowance with the needs of employee	TK7
Work culture	Making agreement in performing job	BK01
	Obey the rules	BK02
	Consistent in performing job	BK03
	Loyal in performing job	BK04
	Fulfill a promise	BK05
	Has an active role in improving the performance	BK06
	Superiors have an active role in improving the performance	BK07
	Building openness and communication	BK08
	Appreciate others' opinions	BK09
	Firm and brave	BK10
	Care	BK11
	Improve the knowledge and skill in accordance with the job	BK12
	Support of superiors in improve the knowledge and skill in accordance with the job	BK13
	Perform the job in accordance with competence	BK14
	Perform the job in accordance with SOP	BK15

Variable	Indicator	Code
	Finish the task in accordance with the target of performance	BK16
	Perform premium service	BK17
	Honest	BK18
	Responsible	BK19
	Act as the existing norms	BK20
	Initiative and brave to report deviation found	BK21
	Obey the rule of working time	BK22
	Wear uniform and attributes as the rules	BK23
	Follow flag ceremony	BK24
	Use office facilities as the regulation	BK25
	Love Indonesia	BK26
	Willing to sacrifice everything for Indonesia	BK27
	Willing to give the best for the sake of duty as civil servants	BK28

This research model is developed based on several relevant theories; motivation variable is based on Herzberg's theory expressed by Kuo and Chu (2015), work culture variable is based on Regulation of the Minister of Agriculture Number 32 Year 2015, and variable of performance of civil servants is based on Regulation of the Head of State Employment Agency Number 1 Year 2013 on provisions of the implementation of PP 46 of 2011 on the Performance Appraisal of civil servants. The initial model of this study is presented in Figure 2 below.

Research Hypothesis

In this research, the hypotheses proposed are as follows:

- H1: Work culture has a significant effect on motivation
- H2: Motivation has a significant effect on performance
- H3: Work Culture has a significant effect on performance

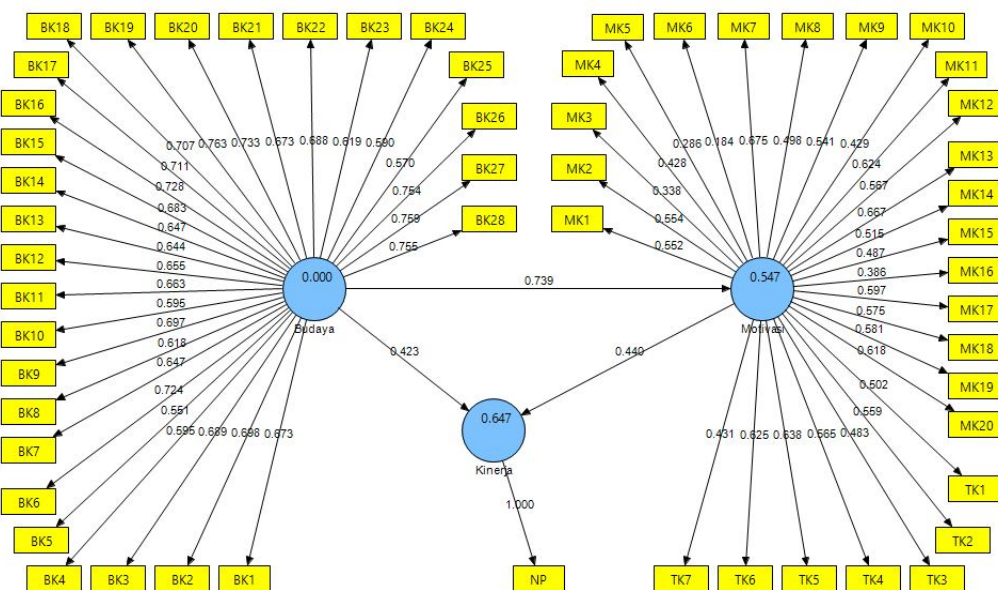


Figure 2 Initial Research Model

Type and Source of Data

Types of data collected in this study are primary data and secondary data. The primary data in this research is data obtained from respondents through structured interview about variable of work culture, motivation and performance. The secondary data taken include employment data such as data of attendance and distribution of employees at Indonesian Agency for Agricultural Research and Development.

