

Analysis of Organizational Commitment and Performance in Plantation

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ABSTRACT

The research aimed is to analyze the relation among organizational culture, work satisfaction, motivation toward organizational commitment and performance. We took samples of respondent from affiliates of AALI Plantation in Indonesia. The analysis tool is Structural Equation Model. The result showed that organizational culture influence job satisfaction and organizational performance directly, job satisfaction affects motivation and performance, and motivation and organizational commitment have significant relationship.

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Introduction

Development of human resources in the plantation towards improving intellectual ability is more important in addition of venture capital. Because the management of plantation requires more creativity, innovation, and technology. Many plantation companies has resulted in a healthy organizational management and is able to get through the crisis well.

Every organization has an organizational culture. Organization culture in this study reflected the behavior of innovation and the orientation of the implementation of the employee's duties. Organizational culture is a supporting system for the development of capabilities, innovative new products, commitment, and ability to manage change through teamwork. Job satisfaction is the general nature of someone who is positive towards the organization. Siagian[1] said that it is clear that every manager needs to take various measures to encourage more subordinates who feel satisfied working in organizations concerned. Organizational management requires good knowledge and information to the strength the motivation of the employees. The level of productivity is as motivation to meet satisfaction from the job. The motivation is closely related to the satisfaction of the concepts used in explaining the intensity and accuracy of the behavior of people towards the goal.

From the above, it is clear that every employee has a great expectation to achieve excellence, with the assumption that the management of the organization is able to create and develop good organizational culture. Fulfillment of these factors can direct the employee on a good performance. It is necessary to realize an organizational dynamics that could changes as we are expected. Some research indicates that organizational commitment of individuals is more than just a job satisfaction indicators [2].

This research is implementation of the human resources management theoreme. Especially given the influence of organizational culture, job satisfaction and motivation on organization commitment and performance in the plantation company. The research based on the success of PT. Astra Argo Lestari (AALI) in the management of the organization that can produce the healthy organization's management in passing the national crisis.

Literature Review

Organizational culture can be thought of as the glue that embrace the organization together through pattern division of interest. The culture in an organization is a habit in thinking and doing things, which is distributable to its members at a higher level or lower, and new members must learn, or at least partially accept, moved at an acceptable goal for the activities of the organization concerned. Culture is a system that accepted to be applied within the group at a certain time. System in terms of form, the term category, and interpret picture of the human situation on himself. [3]

An organizational culture is an integral part of the internal environment of the organization, because the cultural diversity that exists in an organization as much as the number of individuals in the organization. Generally, an organization's culture is very influenced by the external environment of the organization. Every employee has the cultural characteristics of each, so it was likely there employees who do not like, but there is also like the company culture. So, we need unification of perception, understanding, and acceptance of all employees on the organization's culture statement. Organization culture in this study reflected the behavior of innovation and the orientation of the implementation of the employee's duties. Organizational culture is a supporting system for the development of capabilities, innovative, commitment, and ability to manage change through teamwork.

Job satisfaction is a positive emotional statements as a result of appreciation of employees to work and a certain work experience [4]. Less stable organization due to its low satisfaction [5].

Related to this research, job satisfaction indicated by three concepts, namely: regarding the response to the situation in the workplace, implementation of the tasks, and the behavior of the evaluation work. Each individual will have a level of satisfaction varies according to the value system that applies to him. The more aspects of the work, the higher the perceived level of satisfaction, and vice versa [6]

According to McClelland theory [7], to meet basic human needs that make people motivated to do a job is: First, a desire to overcome and defeat a challenge that is useful for the progress, and growth of the need for achievement. Second, the urge to make contact with others. Third, as the urge to control the situation and the problems facing or the need for power. Basically the factors of job satisfaction is the feeling of people towards their job. The problem concerns that the nature of mental feeling is spiritual person. These feelings are very close relation to the symptoms soul of an internal nature and aims should actively or passively. To be active because the relevant seeks to provide value and taste, while to be passive, because the subject of other values.

A theory of human motivation that has got a lot in the past, developed by Abraham Maslow. Maslow [7] clarified human needs into five categories in ascending order sequentially. Maslow's hierarchy is very famous consists of 1) physiological needs, 2) the need for security, 3) the need for a sense of belonging and being loved, 4) kebutuhan will self-recognition, and 5) the need for self-actualization. The assumption is often made using Maslow's hierarchy where labor is modern, with technology improving people's basic needs. So, motivation means "as the set of process that arouse direct and maintain human behavior toward attaining goal"[8].

