

## **Perception of civil servants on performance: An Emperical Analysis of Indonesian Local Government**

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**ABSTRACT:** *This study aims to examine and analyze the effect of organizational culture, leadership and competence on organizational commitment, Work Motivation, and apparatus performance. The study design used survey method with data collection of cross-section through questionnaires. The sample was drawn by stratified random sampling with 214 apparatus. Method of analysis to test the hypothesis was Structural Equation Modeling (SEM). The result of the study indicated that organizational culture does not have significant effect on organizational commitment, Work Motivation, and apparatus performance, but leadership shows significant effect on organizational commitment, Work Motivation, and apparatus performance. In addition, competence has significant effect on organizational commitment and Work Motivation, but it does not have significant effect on apparatus performance. The last, organizational commitment and Work Motivation have significant effect on apparatus performance. The practical implication of this study is giving knowledge and comprehension to apparatus to improve individual performance as a result of good leadership, organizational commitment, and high Work Motivation.*

**KEYWORDS -** *Organizational Culture, Leadership, Competency, Organizational Commitment, Work Motivation, Apparatus Performance*

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### **I. INTRODUCTION**

The unique of human resource characteristics in an organization, covering individual differences, level of knowledge competence, skills, qualification, and even living background, will show effect on attitude and behavior toward job, including the commitment on organization and performance as apparatus (Robbins, 2006). Organizational culture is the dominant concept in organizational theory and research areas of the organization Organizational culture is a dominant concept in organization theories Organizational culture refers to how well an organization meets the customer's requirements and how far the organization members have compatibility with organization (O'Reilly, 1989; Harris & Ogbonna, 2002). Organizational culture is defined as pattern of collective norms and beliefs that help individual to comprehend organizational functions and behavioral norms in organization. Although research interest is developing, there is no yet a clear agreement about the definition and measurement of researchers and practitioners (Deshpande & Webster, 1989). However, it is found consensus for management developing complex elements to make clear the organizational culture as strategic direction, particularly in the condition that expects fast response toward external pressure (Smircich, 1983; Appiah-Adu & Blankson, 1998).

### **II. LITERATURE REVIEW**

#### **2.1. Organizational Culture**

Concept of culture derives from the study of ethnic and national differences, provides a frame for interpreting individual experiences and establishing the norms to define what is assumed legitimate and desired by organization. Organizational culture is a complex phenomenon that supports the daily life of organization and shows variety of definition. Organizational culture is defined as a system or collective and common meaning prevailing for certain group of certain time (Pettigrew, 1979; Barney, 1986).

Organizational culture refers to a complex set of values, beliefs, assumptions, and symbols that define the way in which a company does business (Barney, 1986), while others perceive the notion of organizational culture as a pattern of behavior that form example durable in which the ideas and images can be transferred from one generation to another, or from one group to another (Haggett, 1975). Thus the organizational culture can be summed up as an attempt to influence individuals to draw conclusions from their observations, assuming that the conclusion was made when individuals have factual knowledge about the way they behave (Schneider & Rentsch, 1988).

The concept of organizational culture is regarded as one of the most interesting topics and difficult to be understood by management researchers (Harris & Ogbonna, 2002), in other words that have a lot of previous studies that analyzed the more central role of organizational culture as it is believed that social characteristics contained in the organization's culture becomes the major determinant of the organization, group and individual behaviors (Hartnell *et al.*, 2011).

Previous researchers explain that the term culture refers to the organization's core values and norms that have an influence on the different variables in organizational settings (Gregory *et al.*, 2009; Flamholtz, 2001). Organizational culture affects organizations in previous studies in two ways. First, it can affect the choice of corporate achievement and second, as a means to achieve these results, including the organizational structure of the process (Moorman, 1995). Organizational culture acts as a cognitive map and provides a mechanism, the norms and values of the organization that members should follow and internalize organizational cultures that exist in the organization that affect the way in which individuals think, either consciously or not in making a decision and finally they feel need for action (Lok & Crawford, 2004).