Populations and Samples

Population is a set of elements defined in space and time. Populations in this research are 7525 civil servants of Indonesian Agency for Agricultural Research and Development that (data from performance and accountability report of Indonesian Agency for Agricultural Research and Development in 2015).

Sample is a set of elements drawn from a population. In accordance with the analysis tools used, Structural Equation Modeling-Partial Least Square (PLS-SEM), the minimum number of samples required is 10 times of the number of paths built for structural model test (Abdillah and Hartono 2015). The number of samples required in this study is at least 50 samples, because there are 5 paths in the structural model. To obtain more informative data, the researchers set a sample of 176 respondents who are civil servants at Indonesian Agency for Agricultural Research and Development.

Analysis Method

Model estimation used was Structural Equation Modeling (SEM) method. SEM is a statistical technique used to analyze the relationship between a latent variable with observed variable as its indicator, the relationship between latent variables, and measurement error. According to Latan (2012), SEM analysis usually consists of two sub models namely measurement model or often called outer model and structural model or often called inner model. Measurement model shows how manifest variable or observed variable represents the latent variable to be measured. Structural model shows the strength of estimation between latent variables. SEM is also

capable of measuring variable that cannot be measured directly, but by measuring its indicators.

SEM can be classified into two types, namely Covariance-Based Structural Equation Modeling (CB-SEM) and Variance-Based Structural Equation Modeling (VB-SEM) which includes Partial Least Square (PLS) and Generalized Structural Component Analysis (GSCA). The fundamental difference between the two types of SEM lies in its use. Covariance-Based SEM aims to estimate models for testing or confirmation of theories, whereas SEM-based variance aims at predicting models for theory development (Haryono & Wardoyo 2012; Abdillah & Hartono 2015).

One type of VB-SEM that is often used in research is PLS. PLS is a causal model approach that aims to maximize the explained variance by latent variables of predictors. It can work efficiently in small sample size and complex model. The minimum sample size in PLS is ten times the number of largest formative indicators or ten times of the number of structural paths that lead to a particular latent variable. The assumption of data distribution in PLS is relatively looser because it does not require a normal distribution and is capable of managing *multicollinearity* problems. PLS can analyze reflective and formative measurement models as well as latent variables with one indicator without causing identification problems (Sholihin & Ratmono 2013; Abdillah & Hartono 2015).

FINDINGS AND DISCUSSIONS

The results of validity testing in each indicator of latent variables, namely work culture, motivation, and performance, by using software SmartPLS 2.0 shows that there are some indicators excluded from the model. Indicators of motivation latent variable namely MK3, MK4, MK5, MK6, MK10, MK15, MK16, TK 3 were excluded from the model because they have a smaller value of outer loading than 0.5. Indicators of work culture variable namely YB4, YB5, BK7, BK8, BK10, BK23, BK24, BK25 and indicator of motivation variable namely MK1, MK2, MK9, MK11, Mk12, MK14, MK17, MK18, MK19, TK1, TK2, TK4 were excluded from the model to make AVE value of service quality vari-

able greater than 0.5. The results of the analysis of AVE and communality value after those indicators were removed from the model using SmartPLS 2.0 are presented in Table 2. Table 2 shows that all of the latent variables in the model have AVE and communality value greater than 0.5, which means that all indicators are valid convergently.

Table 2 Results of Convergent Validity test

Variable	AVE	Communality
Culture	0.502597	0.502597
Motivation	0.506974	0.506974
Performance	1	1

Validity test of outer model *discriminant* was done by comparing correlation value of latent variable with square root of AVE as shown in Table 3 below. Based on Table 3, it is known that almost all square root of AVE Root is bigger than the correlation value between latent variables. This indicates that latent variables have quite high *discriminant* validity.

In addition to validity test, a reliability test was also performed to measure the internal consistency of measuring instruments. Reliability shows the accuracy, consistency, and precision of a measuring instrument in doing measurement. In this study, a variable is said to be quite reliable when the variable has a value of composite reliability and

Table 3 Correlation Value of Latent Variable and Square Root of AVE

	Culture	Motivation	Performance	Square Root of AVE
Culture	1			0.70894076
Motivation	0.702519	1		0.71202107
Performance	0.707502	0.704394	1	1

cronbach's alpha greater than 0.7. Here are the results of reliability testing on each latent variable by using SmartPLS 2.0 software.

