

IMPROVE EMPLOYEE PERFORMANCE THROUGH ORGANIZATIONAL CULTURE AND EMPLOYEE COMMITMENTS

JAM

18, 2

Received, September '19

Revised, December '19

January '20

May '20

Accepted, May '20

R. Rina Novianty Ariawaty

Faculty of Economics and Business, Universitas Padjajaran, Bandung

Abstract: Employees are an important factor for increasing productivity to support the organization's progress. Each organization has characteristics that distinguish one organization from another organization, and these characteristics are called organizational culture. An organization that has an influential culture will produce an excellent performance in the long run. In addition to culture, commitment from employees is one of the benchmarks for the success of an organization's performance. This study aims to determine how Employee Performance, Employee Commitment, and Organizational Culture in the Bandung City Investment and One-Stop Integrated Services Office, as well as how Organizational Culture and Employee Commitments Influence Employee Performance in the Investment Office and One-Stop Integrated Services in Bandung City. This research uses quantitative methods with descriptive and varied approaches. This study uses a sample of the population of employees in the Office of Investment and Integrated Services One Door Bandung. The sample used was 116 respondents and data collection using direct survey methods and questionnaire instruments. The data obtained were analyzed using the Partial Least Square analysis technique. The results showed the relationship between organizational culture and significant effect on performance and the relationship of employee commitment and significant effect on employee performance

Keywords: organizational culture, employee commitment, employee performance

Cite this article as: Ariawaty, R. Rina Novianty. 2020. *Improve Employee Performance through Organizational Culture and Employee Commitments*. Jurnal Aplikasi Manajemen, Volume 18, Number 2, Pages 318–325. Malang: Universitas Brawijaya. <http://dx.doi.org/10.21776/ub.jam.2020.018.02.12>



Journal of Applied
Management (JAM)
Volume 18 Number 2,
June 2020
Indexed in Google Scholar

Corresponding Author:
R. Rina Novianty Ariawaty,
Fakultas Ekonomi dan Bisnis,
Universitas Padjajaran,
Bandung, DOI: <http://dx.doi.org/10.21776/ub.jam.2020.018.02.12>

Human resources are important factors in organizations. Each organization will also always improve the quality of resources so that their performance is satisfactory. The quality improvement is also an effort to make employees more motivated and clear the direction of the goals to be achieved. Human resources

are the engine driving all company activities in achieving organizational goals. The better the human resources that belong to an organization that will be better the performance of the company and will affect the company's success in achieving organizational goals.

Employee performance is not only influenced by employees but is also determined by several factors such as the corporate culture in which the person works (Chang and Lee, 2007; Maryani, Thoyib, Setiawan, & Salim, 2011). Employee performance

is the most important part and plays an important role in achieving bank goals. One factor that affects employee performance is job satisfaction. According to (Mathis and Jackson 2006:378; Soepardjo & Nugrohoseno, 2014), it is defined that performance is basically what employees do and do not do. Employee performance is what influences how much their contribution to the organization, which includes the quality of output, the quantity of output, the period of output, cooperative attitude, and attendance at work. According to Hasibuan (2007:59) explains that performance is the result of work achieved by someone in carrying out the tasks assigned to him based on skill, experience, sincerity, and time. The elements used in evaluating employee performance are as follows: achievement, discipline, creativity, teamwork, skills, and responsibility.

According to Sinambela, (2012) job satisfaction is one's feelings towards work faced by one's own business (internal) and which is supported by things that come from outside (externally) on work wisdom, work results, and the work itself. The relationship of satisfaction with employee performance is more complicated than a simple statement that satisfaction leads to performance. The above opinion shows that actions can be generalized that if employees are satisfied at work, it will be high-performing (Sinambela, 2012), so from this opinion, it can be concluded that job satisfaction does not always affect employee performance. The results of Mardiani and Maya's (2015) research found that job satisfaction has a positive and significant effect on the performance of bank employees in South Kalimantan, both simultaneously and partially while the results of the study showed that job satisfaction did not affect employee performance.

Organizations are inseparable from human resource factors in their Existence and success in achieving their goals. Human resources are a key factor for mobilizing other resources in the company so that human resources have a very important role in various sectors. (Hasibuan, 2005: 27; Burhan, Pradhanawati, Dewi, 2013). Once the importance of the role of human resources causes, an organization must allocate a sizeable amount of funds to increase these human resources. To real-

ize the desired goals, one of them is to improve the performance of human resources optimally.