## **2.2. Leadership**

Leadership had been studied extensively in various contexts and theoretical basis for years. In some cases, leadership was described as a process, but most theories and researches on leadership view leadership as an attempt to have comprehension about it. Leadership is usually determined by nature, quality, and behavior of leader. Studies on leadership in some decades referring to what is known and understood about leadership is inspiring a further research on team leadership (Drath & Palus, 1994; Fiedler, 1967). History of leadership theory in twentieth century based on previous research had been reviewed comprehensively. Some different categories were identified to explain the essence of leadership study (Stogdill, 1974). Tendency to leadership was first described by attributes of great leaders that leadership was explained by the internal quality of individual at birth (congenital). The characteristics differentiating leaders from followers can be identified by personality, physical and mental characteristics and so successful leaders were assessed as leadership (Bernard, 1926).

Idea of leadership as an inborn talent is the key to succeed in identifying those who were born to be a great leader. Although more studies were conducted to identify those characteristics, no clear answer was found related to what traits were consistent with great leadership. The second, through the traits of leaders, it is afforded to determine how a leader succeed, not how to look the others (Hemphill & Coons, 1957). The study saw a leader in organizational context that leaders perform behavior that could increase the corporate effectiveness. The effect of the study explained that leadership is not always an innate trait but an effective leadership method under the watch of subordinates (Saal & Knight, 1988).

Referring to the statement, some experts suggested leadership as an attempt to influence people through communication to achieve goals, how to influence people with directions or instructions, actions that cause others to act or give response and create positive change, an important dynamic force that motivates and coordinates the organization in order to achieve the goal, the ability to create a sense of confidence and support of subordinates so that organizational goals can be achieved (DuBrin, 2005). The view is in line with the statement that leadership is ability to influence people toward the achievement of goals (Robbins, 1996). It means that leadership occurs when a person uses his influence to others to effort achievement of organizational objectives. Leadership is the relationship in which one person, or the leader, influences others to work together willingly on related task to satisfy what leaders desire (Terry, 1997:458). Leadership is in essence a relationship in which a person or a leader, influencing others to cooperate voluntarily, in connection with his duties to achieve the desired leader. Leadership is the ability to influence others to behave in a certain way. Given the leader everyone has its own way of running his leadership in achieving the goals of the organization will use its power as effectively as possible so that someone else can be directed behavior under various conditions (Musselman & Jackson, 1990: 112).

## **2.3. Organizational Commitment**

The concept of organizational commitment has gained attention from academics and practitioners (Cohen, 1992), and seen as an important variable in facilitating an understanding on employee behavior (Bateman & Strasser, 1984). Organizational commitment plays an important role in organizational behavior that the condition was caused by identification of employees' emotion in the organization (Jaworski & Kohli, 1993). In particular, it concerns with affective reactions of employees toward organization. Organizational commitment consists of three dimensions: (a) loyalty to organization manifested in the form of loyalty and care to organization which is the reflection of the desire to keep working for the organization; (b) organizational identification is the pride of organization due to the norms, values and goals of organization; and (c) organizational involvement refers to engagement with the work because of its contribution to the overall organization (Buchanan, 1974). Based on the conceptual, organizational commitment can be defined as work

attitudes directly related to the employee's interest to work for the organization or to participate actively to perform duties, associated with job performance (Lok & Crawford, 2004). An employee who has feeling of love to organization is believed to have emotional tendencies that create a psychological alignment with organization. Psychologically, employees who have alignment with the mission and values of the organization, tend to be more motivated in their work (Beer, 2009).