Table 4 Reliability Testing

Variable	Composite Reliability	Cronbach's Alpha
Culture	0.952688	0.947597
Motivation	0.836454	0.757574
Performance	1	1

Based on Table 4 above, the test results show that all latent variables in this study have composite reliability and *cronbach's* alpha values greater than 0.7. This indicates internal consistency. Each indicator has a high consistency in measuring its latent variables. Therefore, it can be concluded that the indicators used in latent variables already have strong reliability or have been able to measure the variables.

The structural model in PLS was evaluated by using R^2 for dependent variable, the value of path coefficient, and t_{count} of each path for significance test between variables in the model. R^2 value was used to measure the level of variation of the change of independent variable to dependent variable. The higher the R^2 value, the better the prediction of the proposed research model. R^2 value of 0.75, 0.5, and 0.25 for each endogenous latent in the structural model can be interpreted as substantial, moderate, and weak. Table 5 presents the value of R^2 for the dependent variable of this research, i.e. satisfaction variable and loyalty variable.

From Table 5, it is known that R^2 value of motivation variable of 0.507683 and R^2 value of perfor-

Table 5 R^2 Value of Inner Model

Dependent Variable	R^2	Interpretation
Motivation	0.507683	Moderate
Performance	0.713519	Moderate

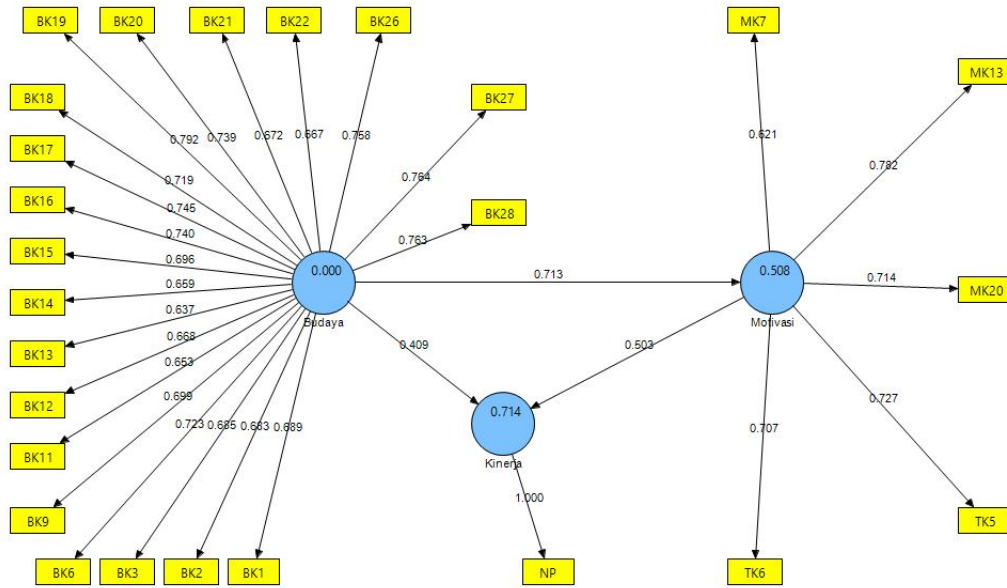


Figure 3 Results of Final Outer Model

mance of 0.713519. It shows that independent variable (work culture) can explain the diversity of motivation by 50.77% and the rest of 49.23% is explained by other variables outside the model. Variable of work culture and motivation can explain the

diversity of performance variable moderately by 71.35% and the rest of 28.65% explained by other variables outside the model.

Path coefficient value indicates the level of significance in hypothesis testing. Path coefficient

