

Organization Commitment as a Mediation to Impact Organization Performance: Study in Government of Aceh Jaya

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Abstract: The aims of this study to look at the relationship of learning organization, leadership style and organization culture on organization commitment and its impact on organization performance. The research is conducted at the government of Aceh Jaya as a district government organization. The population is all employees of the Government of Aceh Jaya, as many as 192 employees. The sampling techniques uses a census method, that takes the whole population as a sample. The result shows that learning organization, leadership style, organization culture, and organization commitment effect organization performance significantly ; learning organization, leadership style, and organization culture effect organization commitment significantly; learning organization effects organization performance through organization commitment significantly; leadership style effects organization performance through organization commitment significantly, and; organization culture effects organization performance through organization commitment significantly. For these three indirect effect, organization commitment is proved as a partial mediation variable. This research model is a development of the previous model, and uses SEM as new approach method for testing. This research implies for both academic of practical persons. For academic, these findings contribute to other researchers to establish their new research models or develop from this one. For practical, this can be a reference for managers to pay more attention related to the variables and relations among them, especially in responding the organization commitment in their organizations. The limitation lies on its number of object, and the amount of the variable.

Keywords: Learning Organization, Leadership Style, Organization Culture, Organization Commitment, Organization Performance

I. Introduction

Human resources are an important asset of the organization especially in providing services to the public. As well as the government of Aceh Jaya, as a public organization in serving its stakeholders especially the citizens in its area, this organization faces the dynamic challenges with problems continue to grow and sustainable, and this can affect the performance. According (Wibowo, 2016), organization performance is a product of many factors, including the organization structure, knowledge, human resources, strategic positioning, and human resource processes. Performance requires strategy, objectives and integration. The strategy is the integration of a very broad action plan to achieve organization goals. While it is the goal is to improve the productivity of human resources. (Zarvedi, Yusuf, & Ibrahim, 2016) stated " Organization performance that has been carried out with a certain level of achievement should be in accordance with the mission that has been set as the basis for carrying out the tasks. Thus the performance is the level of achievement or the degrees of accomplishment".

An organization is not enough just to rely on capital, methods and machines as well as natural resources. In order to obtain a significant success requires a commitment and support from the human resources. According to (Lamba & Choudhary, 2013) in (Tirtaputra & Surya, 2016) mention some sort of organization commitment is a powerful magnet that binds employees with their willingness to remain in the organization. According (Puspitawati & Riana, 2014) organization commitment is an employee loyalty to the company to keep work properly in order to achieve its goals. (Wibowo, 2016) describes the commitment is the feelings, attitudes and behaviors of individuals that identify themselves as a part of the organization, are involved in the activities of the organization and loyal to their organization in achieving organization goals. According (von Bonsdorff, Janhonen, Zhou, & Vanhala, 2015) in (Rizwan, Musnadi, & Faisal, 2018),

that organization commitment can affect work performance depends on employee efforts as well as the values and norms that exists within the organization.

In the other side, organization also needs to learn continuously to adapt with the dynamic change. According to (Senge, 1990) "Learning organization is an organization that has developed the capacity to continuously learn, adapt and change ". The concept of the learning organization itself is often exchanged with organization learning. Though organization learning is the process or organization activity that aims to achieve the ideal conditions for a learning organization. While understanding the learning organization more emphasis on organization that provides opportunities for individuals in it to learn and not emphasize the process of learning as well as understanding the concept of learning organization (Parmono, 2001).

The organization control with a leadership style has also an important role. (Wirawan, 2013) in (Fabio, Hubeis, & Puspitawati, 2016) explains that the leadership style is a leader in influencing behavior patterns of attitudes, behavior of his followers. Understanding patterns of behavior is not in a static sense but in the sense of dynamic. The leadership style of a leader can be changed depending on the quantity and quality of the followers, social systems and cultural situation. A leader can use a different pattern of behavior or style that influences his followers, than other leaders use.