#### **2.4. Work Motivation**

In theory, motivation is grouped into three main categories: need theory, cognitive theory, and reinforcement theory (Bartol & Martin, 1998), the most popular is the need theory of Abraham Maslow known as Maslow's hierarchy of need theory of motivation. The hierarchy includes five basic levels of requirement compliance which must be satisfied in order. An alternative theory of Maslow known as ERG theory proposed by Alderfer (1972) consolidated to five levels of Maslow's hierarchy into three levels: Existence (E), Relatedness (R), and Growth (G). Existence needs include physiological factors such as food, shelter, clothing, and others. Relatedness needs refers to individual with other. Growth needs relate to the last two levels of Maslow's hierarchy: self-esteem and self-actualization. A two-factor (motivator and hygiene factors) theory of employee motivation was developed by Herzberg *et al.* (1959) who said that eliminating the cause of dissatisfaction (through hygiene factors) will not result in a state of satisfaction. Satisfaction (or motivation) will occur only as a result of the use of motivators Herzberg (1968). On the other hand, three types of needs: achievement, affiliation, and power, were studied by McClelland (1985). One of the most well-known cognitive theory, known as expectancy theory originally proposed by Victor H. Vroom stated that the individual tendency to act in a certain way depends on the strength of an expectation that the act will be followed by results given to individual as an attraction (Robbins, 1993)

#### **2.5. Competency**

Recently, it has become increasingly important to recognize the characteristics of individuals through competency-based approach (Spencer and Spencer, 1993). Individuals sometimes do their job imperfectly, particularly on social organization. Nonaka (1995) made a model called The Spiral of Knowledge used to explore and transfer knowledge within organization that exploring and transferring knowledge lead to high competence of employees. Skill is ability at work or other situations. The principles providing basis for the competencies are required to demonstrate the ability at work and other situations. Knowledge, skills and attitudes are simultaneously building competence. Competency is a characteristic providing basis for individual to create superior performance. Competence is part of one's personality and can be used to predict behavior in various situations and jobs, that competence cause or predict the behavior and performance, so that competence can be expressed as how to do something, whether or not be done well is measured based on certain criteria or standards (Jomon, 2003).

#### **2.6. Apparatus performance**

Based on literature it is found that there are two types of performance: in-role performance and extra-role performance (Brief & Motowidlo, 1986; Williams & Anderson, 1991). In-role performance refers to employees' actions to meet the requirements in job description (Williams & Anderson, 1991). Whereas; extra-role performance refers to actions beyond the formal role and behavior of the employee policy Research shows that participative management practices such as open communication and participative leadership style will be positively associated with higher level of employee performance on the two forms of performance, both in-role or extra-role. Individuals with high performance are due to competence and organizational commitment they own (internal factors) and support of leadership and high motivation from organization (George & Brief, 1992).

### **III. PREVIOUS STUDY**

One objective of this study was to analyze the effect of organizational culture to organizational commitment. Previous studies found many antecedents of organizational commitment antecedents as diverse as personal characteristics, job characteristics and work experience (Maxwell & Steele, 2003). Antecedents of organizational commitment based on previous study, one was influencing the culture organizational though the organizational culture was in very low level (Lok *et al.*, 2009). Study on organizational culture indicates that these factors had significant and positive effect on employee attitudes towards organizational commitment (Richard *et al.*, 2009). Affective response on organizational commitment, associated with the type of organizational culture is based on respect for people (McKinnon *et al.*, 2003). The latest evidence is inconsistent with previous findings provide evidence that organizational culture does not significantly influence the organizational commitment of employees. The effect of organizational culture and leadership style to job satisfaction and organizational commitment in Australia and Hong Kong managers. Statistically, there was significant difference between the two samples to measure the support and development of organizational

culture, job satisfaction, and organizational commitment. The Australian sample has higher average value in all of the variables. Leadership style and organizational culture indicated positive effect on job satisfaction and commitment to the sample combinations. Leadership style had a stronger effect to commitment in the Australian sample. Leadership style had negative effect to job satisfaction and positive effect to commitment to managers in Hong Kong (Lok & Crawford, 2004).

Avolio *et al.* (2004) examined psychological empowerment as mediator of the relationship of transformational leadership with organizational commitment. They also examine how the structural distance (direct and indirect leadership) of leaders as moderator of the relationship between transformational leadership and organizational commitment. The results of the analysis showed that psychological empowerment mediates the relationship between transformational leadership and organizational commitment. In the same way, the structural distance of leaders moderate the relationship between transformational leadership and organizational commitment. A research examined the effect of leadership and the change of leadership members to organizational commitment found that transformational leadership was positively related to the dimensions of leader-member exchange (LMX) and organizational commitment. LMX Quality also mediated the relationship between leadership and organizational commitment (Lee, 2005).