Organizational culture is a system of spreading values and beliefs that develop in an organization that directs the behavior of its members. Organizational culture influences job satisfaction and employee performance because organizational culture can be a key competitive advantage instrument, if it can support organizational strategy and if it can overcome environmental challenges accurately and quickly. Part of an organization is required to develop and realize its full competence. As stated by Syauta, et al. (2012) that organizational culture on employee performance through the mediation of job satisfaction variables has a positive effect, this shows that an excellent organizational culture will provide job satisfaction to employees and thus employee performance will increase.

Robbins and Coulter (2010) explain that organizational culture has been put forward as the principles, traditions, values, how they work, and how they act. An influential organizational culture, in general, will affect the attitudes and behavior of its members. In essence, organizational culture is the foundation of an organization. Organizations that have creative, productive members, and work enthusiastically according to demand are organizations with good organizational culture. The dominant organizational culture expresses the core values shared by the majority of the members of the organization. The success and continuation of all organizational activities to achieve the goals are determined by the presence of employees. Therefore, management needs to provide strong support in motivating employees to work professionally so that employees can achieve performance in accordance with the expectations of their organization.

Bintoro (2000) states that an influential organizational culture can improve organizational performance. Because in an organization that has a positive work culture will have values that will be able to encourage members of the organization to work in harmony with the organization's strategy, vision, mission, and goals. Robbins and Judge (2008) employees who already understand the organization's overall values will make these values the personal-

ity of the organization. These values and beliefs will be applied to their behavior in the workplace so that it becomes an individual's performance. Supported by logistics, corporate strategy, systems, technology, human resources, and good individual performance will produce good organizational performance. Research conducted by (Soepardjo & Nugrohoseno, 2014) concludes that organizational culture influences employee performance, organizational commitment influences employee performance, cultural factors, and organizational commitment affect the performance of employees of PT NAV Jaya Mandiri Surabaya.

Handoko (2008: 44), employee commitment is the level where a worker identifies himself with the company and its goals and desires to maintain its membership in the company. Eaton et al. (1992) revealed that employee commitment to the high organization would affect employee performance. Likewise, the opinion of Luthans (2006: 35) states that both past and recent research support the influence of employee commitment to performance, and negatively affect the desire to move and job absenteeism. Highly committed employees will have a positive impact at work, namely giving their best effort to complete tasks quickly and according to what is targeted.

(Meyer and Allen, 1997) Where there are 3 models of commitment that are normative commitment, ongoing commitment, and affective commitment. Employees with affective and normative commitment have a feeling of attachment to the organization based on a sense of love and responsibility towards the organization so that the level of affective and normative commitment of an employee will directly affect its performance. Julistia (2015) entitled "The Effect of Work Motivation and Employee Commitment on the Performance of Employees at the PT. Jaya's son Mr. Prosperous." The results showed that work motivation and employee commitment had a positive and significant effect partially and simultaneously on the performance of the employees of the PT store. Jaya's son Mr. Prosperous. High commitment will make employees in the company and will work hard for the company's progress (Yuwaliatin, 2006). Employee commitment

can be seen as a condition of an employee who sided with a particular organization and its purpose is to maintain membership in the organization. Thus high commitment shows the level of alignment of employees with the organizations that employ them.

According to (Moeljono, 2003), the better the performance of the organization the better the quality of the factors contained in the organizational culture. Employees who already understand the organization's overall values will make these values the personality of the organization. These values and beliefs will be translated into their daily behavior at work so that they will become individual performance. The results of the study (Suzanto and Solihin, 2012) found that a strong organizational culture can improve organizational performance.

Companies and government institutions must have organizational culture, so employees have references, norms, values, and guidelines that must be applied. Organizational culture is also a unifying employee, reducing conflict and motivating employees to carry out their duties properly so that it has a positive effect on employee behavior and performance. With employee commitment, a conducive work environment, and maximum employee productivity can be created. An understanding of organizational culture is proven when most organizations recognize that the facts of organizational culture also contribute to the achievement of the organization in every aspect of performance. Human resources have an important function in achieving the organization's goals through the performance provided. Therefore, an organization is intended to be able to spur the performance of every human resource in it, seeing human resources which are assets in the organization that regulates and manages other resources.

Organizations are required to have a culture that distinguishes it from other similar organizations, including the performance of work units in the City of Bandung and other government institutions, and the success of an organization is not only supported by the culture of the organization but also how the organization fosters employee commitment. Increased employee demands on the organization and what the organization does will determine how em-

employees' commitment or attachment to the organization, which in turn affects the decision to keep joining and advance the organization or choose to work in other, more promising workplaces.