The leadership style in Aceh Jaya local government tends to bureaucratic. The type of bureaucratic leader is with a less attention to the task and work relationships between superiors and subordinates. It is necessary for leaders to establish the appropriate policies in organizing and influencing their subordinates. The leadership style has a role in determining the direction of the organization. A leader will forms a work system that is effective, efficient and adapt to the conditions and situations. (Rafiie, Azis, & Idris, 2018). According (Rivai & Mulyadi, 2003) "The leadership style is a whole pattern of a leader's actions, both visible and invisible by his subordinates. leadership style describes a consistent combination of philosophy, skills and attitudes underlying nature of a behaviour. Leadership style shows, directly or indirectly, about the conviction of a leader of his subordinates abilities".

The organization culture in the government of Aceh Jaya leads to innovation and speed to solve the problem in all areas that organization works. It integrates with the interests of all parties including leaders and subordinates. The implementation of the culture is a matter of behavior, and understanding of the values which is reflected in everyday actions of the apparatus. (Wibowo, 2013) concluded that organization culture is the basic philosophy of the organization which includes beliefs, norms and values into the handle all human resources within the organization in carrying out its performance. According (Kontoghiorghes, 2016) organization culture is as a pattern of basic assumptions that are found, created or developed by a certain group with the intention that the organization learns to overcome or cope with the problems that arise as a result of external adaptation and internal integration that has been running pretty well, so it needs to be taught to new members as the correct way to perceive, think and feel with regard to these issues. (Rizwan et al., 2018). According to (Robbins & Coulter, 2016) "The culture of the organization is presented as the values, principles, traditions and ways of working that are shared by the members of the organization and influence the way they act and distinguish these organizations and other organizations".

Based on discussion above, the relation of the theories indicate that there is a need to describe how the relationship among the management variables in government organization of Aceh Jaya, that are so important in its practical management system, and how the variables can solve the problems in this organization. So in this research verification, the paradigm and the hypothesis can be formulated as follows.

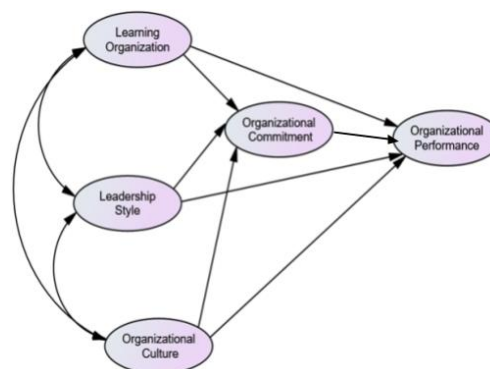


Figure1. Research Paradigm

- H1. Learning organization effects the organization performance significantly
- H2. Leadership style effects the organization performance significantly

- H3. Organization culture effects the organization performance significantly
- H4. Learning organization effects organization commitment significantly
- H5. Leadership style effects organization commitment significantly
- H6. Organization culture effects organization commitment significantly
- H7. Organization commitment effects organization performance significantly
- H8. Learning organization effects organization performance through organization commitment significantly
- H9. Leadership style effects organization performance through organization commitment significantly.
- H10. Organization culture effects organization performance through organization commitment significantly.

II. Method

The location of this research is in the range of agencies under the direct coordination of the Regional Government of Aceh Jaya province. As for the focus of the object of study is a learning organization, leadership style and organization culture on organization commitment and its impact on the performance of the Regional Government of Aceh Jaya. The population in this study is the Civil Servants (PNS) of Work Unit (SKPD) within the Government organization of Aceh Jaya that is in SKPD, consisting of: 1) District Secretariat; 2) The Secretariat of the DPRK; 3) The Public Works Department of Housing; 4) Inspectorate; and, 5). Regional Development Planning Board (Bappeda). The population is 192 people. The sampling technique used is a census, that takes as much as the population. This number of sample is eligible than the minimum amount according to (Ferdinand, 2002) where the number of sample must be $5 \times$ indicator. Data obtained in the field is processed by using Structural Equation Modelling that is one of statistic multivariate techniques in order to analyze the influence not only between variables, but also the relationship with the indicator variables respectively. Ha acceptance criteria is Critical Ratio (CR) > 1.96 and the Probability (P) < 0.05 .