A research on the Watershed Management Board of Southeast Sulawesi Province analyzed the effect of the variables of organizational culture, employee competence on employee performance by placing the organizational commitment of employees as a mediator variable. The sample was drawn by simple random sampling from the population of 392 employees, 112 were selected as the research sample. The data were analyzed by Partial Least Square (PLS) providing evidence that the employee's competency has significant effect to on organizational commitment, meaning that employees' competence can increase employees' commitment at work. These results indicated that the variable of employees' competence had good potential to affect organizational commitment. It was shown by the skill indicator as loading factor that reflected the employee's competence, that skill indicator was the strongest indicator to reflect the variables of employee competence (Patulak *et al.*, 2013). A research on health organization in Portugal used 143 employees as unit of analysis. One of the research goals was to analyze the effect of organizational culture on organizational commitment. The findings provided evidence that organizational culture in hierarchies dimension and clan type dimension had significantly effect to organizational commitment, whereas adhocracy culture and culture of market type had insignificant effect to organizational commitment (Pinho *et al.*, 2014).

Organizational culture is a value system becoming a guide for those involved in organization, be a differentiating factor to other organizations, a reference to control the organizational behavior and the behavior of organization members in interactions between members of the organization, as well as interactions with other organizations. Meanwhile, work motivation is encouragement, effort and desire to activate, energize and direct the behavior to do the job. Work motivation needs organizer and prospector that can give effect, find alternative solutions to improve morale and performance of employees and require new concepts to improve work motivation. With the organizational culture, individual is possible to change behavior because the organizational culture could become the factor that affect positively or negatively individual behavior of the organization. Both positive and negative organizational culture can provide impetus to one for achieving organizational goals. The learning culture related to IT, employee' job satisfaction and motivation to transfer learning (Egan *et al.*, 2004).

Style applied in leading organizations is very influential on work result. Style of a leader is a description of work steps to be followed by subordinates. Leadership also affects employee motivation. Zhang & Bartol (2010) stated that leadership has the power to affect the performance of employees with the motivation to work as a mediating variable. Barbuto & Gifford (2012) states that, leadership plays an important role in motivating employees, and employee motivation effect on employee performance. Scaduto *et al.* (2008) states that, leadership is very influential on the performance of employees with work motivation as an intervening variable. Some previous studies concluded that transformational leadership has positive and significant effect on work motivation (Scaduto *et al.*, 2008; Zhang & Bartol, 2010; Barbuto & Gifford, 2012). Competence has positive and significant effect to job motivation of lecturers (Haskas, 2013). The research results are consistent with Hamel & Prahalad, (1994). In general, the more frequently be used the competency, the better and the more valuable it is. Meanwhile, competence is the most difficult to imitate because of its variety in nature and specific for individuals, (Bergenhengouwen *et al.*, 1997).

Some elements of organizational culture have different effect on the financial performance of the company. The findings are relevant to the evidence that organizational culture is a very important component in improving employees' performance. However, following the effort of increasing the employee's performance is to improve the motivation. Organizational culture on internal aspect of the employee provide suggestions to all behaviors proposed by organization in order to be done, a successful completion, and consequently will provide benefits to employees themselves. As a result, employees will have self-confidence, independence and admiring himself. These properties will be able to improve employees' expectation that their performance will increase (Flamholtz & Narasimhan, 2005).



Leadership is a process of activities starting from planning to supervision. Gil *et al.* (2005) conducted a study on the change of leadership orientation in relation to employees' performance. In his research revealed that the changes in leader's orientation, namely value transformation may cause an increase in employees' performance. Gilley *et al.* (2009) stated that effective leadership in organizational change led to an increase in employees' performance. Furthermore, some studies stated that work motivation has positive and significant effect to organizational performance (Clinton & Kohlmeyer, 2005; Grant *et al.*, 2011).