Timpl[9] argues that the motivation will be strongly related to employee commitment. Employees who work in an organization/company with high motivation will have implications for the self-limiting over the choices other work. So, the company's aim is how to raise morale or high motivation of the employees. Organizational commitment is a condition in which an employee is in favor of the organization and the organization's goals [8]. Lok and Crawford[10] said, organizational culture, commitment and innovative cultural, impact on job satisfaction. As'ad[6] revealed that members of the organization who have received the organization's culture and adapt to harmonize individual interests with the interests of the organization, performing the task look forward and try to get a better state.

Gomes[11] impose a limit on the performance as a "record of outcomes produced on a specified job function or activity during, a specified time period". According Hasibuan [12], a job performance are the results achieved in executing the tasks assigned to them based on skills, experience, sincerity and time. Or it can be said that the performance is a combination of three important factors: the ability, interests of a worker and a worker motivation levels.

Mangkunagara [13] said that the performance is a result of work in quantity and quality are achieved by an employee in performing their duties in accordance responsibilities given to him. Employee performance is the interaction between motivation and ability, where performance is an important thing that is needed in order to support the achievement of

organizational goals. The company's goal will be achieved if there is a high morale and high motivation of the employees. The performance is a combination of three important factors, namely: the ability and acceptance of the explanation delegate and the participation of an employee motivation levels. The higher the weight of the above three factors, then the greater the performance of the employee will be concerned.

The theorems above as a reference for the preparation of this research model. In more detail, the model of this study are presented in the figure below.

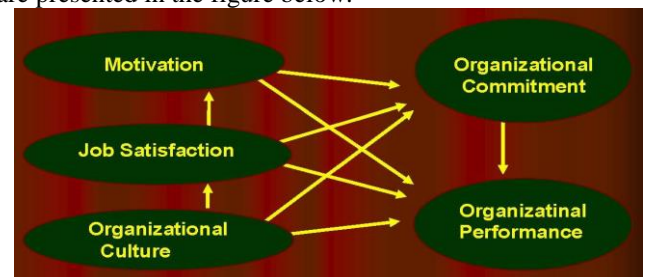


Figure 1. Framework Model of Research Concepts.

Source: the establishment of theoretical models

Research Methods

This study wish to clarify the effect of cultural variables, job satisfaction and motivation on organization commitment and performance. This study intended to explain the position of the relationship of variables that were analyzed between one variable with another variable.

The research location are in West Sulawesi and East Kalimantan. We interviewed 240 respondents with variety of characteristics, by age, educational level and tenure. Observations variable was measured directly with an ordinal scale according to the perception of the respondents. Scales form in the enclosed questionnaire is used with a likert scale standard. The construct of the exogenous variables consist of: organizational culture (X1), job satisfaction (X2) and motivation (X3). As follows table below, we described operationally variable regarding the research object.

The research instrument is closed questionnaire, while the analysis tool to test simultaneous model is Structural Equation Modeling (SEM) and aided with AMOS (Analysis of Moment Structure) software.

The questionnaire to be trustworthy or valid and reliable. Provided that the results of the research instrument used, the questionnaire is valid, where the correlation value is greater than 0.3, using 40 respondents at random [14]. In terms of reliability, Cronbach Alpha is greater than 0.6 [15]. Alpha coefficient of organizational culture, job satisfaction, work motivation and organization performance are greater than 0.6. Thus, the question items have statistically significant and reliable for further testing.

We use multivariate analysis model for analysis techniques, with structural equation analysis, known as structural equation models. Inferential statistical analysis was used to test the effect of organizational culture, job satisfaction and motivation on organizational commitment. We will do two test phases, namely: (1) confirmatory factor analysis (CFA) measurement model, and (2) structural equation modeling (SEM).

CFA is used to investigate undimensionalitas of indicators that describe a factor or a latent variable. SEM testing is to test the suitability of the model as well as causality test through the test regression coefficient. The test analysis of the model was conducted in three phases. First phase is to test the conceptual model, and the second phase to

modification of the model when necessary to improve the model. If the second phase is still less than satisfactory results are obtained, then reached the third step by eliminating or drop a variable that has a weight factor of 0.40, because this variable is seen not the same dimension as other variables to explain a latent variable [16]. The final step is the evaluation criteria of goodness-of-fit, with the first action is to evaluate whether the data used to meet the assumptions of SEM. If these assumptions are met, then the model can be tested by looking at the indexes suitability and cut-off value used in testing whether a model can be accepted or rejected.

Table 1. Operational Variable.