Some government agencies that we know of course have vulnerabilities related to this in several work units in the City of Bandung. In the sense that the work culture that is embedded in the Office of Investment and One Stop Integrated Services (DPM-PTSP) of Bandung City becomes the main point of organizational movement so that employees are expected to be loyal and committed to the Office of Investment and Integrated Services One Door (DPM-PTSP) The city of Bandung so that the community still has a good view of the performance of government employees aperture. As a government agency that focuses on licensing, the Office of Investment and One-Stop Integrated Services (DPM-PTSP) of Bandung City always puts its employees to work professionally.

Some complaints from the public regarding the performance of aperture and the number of overlapping regulations, complicated procedures, and the duration of letter settlement cannot be ascertained or are often longer than those stipulated in the standard operating procedure (SOP), the high costs incurred, the number of requirements that must be met, the attitude of officers who are not good towards the performance of local governments. This can be seen from the level of attendance of the state civil apparatus which has decreased every month so that the impact on the length of the permit processing to the community in the sense that it is still far from the commitment of employees in improving performance. Based on the problem and some discussions related to research, this study is conducted to find out Organizational Culture, Employee Commitment, and the impact on Employee Performance.

METHOD

This study has a goal that is, to find a picture of organizational culture and employee commitment to the performance of Bandung City Government employees. For this reason, the method to be used in this study is the survey method, the reason for

using the survey method is to find out the background, traits, and characters in a cause or event that is general (Sugiyono 2013). The study used a sample of 116 Regional Work Unit Employees in the City of Bandung. The study was conducted using a questionnaire in determining the results of the questionnaire with a Likert scale and ordinal scale patterned. The analytical method used in this research uses the Partial Least Square (PLS) approach with a component or variant-based Structural Equation Modeling (SEM) equation model (Ghazali 2006). The model in this study is a structural model (Inner Model) and Measurement Model (Outer Model) with the hypothesis test design on the simultaneous significance test (Statistical Test F) and Partial Test (T-Test).

RESULTS

Partial Least Square Analysis (PLS): Organizational Culture and Employee Commitment, Its Effect on Employee Performance.

The outer model specifies the relationship between latent variables and their manifest indicators or variables. The outer model defines how each indicator block relates to its latent variable.

Based on Figure 1 Initial PLS (Loading Factor) Output, it can be explained that the value of the loading factor of the majority of the observed variables meets the requirements, which is greater than 0.5, there are only two observed variables whose loading factor values are below 0.5, namely the observed and risk variables. Taking (X1.1) and Creativeness (Y4), so that the observed variables are excluded from the research model.

Here is a picture of the final model (after the release of Innovation and risk-taking (X1.1) and Creativeness (Y4)

Furthermore, the Outer model testing includes Cronbach alpha, composite reliability, discriminant validity, and convergent validity (loading factor). The test results of convergent validity with different factor loading values, but some experts suggest above 0.5 by looking at the outer loading value. This study indicators for each variable declared valid because it has exceeded 0.5. Based on the results of cross-loading, it is known that the correlation value of the