III. Result

Loading Factor Measurement Test

The validity test can be seen in the figure and table below:

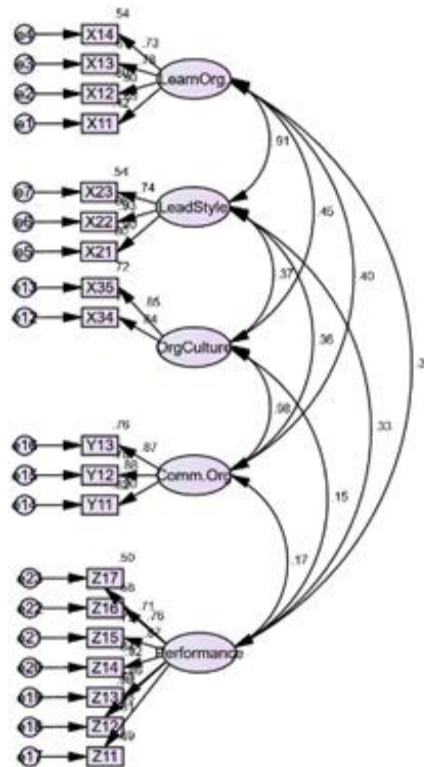


Figure2. Measurement Model

The test result shows that some indicators of measurement of the variables have values below the loading factor of 0.5. The following table of measurement test result that can later be included in the structural testing.

Table1. Loading Factor Measurement Model

| N o. | Indicator | | variables | estimate |
|------|-----------|------|--------------------------|----------|
| 1 | X11 | <--- | Learning Organization | .646 |
| 2 | X12 | <--- | Learning Organization | .896 |
| 3 | X13 | <--- | Learning Organization | .778 |
| 4 | X14 | <--- | Learning Organization | .732 |
| 5 | X21 | <--- | Leadership Style | .897 |
| 6 | X22 | <--- | Leadership Style | .929 |
| 7 | X23 | <--- | Leadership Style | .738 |
| 8 | X34 | <--- | Organization Culture | .844 |
| 9 | X35 | <--- | Organization Culture | .846 |
| 10 | Y11 | <--- | Organization Commitment | .905 |
| 11 | Y12 | <--- | Organization Commitment | .882 |
| 12 | Y13 | <--- | Organization Commitment | .874 |
| 13 | Z11 | <--- | Organization Performance | .830 |
| 14 | Z12 | <--- | Organization Performance | .902 |
| 15 | Z13 | <--- | Organization Performance | .856 |
| 16 | Z14 | <--- | Organization Performance | .918 |
| 17 | Z15 | <--- | Organization Performance | .869 |
| 18 | Z16 | <--- | Organization Performance | .762 |
| 19 | Z17 | <--- | Organization Performance | .709 |

Table1: shows the loading factor of all existing indicators in the model, and already qualify for further treatment because it has a loading factor > 0.5.

Table2. Goodness of Fit

| Criteria Index Size | Cut-off Value | Results Analysis | evaluation Model |
|---------------------|--|---------------------------|------------------|
| Chi Square | expected to be small | 221.409 | Fit |
| CMIN / DF | CMIN / DF <2 | 1.771 | Fit |
| GFI | ≥ 0.90 | 0, 886 | Fit |
| AGFI | ≥ 0.90 | 0.843 | Well |
| CFI | ≥ 0.90 | 0.919 | Well |
| NFI | approaching 1 | CFI Above 0.5 | relatively Good |
| PGFI | 0-1 | PNFI 0-1 | Fit |
| RMSEA | < 0.08 | 0,064 | Fit |
| ECVI | Default between Saturated and Independence | 1.641 < 1791 < 7246 | Fit |

Structural Analysis

Structural testing conducted provides the information needed to answer the hypotheses that have been

built before whether proven or not. The following figure illustrates the influence between variables:

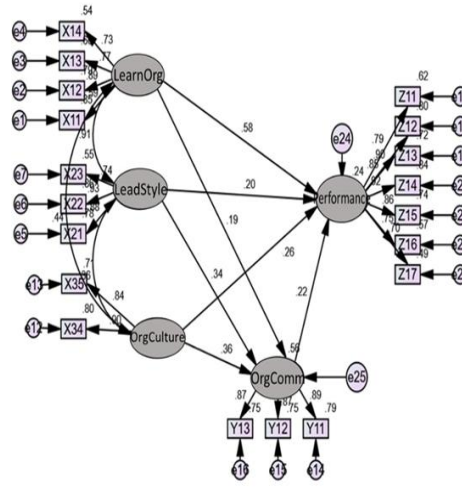


Figure3. Structural Equation Model

The whole picture together with the result of hypothesis test can be seen in the following table:

Table 3. Direct Effect

| N o. | hypothesis | CR Cut off > 1.96 | P Value Cut off < 0.05 | Informati on |
|------|---|-------------------|------------------------|--------------|
| 1 | Effect of Learning organization on the Organization performance | 2.087 | 0.042 | H2 Accepted |
| 2 | Leadership Style Influence on the Organization performance | 2.048 | 0.049 | H3 Accepted |
| 3 | Influence of Organization Culture on the Organization performance | 2.613 | 0.009 | H4 Received |
| 4 | Effect of Learning organization on Organization Commitment | 12.250 | 0.000 | H5 Accepted |
| 5 | Influence of Leadership Style on Organization Commitment | 11.720 | 0.000 | H6 Accepted |
| 6 | Influence of Organization | | 0.00 | H7 Accepted |

| | | | | |
|---|--|------------|-----------|----------------|
| | Culture on Organization Commitment | 10.92 5 | 0 | |
| 7 | Influence of Organization Commitment on the Organization performance | 2.087 | 0.04 7 | H8 Received |

From the table above we can see the result of the direct effect test. We can see that all hypotheses are accepted. It means that learning organization, leadership style, organization culture, and organization commitment effect organization performance significantly, and learning organization, leadership style, organization culture effect organization commitment significantly. These all mean the hypotheses are verified. These are appropriate with the previous theories.

Another hypotheses are the indirect effect hypotheses, that results as follows:

1. For the effect of learning organization on organization performance through organization commitment, seen two-tailed p value with Sobel test = $0.000 < 0.05$ then proves its indirect effect is significant. Because either has a direct as well as through the organization commitment as a indirect effect is significant, the role of organization commitment variable here is a partial mediaton variable.
2. For the effect of leadership style on organization performance through organization commitment, seen two-tailed p-value with Sobel test = $0.000 < 0.05$ then proves its indirect effect is significant. Because either has a direct or through the organization commitment as an indirect effect is significant, so the organization commitment has a role as a partial mediation variable.
3. For the effect of organization culture on organization performance through the organization commitment, seen two-tailed p-value with Sobel test = $0.000 < 0.05$ then proves its indirect effect is significant. Either directly or through organization commitment variable is significant, so in this case the organization commitment is also has a role as a partial mediation variable.

IV. Conclusion

The result shows that for the direct effect : 1) learning organization, leadership style, organization culture, and organization commitment effect organization performance significantly, and; 2) learning organization, leadership style, and organization culture effect organization commitment significantly. For the indirect effect: 1) learning organization effects organization performance through organization commitment significantly; 2) leadership style effects organization performance through organization commitment significantly, and; 3) organization culture effects organization performance through organization commitment significantly. For these three verified theories of indirect effect, organization commitment is proved as a partial mediation variable, means that this variabel can be as a mediation or not, in improving the organization performance. This research model is a development of the previous model, and uses SEM as new approach method for testing. This research implies for both academic of practical persons. For academic, these findings contribute to other researchers to establish their new research models or develop from this one. For pratical, this can be a reference for managers to pay more attention related to the variables and relations among them, especially in responding the organization commitment in their organizations. The limitation lies on its number of object, and the amount of the variable.

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