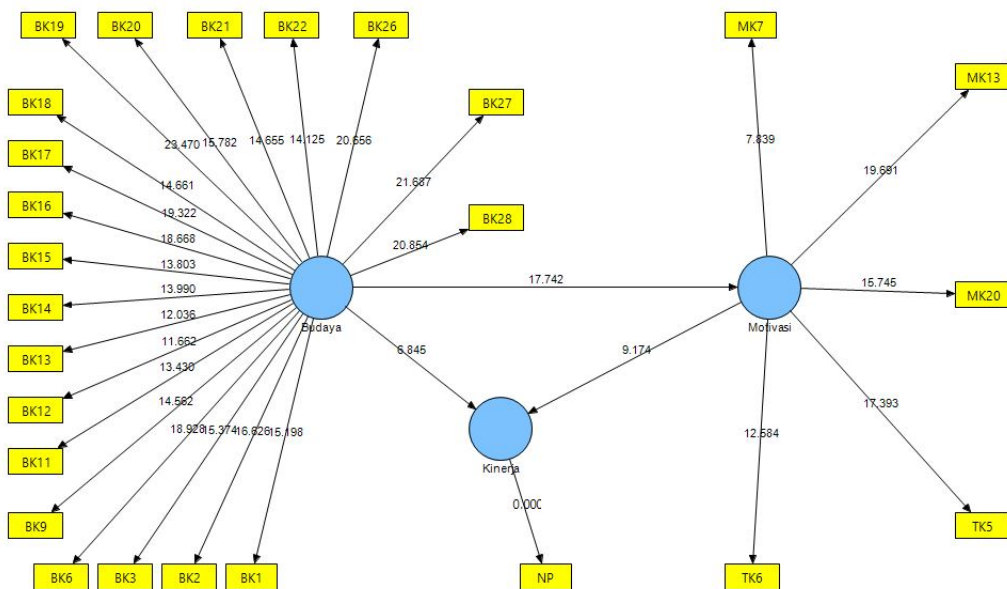


Figure 4 Results of Inner Model

score indicated by t_{count} should be above t_{table} value with level of significance alpha of 5% that is equal to 1.96. Hypothesis testing is done by looking at the result of bootstrapping analysis on path coefficients, by comparing t_{count} with t_{table} . If the value of $t_{count} > t_{table}$ (1.96), then the hypothesis is accepted, but if the value of $t_{count} < t_{table}$ (1.96), then the hypothesis

is rejected. The analysis results with bootstrapping process on path coefficients with 95% confidence level are presented in Figure 4.

Figure 4 shows the value of t_{count} of all paths in the structural model of this study. In summary, the analysis results of t-test on path coefficient are presented by Table 6 below.

Table 6 Results of Path Coefficient T-Test

Path	Coefficient	t_{count}	Conclusion
Culture -> Motivation	0.71252	17.74172	significant
Motivation -> Performance	0.50279	9.174138	significant
Culture -> Performance	0.40925	6.845399	significant

The analysis result of T test on path coefficient (Table 6) show that work culture variable has a direct significant effect on motivation with t_{count} of 17.74172 (> 1.96) and positive coefficient (0.71252). This indicates that work culture can increase motivation. Indicators of commitment such as the consistency of employees to do the agreements in carrying out the task well, the consistency of superiors in law/ agreement enforcement, and consistency and loyalty of civil servants in performing their tasks affect motivation. Every civil servant at Indonesian Agency for Agricultural Research and Development periodically signs integrity pacts to update the consistency and loyalty of civil servants; therefore it can increase the motivation of civil servants to perform their tasks better. In addition, exemplary indicators, namely playing an active role in improving performance, respect others' opinions, and appreciating others' opinions also affect the motivation of civil servants at Indonesian Agency for Agricultural Research and Development. Professionalism indicators such as improving the knowledge and skills required in performing tasks, support of superiors to these activities, assignment in accordance with the competence of employees, performing tasks in accordance with SOP, completing the work according to performance target, and performing excellent service are indicators that can increase the motivation of civil servants. Integrity indicators namely

acting honestly, responsible in performing the tasks, acting in accordance with the existing norms, initiative to report deviation that occurs in the place of duty also can improve work motivation of civil servants at Indonesian Agency for Agricultural Research and Development. Discipline indicators namely never violate the regulation of working hours, and indicator of loving Indonesia such as loving Indonesia, willing to sacrifice anything for Indonesia, and willing to give the best for the duty as civil servants also plays a role to increase the motivation of civil servants at Indonesian Agency for Agricultural Research and Development.