Variable	Category	Indicators
Organizational culture (X1)	Characteristics	Innovative into account the risks (X1.1); Attention to the problem in detail (X1.2); Orientation results (X1.3); Oriented to all employees (X1.4)
Job satisfaction (X2)	Satisfaction with the job	Completed tasks (X2.1); Compatibility with flair (X2.2)
	Satisfaction with payment	Compliance with salary (X2.3); Equality with payment (X2.4)
	Satisfaction with promotion	Career development (X2.5); Promotions (X2.6)
	Satisfaction with supervision	The effect of the level of supervision (X2.7); Support for job (X2.8)
	Satisfaction with friends	Intertwined social research agreement (X2.9); Intertwined cooperation beyond duty (X2.10)
Work motivation (X3)	Intrinsic factors	Achievement (X3.1); Recognition (X3.2); Responsible (X3.3); Progress (X3.4); Work Itself (X3.5); The possibility of developing (X3.6)
	Extrinsic factors	Wages (X3.7); Job Security (X3.8); Working Condition (X3.9); Status (X3.10)
Organizational commitment (Y1)	Affective commitment	Career (Y1.1); Ownership (Y1.2); Sense of attachment (Y1.3); Part of family (Y1.4).
	Normative commitment	Obligation to the organization (Y1.5); Benefits to the organization (Y1.6); Guilt (Y1.7); Sense of debt to the organization (Y1.8)
	Sustainable commitment	Remain in the organization (Y1.9); Desire to leave the organization (Y1.10); Desire to work in another society together (Y1.11).
Organizational performance (Y2)	Quantity	Number of Jobs (Y2.1); Workload (Y2.2); Supporting facilities and infrastructure (Y2.3)
	Quality	Accuracy (Y2.4); Neatness (Y2.5); Skills (Y2.6)
	Timeliness	Time to finish the job (Y2.7); Willingness for overtime (Y2.8); Levels of attendance (Y2.9)

Source: the models establishment

Discussion

The test results of CFA measurement models give some constructs that have a weighting factor of less than 0.40. SO, these variables must be eliminated and the final model should be modified. The variables that must be eliminated are: X1.3, X2.2, X2.4, X2.5, X2.7, X2.9, X2.10, X3.1, X3.2, X3.3, X3.7, X3.8, X3.9, X3.10, Y1.1, Y1.8, Y1.10, Y1.11, Y2.4, Y2.5, Y2.6 and Y2.7.

Other variables that can be incorporated into the model for loading factor value or lambda coefficients of each indicator is greater than 0.40. After modification, the model tested again based on the criteria of goodness of fit indices to obtain a final model that complies with the data.

Comparing with the criteria of goodness of fit indices, indicate that the evaluation model of the overall construct can accept the model or own suitability data. The final model of the links between organizational culture (X1), job satisfaction (X2) and motivation (X3) on organizational performance (Y1) and organizational commitment (Y2) are summarized in figure 2 below.

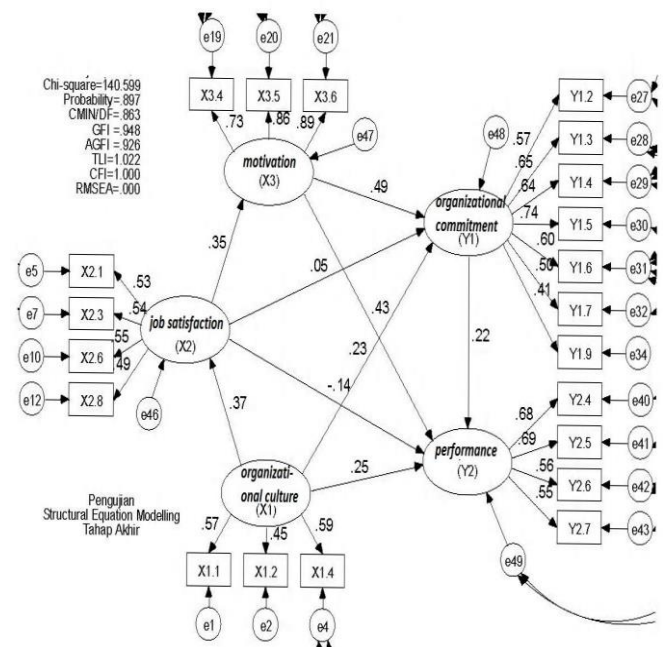


Figure 2. Final Model

Influence linkages between organizational culture (X1), job satisfaction (X2), motivation (X3) on organizational commitment (Y1) and performance (Y2).

Table 2 below is a test of the hypothesis by comparing the t-value and the error probability to see whether the relationship between variables significant or not.

Table 2. Testing of the Model.