A research on relationship between human capital within organizations as working competence and organizational performance with the sample of 256 managers in Taiwan found that organizational performance could be improved through the sharing of knowledge (Hsu, 2008). In the meantime, sharing knowledge within an organization had also a positive effect to human capital. Human capital in an organization is defined as the workers' competence that has effective effect to job performance. While, sharing knowledge within organization affects the human resource development. This criterion involves knowledge transfer from one individual to another or to different working groups, which in turn improves performance. Employees' competence has not significance effect to employees' performance improvement, due to the skills, knowledge and attitudes of employees unable to improve job performance (Patulak *et al.*, 2013). Response to employees' attitude that organizational commitment is positively related to organizational performance builds interest of researchers to analyze the underlying factors. Several studies have examined the relationship between employees' response and organizational outcomes, employee commitment to organization having positive effect to organizational performance, because employees with high levels of organizational commitment is high indicating their willingness to work and provide maximum service to the organization. It is a reflection of causality between high commitment and obligations between the organization and employees to create high performance (Beer, 2009). Relationship of managers performance with affective and continuance commitments at food service company. His research stated that affective commitment is positively correlated with performance, whereas continuance commitment is negatively correlated with performance (Meyer *et al.*, 1989). Organizational commitments (affective and continuance) do not affect the performance. Internal commitment of foci associates with the organizational performance to rewards organizationally, whereas external commitment of foci affects the performance relevant to reward by consumers (Somers & Birnbaum, 1998; Siders *et al.*, 2001).

The relationship between motivation and performance is positive because employees with high motivation will produce high performance. It means that the higher the motivation, the higher the employees' performance (Armstrong, 1994). Study on 60 employees who worked for Bank Muamalat in Central Java. The purpose is to analyze and prove that leadership implementation and organizational culture affect work motivation and performance of employees in Islamic perspective. PLS analysis results provided evidence that the Islamic work motivation of employees, in the implementation (based on the results of the PLS analysis), can improve employees' performance (Hakim, 2012).

#### IV. RESEARCH METHOD AND RESULT

The population in this study was all civil servants working on Pinrang Government Office South Sulawesi province. The sample was drawn stratified random sampling. The formulation of Slovin was used to obtain a sample size of 254 respondents (Uma Sakaran, 2000). From 254 questionnaires distributed to respondents, 214 respondents were analyzed or the corresponds to an 84.25% per cent response rate.

##### 4.1. Organizational Culture (Mean and Loading Factor)

Organizational culture in this study was measured by four indicators with eight items of question including: professionalism, trust in co-workers, regularity, and integrity. Based on measurement scale of data used that ranges from one to five that means the range starts from strongly disagree/low to strongly agree/well. From the respondents' answers, the average value obtained was 3.67. The mean value and factor loading are shown in the following Table:

Table 1. Mean and Loading Factor Organizational Culture

Indicator variables	Mean $\bar{x}$	LDF ( $\lambda$ )	Indicator variables	Mean $\bar{x}$	LDF ( $\lambda$ )	Reliability construct	Variance extracted
X <sub>11</sub>	3.29	0.821	X <sub>15</sub>	3.76	0.651	0.979	0.852
X <sub>12</sub>	3.23	0.741	X <sub>16</sub>	3.62	0.653		
X <sub>13</sub>	3.50	0.611	X <sub>17</sub>	3.92	0.839		
X <sub>14</sub>	3.95	0.812	X <sub>18</sub>	4.08 *	0.841 *		

**4.2. Leadership (Mean and Loading Factor)**

Leadership measurement in this study consisted of eight indicators: the ability to identify issues, to solve problems, to plan programs, to coordinate work assignments, to affect subordinates, directing, controlling, and decision-making ability. Recapitulation of the descriptive overview of research findings on average score (mean) is 3.67.