The results of this research are in line with previous research which was conducted by Koesmono (2005) which that organizational culture has an effect on employee motivation in medium-scale wood processing sub sector industry in East Java. The work culture of civil servants at Indonesian Agency for Agricultural Research and Development is important to be considered in order to develop the moral values and productive attitudes to every employee of Indonesian Agency for Agricultural Research and Development which are from the religious values, *Pancasila*, norms, traditions and modern productive work values, in accordance with the development in science and technology. Implementation of work culture is also important to improve the deviant perception, mindset, and behavior of employees

at Indonesian Agency for Agricultural Research and Development in governance, development and community service, so as to accelerate the eradication of KKN.

Motivation variable has a significant and direct influence on performance with value of t_{count} of 9.174138 (> 1.96) and positive coefficient (0.50279). This shows that motivation can improve the performance of civil servants at Indonesian Agency for Agricultural Research and Development. Motivation indicators such as organizational discipline in implementing regulations and indicator of conducive and safe workplace atmosphere, suitability of allowance with workload, and suitability of allowance with the position of employee are extrinsic factors of motivation affecting performance. Responsibility indicator, which is the intrinsic factor of motivation, plays a role in affecting performance. The results obtained are in line with a study which was conducted by Hajanti (2009) that there is an influence between motivation and performance of Structural Official Echelon III and IV the State Secretariat of the Republic of Indonesia and in line with a study conducted by Arianto (2004) that motivation has a positive effect on performance.

Work culture variable significantly influences performance with the value of t_{count} of 6.845399 (< 1.96) and positive coefficient (0.40925). This shows that a change in work culture can improve performance. The work culture in Indonesian Agency for Agricultural Research and Development is a reference for civil servants at Indonesian Agency for Agricultural Research and Development to act. Indicators of commitment such as consistency of employees to implement agreements in performing the task well, consistency of superiors in enforcing regulation/ agreement, as well as consistency and loyalty of civil servants in performing their tasks

affect performance. In addition, exemplary indicator namely playing an active role in improving performance, appreciating others' opinions and appreciating others' opinions also affect the performance of civil servants at Indonesian Agency for Agricultural Research and Development. Indicators of professionalism such as improving the knowledge and skills required in performing the tasks and support of superiors in these activities, assignment which is in accordance with the competence of employees, performing tasks in accordance with SOP, completing the tasks according to performance target, and performing excellent service are indicators that can improve the performance of civil servants. Indicators of integrity namely being honest, being responsible in performing tasks, acting in accordance with prevailing norms, taking the initiative to report deviation that occur also can improve the performance of civil servants at Indonesian Agency for Agricultural Research and Development. Discipline indicators namely never violating the regulation of working hours, and indicators of loving Indonesia such as loving Indonesia, willing to sacrifice anything for Indonesia, and willing to give the best for the duty as a civil servant of Indonesia also play a role in improving the performance of civil servants at Indonesian Agency for Agricultural Research and Development.

The results of this study are in line with the results of a research which was conducted by Arianto (2004) there is an influence between organizational culture and employee performance at PT Nyonya Meneer Semarang.

Results of Hypothesis Testing

Based on the evaluation of inner model, the conclusion of hypothesis testing proposed in the beginning of research is presented in Table 7.

Table 7 Result of Path Coefficient T-Test

	Research Hypothesis	Result
Hypothesis 1 :	Work culture significantly influences motivation	Accepted
Hypothesis 2 :	Motivation significantly influences performance	Accepted
Hypothesis 3 :	Work culture significantly influences performance	Accepted

CONCLUSIONS AND SUGGESTIONS

Conclusions

Based on the analysis results, it can be concluded that:

1. Work culture has a positive and significant impact on the motivation of civil servants in Indonesian Agency for Agricultural Research and Development.
2. Motivation has a positive and significant impact on the performance of civil servants in Indonesian Agency for Agricultural Research and Development.
3. Work culture significantly influences the performance of civil servants in Indonesian Agency for Agricultural Research and Development.
4. Motivation is the most dominant factor affecting the performance of civil servants in Indonesian Agency for Agricultural Research and Development.

Suggestions

Suggestions that can be given are as follows:

1. Support in the form of system, policy, and budget is needed to achieve good employee performance, which is one indicator of the success of bureaucratic reform program.
2. Future research on performance needs to pay attention to other aspects that may affect performance values, such as competence. Research on competence should be specific to a particular position.
3. Research on work culture is very interesting to be examined further, especially about the cultural values which are appropriate to be applied to the organizational unit of government.

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