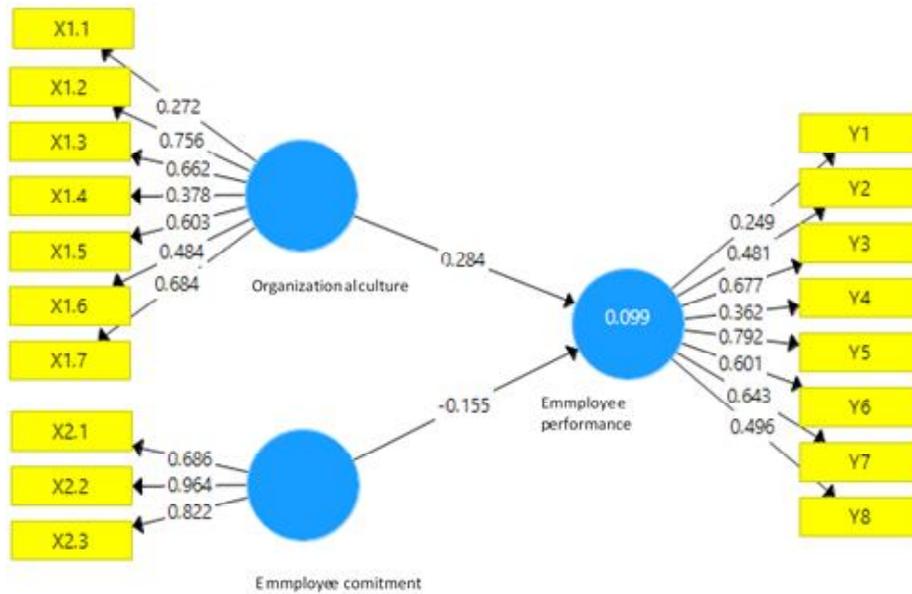


Figure 1 Output PLS (Loading Factor) Output

observed variables in the same variable is better than the observed variables of other variables.

The Composite Reliability test results in measuring internal consistency and the value must be above 0.7. From the results of table 1 explains that this study is in accordance with the standard value of composite reliability because the average value is > 0.7

Table 1 Composite Reliability

Composite	Reliability
Organizational Culture (X)	0.776
Employee Performance (Y)	0.796
Employee Commitment (X2)	0.794

Source: Primary Data (2019)

Table 2 Cronbach Alpha

Cronbach	Alpha
Organizational Culture (X)	0.731
Employee Performance (Y)	0.882
Employee Commitment (X2)	0.781

The reliability test was strengthened with Cronbach alpha, where the expected value was > 0.7 for all constructs. The table below explains that this study complies with the Cronbach alpha value standard because its value is > 0.7.

The inner model specifies the relationship between latent variables (structural models) that describe the relationships between latent variables based on substantive theory.

Based on Figure 2 PLS Output (Statistical Test), shows that the t-statistic value (t-count) of Organizational Culture (X1) on Employee Performance (X2) is 2,368, and from Employee Commitment (X2) on Employee Performance (X2) is 3093.

HYPOTHESIS TESTING

Testing the hypothesis in this study by looking at the results of PLS data processing in the Path Coefficients section as in Table 3.

The results showed, as follows:

1. Variable Organizational culture on employee performance with a coefficient value of 0.291 and t-test of 3.394, states that organizational

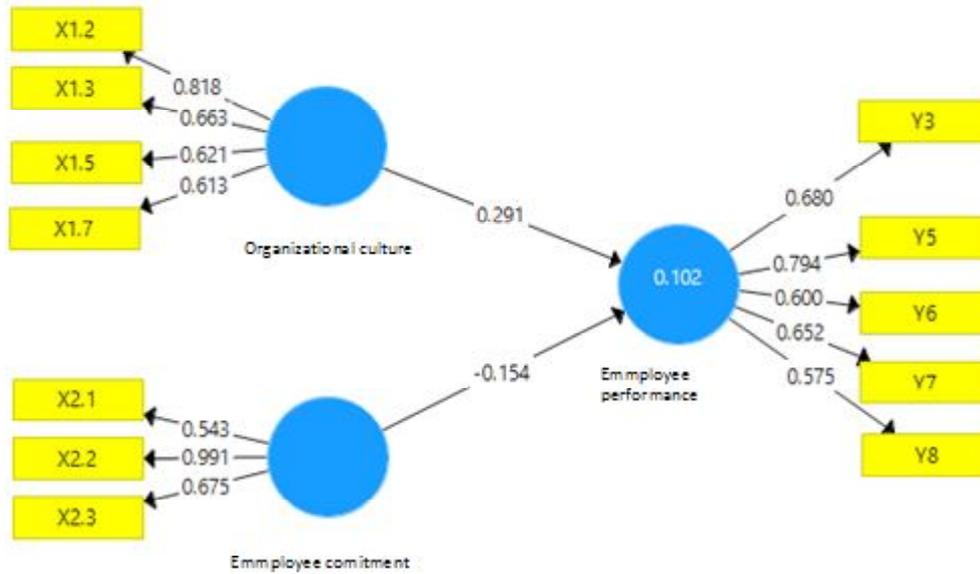


Figure 2 PLS Output (Statistical Test)

Table 3 Path Coefficients

Relationship between variables	Original Sample (O)	t-statistics	Ho	Conclusion
Organizational Culture (X1) on Employee Performance (Y)	0.291	3.394	Accept	Significance
Employee Commitment (X2) to Employee Performance (Y)	0.254	3.899	Accept	Significance

- culture that develops positively can increase employee performance activities in government.
- Variable Employee commitment to employee performance with a coefficient of 0.254 and a t-test of 2.889, states that the higher the commitment of employees at work the more they can improve the performance of employees in government.