Table 2. Mean and Loading Factor Leadership

Indicator variables	Mean $\bar{x}$	LDF ( $\lambda$ )	Indicator variables	Mean $\bar{x}$	LDF ( $\lambda$ )	Reliability construct	Variance extracted
X <sub>21</sub>	3.60	0.653	X <sub>25</sub>	3.60	0.843	0.987	0.905
X <sub>22</sub>	3.57	0.635	X <sub>26</sub>	3.74	0.746		
X <sub>23</sub>	3.68	0.602	X <sub>27</sub>	3.68	0.849 *		
X <sub>24</sub>	3.70	0.732	X <sub>28</sub>	3.79 *	0.615		

**4.3. Competency (Mean and Loading Factor)**

Competence variable in this study was measured by three indicators and nine items of questionnaire. Knowledge indicators include level of intelligence, rational and objective thinking, and responsiveness. Skill indicators include creativity, work carefully, and neatness of work. Furthermore, attitude and behavior indicators include self-confidence, interpersonal relationships, and compatibility with job. The results showed that the indicator of competence variable simultaneously demonstrates respondents' scores on average of 3.72.

Table 3. Mean and Loading Factor Competency

Indicator variables	Mean $\bar{x}$	LDF ( $\lambda$ )	Indicator variables	Mean $\bar{x}$	LDF ( $\lambda$ )	Reliability construct	Variance extracted
X <sub>31</sub>	3.53	0.824 *	X <sub>36</sub>	3.77	0.674	0.987	0,892
X <sub>32</sub>	3.81 *	0.675	X <sub>37</sub>	3.71	0.623		
X <sub>33</sub>	3.78	0.695	X <sub>38</sub>	3.74	0.649		
X <sub>34</sub>	3.70	0.685	X <sub>39</sub>	3.65	0.750		
X <sub>35</sub>	3.78	0.679					

**4.4. Organizational Commitment (Mean and Loading Factor)**

Organizational commitment is a psychological bond of individuals to the organization they work for or their routine work anyway. Organizational commitment may include job involvement, loyalty, and trust in organization values. Measurement of Organizational Commitment in this study consisted of three indicators: affective commitment with three items of statement including position: part of family, emotional involvement and sense of belonging. Normative commitment is measured by three items covering questions of loyalty to organization, loyalty, and a desire to build a better organization. Furthermore, continuance commitment or ongoing indicator is measured by three items covering work as a need, feeling a loss if leaving the job, and having a choice before leaving the job. The description of organizational commitment variable simultaneously showed a score of respondents on average of 3.64.

Table 4. Mean and Loading Factor Organizational Commitment

Indicator variables	Mean $\bar{x}$	LDF ( $\lambda$ )	Indicator variables	Mean $\bar{x}$	LDF ( $\lambda$ )	Reliability construct	Variance extracted
Y <sub>11</sub>	3.33	0.719	Y <sub>16</sub>	3.80	0.812	0,985	0,879
Y <sub>12</sub>	3.40	0.833 *	Y <sub>17</sub>	3.62	0.742		
Y <sub>13</sub>	3.30	0.623	Y <sub>18</sub>	3.71	0.623		
Y <sub>14</sub>	3.90	0.713	Y <sub>19</sub>	3.67	0.658		
Y <sub>15</sub>	4.00 *	0.621					

**4.5. Work Motivation (Mean and Loading Factor)**

Work Motivation variable in this study is measured by indicators and nine item statement. Measurement indicators of work motivation include: a need for achievement consisting of three items of statement, among others, are seriousness to work, desire to move forward, and to set realistic goals. Furthermore, a need for authority includes attempt to compete, responsible on work, affect others. Affiliation needs include establishing communication outside of work, build relationships and interactions with all workers, and build cooperation. The results showed that the indicator motivation variable simultaneously showed respondents' score on average of 3.75.