Type of Effect	Prob	Significantly
Satisfaction (X2) <-- Culture (X1)	0.004	significant
Commitment (Y1) <-- Culture (X1)	0.032	significant
Performance (Y2) <-- Culture (X1)	0.028	significant
Motivation (X3) <-- Satisfaction (X2)	0.000	significant
Commitment (Y1) <-- Satisfaction (X2)	0.627	not significant
Performance (Y2) <-- Satisfaction (X2)	0.186	not significant
Commitment (Y1) <-- Motivation (X3)	0.000	significant
Performance (Y2) <-- Motivation (X3)	0.000	significant
Performance (Y2) <-- Commitment (Y1)	0.046	significant

Notes:

* significant at the 5% level. Culture (culture of the organization = X1), Satisfaction (job satisfaction = X2), motivation (motivation to work = X3), commitment (organization commitment = Y1), and performance (organization performance = Y2).

Source: The results of data processing.

Based on the analysis obtained the final model the structural equations are as follows:

$$X2 = 0.375 X1 + \varepsilon_{46}$$

$$X3 = 0.355 X2 + \varepsilon_{47}$$

$$Y1 = 0.227 X1 + 0.050 X2 + 0.486 X3 + \varepsilon_{48}$$

$$Y_2 = 0.250 X_1 - 0.142 X_2 + 0.430 X_3 + 0.221 Y_1 + \varepsilon_{49}$$

Based on picture of final model and all table, it can be seen that there are nine lanes with seven significant influence and two insignificant lanes.

Direct effect, indirect effects, and total effect analysis between variables in the model are used to compare the influence of each construct variable. The effect test results are presented in table 3 below.

Tabel 3. Direct-Indirect Effect Testing.

Dependent Variable	Independent Variable	Effects			Difference
		Direct	Indirect	Total	
Satisfaction	Culture	0.375	0.000	0.375	TE = DE
Motivation	Satisfaction	0.355	0.000	0.355	TE = DE
Commitment	Motivation	0.486	0.000	0.486	TE = DE
Performance	Motivation	0.430	0.107	0.537	TE > DE
Commitment	Satisfaction	0.050	0.172	0.222	TE > DE
Performance	Satisfaction	-0.142	0.201	0.059	TE < DE
Commitment	Culture	0.227	0.083	0.310	TE > DE
Performance	Culture	0.250	0.072	0.322	TE > DE
Performance	Commitment	0.221	0.000	0.221	TE = DE

Description: Culture (X1), Satisfaction (X2), Motivation (X3), Organizational Commitment (Y1), Performance (Y2), Total Effect (TE), Direct Effect (DE).

Source: The result of data processing.

The table above shows the magnitude of direct, indirect and total influence among variables. From the comparison of total influence and direct influence, it can be seen that there are four paths that influence between variables have the same total influence with the direct influence, namely the influence of organizational culture on job satisfaction, the influence of job satisfaction on motivation, the influence of motivation to organizational commitment and the influence of organizational commitment on performance. This means the four lines have no indirect effect.

There are three paths that have a greater total influence than the direct influence, namely the influence of motivation on performance, the influence of job satisfaction on organizational commitment, the influence of organizational culture on organizational commitment, and the influence of organizational culture on performance. This means that there is additional influence through the path that is not direct, while one other line shows the total effect is smaller than the direct influence, namely the effect of job satisfaction on performance. It means that the magnitude of the independent influence of variables on dependent variables greater influence through indirect path.

Conclusion

Organizational culture influence job satisfaction and organizational performance directly. There is a linkage between organizational culture and performance, either directly or indirectly. Organizational culture also has significant influence on organizational commitment. Elton Mayo in Robbins[7] declared successful increase employee productivity can be achieved when the relationship between the employee and his leader can run well, and will be able to encourage his satisfaction. Good organizational culture account the interests of all employees and not just results-

oriented, but raises employee satisfaction that will further enhance employee motivation.

Job satisfaction affects motivation and performance. There is a link between job satisfaction on organization performance, either directly or indirectly. The influence of job satisfaction on motivation showed a positive and significant value. These results support the Jernigan, et.al[17]. But, job satisfaction does not directly affect organizational commitment [18]. Attention to settle on a job, settle on a payment, satisfied with the promotion and support of superiors more directed to form intrinsic element in the form of skills, and abilities that encourage motivation, and not directly affect the performance of the organization.

Variables of motivation and organizational commitment have significant relationship. Moon[19] support this result, management that can account the skills and abilities of employees, will greatly help to foster employee commitment. A healthy work culture and employees attention have been brought to the work comfort, and will be easier to understand its obligations or commit then results in productivity or better performance. Motivation has a biggest factor that affecting performance compared to other variables. With variable of organizational culture, motivation is the driving force to improve the commitment to organization.

It suggests that efforts to training and development efforts that have been made by PT. AAL impact on improvement of skills and abilities that lead to improved organizational commitment and performance. [20]

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