DISCUSSION

The Influence of Organizational Culture on Employee Performance

The results of testing the first hypothesis state, organizational culture has a significant effect on employee performance. This means that the better the organizational culture, the better the performance

of employees in the Bandung City Government. In other words, if the organizational culture has improved, it will also improve employee performance.

And vice versa, if the culture of the organization has decreased the performance of employees will also decline. The better organizational culture will be able to improve the performance of employees, this is because working not only because of getting financial needs but with a comfortable situation, improve behavior and motivation of human resources which in turn can improve organizational performance.

The results of this study are in line with research conducted by (Soepardjo & Nugrohoseno, 2014) concluding that organizational culture influences employee performance, Organizational Com-

mitment influences employee performance, cultural factors and organizational commitment affect employee performance of PT NAV Jaya Mandiri Surabaya. The research results are also in line with research conducted (Wagiman & Sutanto, 2018) states that organizational culture, organizational commitment, and job satisfaction have a positive effect on employee performance at PT. Bank Rakyat Indonesia (Persero), Tbk. A strong organizational culture encourages company goals, whereas weak or negative ones hinder or conflict with company goals. In a company whose organizational culture is strong, shared values are deeply understood, embraced, and championed by most members of the organization (company employees). A strong and positive culture is very influential on the behavior and effectiveness of company performance [38]. A strong culture is a very useful tool for directing behavior because it helps employees to do a better job so that every employee at the beginning of his career needs to understand the culture and how the culture is implemented.

The Effect of Employee Commitment on Employee Performance

The second hypothesis results, employee commitment significantly influence employee performance. This states, the high commitment of employees can spur improve and provide performance. Employees who commit means reflecting the attitude of employee satisfaction towards the company and maintaining the company's image to be able to continue to perform well and achieve high performance so that the company's goals can be achieved in improving employee performance.

The results of this study support the results of research Yanto (2009), which states that employees with high commitment feel the loyalty and sense of belonging to the organization and someone who has a high commitment will have an identification of the organization, involved seriously in employees and the organization is loyal. The results of the study are also in line with it. Eaton et al. (1992) revealed that employee commitment to a high organization would affect employee performance. Likewise, the opinion of Luthans (2006: 35) states that both past

and recent research support the influence of employee commitment to performance, and negatively affect the desire to move and job absenteeism. Highly committed employees will have a positive impact at work, namely giving their best effort to complete tasks quickly and according to what is targeted.

In this case. Employees who have a good commitment will only take into account the cost factors while things like acceptance of organizational values, level of absenteeism, or actions towards work for employees are not too important. Conversely, if employees have a high commitment and while still receiving the benefits of work, it will be able to improve employee performance. The commitment that grows in employees will keep employees in the workplace, thereby reducing the number of turnovers. Employees who are committed to continuing to work in the company means having a strong bond with the company, so employees will always try to raise the company's good name by providing the best performance.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

Organizational culture has a significant effect on DPMPTSP Bandung employee performance. The direction of significant influence shows that the better the organizational culture means the better the performance of employees at Bandung City DPMPTSP. As for the variable, employee commitment significantly influence employee performance. The direction of significant influence shows that the higher the commitment of employees, the better the performance of employees in Bandung City DPMPTSP.

Recommendation

The leader must be able to motivate his employees to be more responsible for their duties and responsibilities towards the organization. Employee motivation arises not only from himself but also motivation from the leadership or others. If employees are motivated, their work ethic will increase in a good direction. The leadership must reassert the

rules of work hours, and pay more attention so that employees can increase discipline in completing work, so employees can improve discipline in completing their work. Supervision by the leader is a control for the activities of subordinates in completing tasks in the direction that must be achieved to complete their work according to the time they should. If in carrying out their duties, employees deviate or violate the existing rules of the applicable provisions, it requires sanctions or reprimands from the leadership.

This study only presents the organizational culture, employee commitment to employee performance. For further research, to add variables such as the work environment, employee incentives, job satisfaction, and organizational commitment to know the direction of employee performance.

REFERENCES

- Bintoro. 2000. *Good Governance (Paradigma Baru Manajemen Pembangunan)*. UI Press: Jakarta
- Burhan, A., Pradhanawati, A., and Dewi, R. S. 2013. *Pengaruh Budaya Organisasi, dan Komitmen Organisasi Terhadap Kinerja Karyawan dengan Mediasi Kepuasan Kerja Pada PT. BPR Setia Karib Abadi Semarang*. Diponegoro Journal of Social and Politic, 1–13.
- Chang, S. C. and Lee, M. S. 2007. *A study on the relationship among leadership, organizational culture, the operation of a learning organization, and employees' job satisfaction*. Learning Organization.
- Eaton, Adrienne E., Michael E. Gordon, and Jeffrey H. Keefe. 1992. *The Impact of Quality of Work-Life Programs and Grievance System Effectiveness on Union Commitment*. Industrial and Labour Relations Review. Vol. 45 No. 3, p.591-604.
- Ghozali, Imam. 2011. *Aplikasi Analisis Multivariate Dengan Program IBM SPSS 19*. Semarang: Badan Penerbit Universitas Diponegoro.
- Handoko, T. H. 2008. *Manajemen Personalia dan Sumberdaya Manusia*. Edisi Kedua. Yogyakarta: BPFE.
- Hasibuan, Malayu S. P. 2005. *Manajemen Sumber Daya Manusia*. Edisi Revisi. Jakarta: PT. Bumi Aksara.
- Julistia, M. 2015. *Pengaruh Motivasi Kerja Dan Komitmen Karyawan Pada Kinerja Karyawan Bagian Toko PT. Anak Jaya Bapak Sejahtera*. Jurnal Manajemen Bisnis Universitas Kristen Petra. Vol.3.No.1.
- Luthans, Fred. 2006. *Perilaku Organisasi. Edisi10*. Yogyakarta: Penerbit Andi.
- Maryani, Thoyib, A., Setiawan, M., and Salim, U. 2011. *Pengaruh Budaya Organisasi dan Gaya Kepemimpinan serta Pengembangan Karyawan terhadap Kepuasan Kerja dan Kinerja Karyawan Pada Perusahaan Ritel di Sulawesi Selatan*. Jurnal Aplikasi Manajemen, 9(3), 1030–1041.
- Mardiani, A. and Maya S.D, 2015. *Pengaruh Kepuasan Kerja dan Komitmen Organisasional terhadap Kinerja Pegawai Bank Kalsel*. Jurnal Wawasan Manajemen, Vol. 3, Nomor 3
- Meyer, J. P. and Allen, N. J. 1997. *Commitment in the Workplace Theory Research and Application*. California: Sage Publications.
- Moeljono, D. 2003. *Budaya Korporat Dan Keunggulan Korporasi*. Penerbit: Elex Media Komputindo, Jakarta.
- Robbins, Stephen P. and Judge, Timothy A. 2008. *Organizational Behavior*. Edisi Keduabelas. Jakarta: Salemba Empat
- Robbins, Stephen P. and Coulter, Mary. 2010. *Manajemen*. Edisi 10. Jakarta: Salemba Empat.
- Soepardjo, T. A. and Nugrohoseno, D. 2014. *Pengaruh Budaya Organisasi dan Komitmen Organisasi Terhadap Kinerja Karyawan*. Jurnal Ilmu Manajemen, 2 (4), 1783–1793.
- Sinambela, Lijan. 2012. *Kinerja Pegawai: Teori, Pengukuran dan Implikasi*. Yogyakarta: Graha Ilmu.
- Sugiyono. 2006. *Metode Penelitian Kuantitatif Kualitatif dan R&D*. Bandung: Alfabeta.
- Suzanto, B. and A. Solihin. 2012. *Pengaruh Budaya Organisasi, Komunikasi Interpersonal dan Komitmen Organisasi terhadap Kinerja Pegawai pada Unit Network Management System Infratel PT. Telekomunikasi Indonesia, Tbk*. Jurnal Ekonomi Bisnis dan Entrepreneurship, Vol. 6 No. 2 Hal. 64-76,
- Syauta Jack Henry, Eka Afnan Troena, Margono Setiawan, and Solimun. 2012. *The Influence of Organizational Culture, Organizational Commitment to Job Satisfaction and Employee Performance (Study at Municipal Waterworks of Jayapura, Papua Indonesia)*. International Journal of Business and Management Invention. Volume 1 Issue 1. December. 2012. PP.69-76.
- Wagiman and Sutanto, H. A. 2018. *Pengaruh Budaya Organisasi, Komitmen Organisasi dan Kepuasan Kerja Terhadap Kinerja Karyawan (Studi pada PT Bank Rakyat Indonesia (Persero) Tbk. Kantor Wilayah Semarang)*. In SENDI_U (pp. 978–979).