Table 5. Mean and Loading Factor Work Motivation

Indicator variables	Mean $\bar{x}$	LDF ( $\lambda$ )	Indicator variables	Mean $\bar{x}$	LDF ( $\lambda$ )	Reliability construct	Variance extracted
Y <sub>21</sub>	3.52	0.633	Y <sub>26</sub>	3.55	0.734		
Y <sub>22</sub>	3.64	0.671	Y <sub>27</sub>	3.70	0.733		
Y <sub>23</sub>	3.75	0.620	Y <sub>28</sub>	4.01	0.747 *	0,985	0,878
Y <sub>24</sub>	3.65	0.638	Y <sub>29</sub>	3.90	0.619		
Y <sub>25</sub>	4.05 *	0.724					

**4.6. Apparatus performance (Mean and Loading Factor)**

Apparatus performance is the result accomplished from working in an organization or individual work activities. Employee Performance variable in this study was measured by four indicators, and eight items of statements. Indicators of measuring performance include: knowledge of the work covering understanding the duties and job responsibilities, understanding of regulations and procedures. Work quality includes the level of accuracy, precision and accuracy, decision-making. Initiative and problem solving includes the initiative in carrying out the work, the production of creative ideas and innovative. The descriptive results showed that the indicator of apparatus performance variable simultaneously showed a score of respondents on average by 3.87.

Table 6. Mean and Loading Factor Apparatus Performance

Indicator variables	Mean $\bar{x}$	LDF ( $\lambda$ )	Indicator variables	Mean $\bar{x}$	LDF ( $\lambda$ )	Reliability construct	Variance extracted
Z <sub>11</sub>	3.99 *	0.834 *	Z <sub>16</sub>	3.85	0.606		
Z <sub>12</sub>	3.79	0.725	Z <sub>17</sub>	3.93	0.811		
Z <sub>13</sub>	3.83	0.613	Z <sub>18</sub>	3.94	0.619	0,988	0,916
Z <sub>14</sub>	3.82	0.715	Z <sub>19</sub>	3.99 *	0.834 *		
Z <sub>15</sub>	3.82	0.619					

**4.7. Results of Structural Equation Modeling (SEM)**

**4.7.1. Fit indices for structural equation modeling**

The result of model test indicated that out of the eight criteria of structural model of goodness of fit indices constructed to estimate the parameter based on the data of observation, four criteria matched the minimum requirements (cut off point) which was required, namely the value of Chi-square; CMIN / DF, CFI, and TLI. The other four criteria: probability, RMSEA, GFI and AGFI were not good (marginal). Referring to principle of parsimony (Arbuckle & Wothke, 1999) that if there are one or two criteria of goodness of fit satisfying the expected value, the model is good or the conceptual and theoretical development of the hypothetical model is supported by empirical data. It is concluded that the structural model developed in this study are in accordance with the results of observation that analysis of the relationship of structural and hypothesis test can be performed.

Table 7. Fit indices for structural equation modeling

Summary of criteria	Cut-off Value	Result of Test
Chi-square	Small Non sig.	129,732
Probability	≥ 0,05	0,059
RMSEA	≤ 0,08	0,032
CMIN/DF	≤ 2,00	1,064
GFI	≥ 0,90	0,616
AGFI	≥ 0,90	0,580
CFI	≥ 0,90	0,935
TLI	≥ 0,90	0,932

4.7.2. Full structural models

Course coefficient analyzed in this research indicates that there are 17 structural relationships: 11 direct relationships and 6 indirect relationships. For more details the structural relationship model of a full model is shown in Figure below:

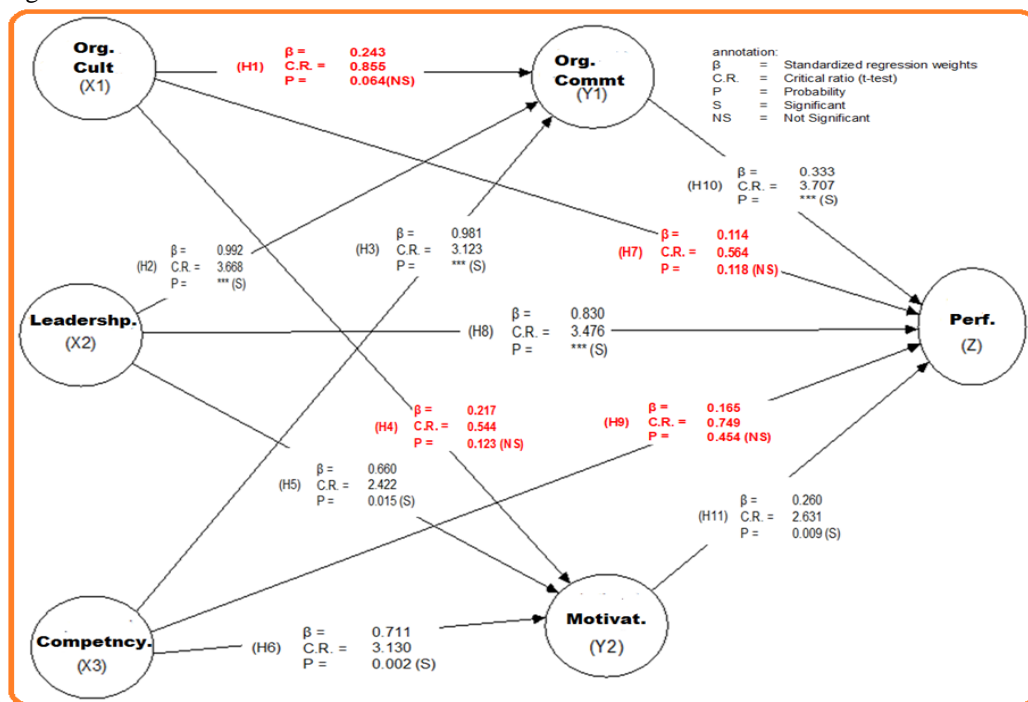


Figure: full structural models model showing the correlation links.

The result of hypothesis testing provides evidence that organizational culture has insignificantly positive effect on organizational commitment. The research result rejected the findings of Lok *et al.* (2009) that organizational culture is an antecedent of organizational commitment. Furthermore, it also rejects some findings of Pinho *et al.* (2014) that organizational culture on dimensions and dimension hierarchies and clan type significantly effects organizational commitment, whereas culture and cultural adhocracy type/kind of market have no significantly effect to organizational commitment. Further supporting the findings of Lee (2005) that transformational leadership is positively related to organizational commitment and has significant effect to the competence of organizational commitment (Patulak *et al.*, 2013). This research also provides new evidence to reject the findings of Egan *et al.* (2004) that organizational learning culture relates to learning motivation. It also rejects some previous researcher findings who analyzed the leadership to work motivation as research findings by Scaduto *et al.*, 2008; Zhang & Bartol, 2010; Barbuto & Gifford, 2012., that transformational leadership has significantly positive effect to work motivation.



High Competence of Apparatus leads to high work motivation of the apparatus. The finding supports the research result of Haskas (2013) and Hamel & Prahalad (1994) that the more frequently a competency is used, the better and the more valuable it is. Other evidence that turns a good organizational culture is not able to increase the high apparatus performance, that the research rejects the finding of Flamholtz & Narasimhan (2005) that organizational culture is a very important component to improve employees' performance. Different result is found in testing the effect of leadership to apparatus performance, that good leadership can increase the high apparatus performance. Therefore, this research supports the finding providing evidence that the change in orientation of the leader with values transformation increase employees' performance (Gilley *et al.*, 2009).

The findings of this study also confirms that high competence in implementation is not able to improve the apparatus performance, thus rejecting the findings of Hsu (2008) that human capital as a representation of employees' competence has effective effect to performance and supports the findings of Patulak *et al.* (2013) that high competence is not aligned with employee performance improvement. While other causality in the model of this study indicated that high organizational commitment in practice can improve apparatus' performance that those with high commitment will provide maximum service as reflection of their performance (Beer, 2009).

Inconsistency of findings shown Meyer *et al.* (1989) that affective commitment significantly affects performance and continuance commitment shows insignificant effect to performance. Similarly, in a study Siders *et al.* (2001) that internal commitment of foci has relationship with the organizational performance to rewards, whereas external commitment of foci has relationship with performance relevant to reward by consumers. This study firmly rejects the findings of Somers & Birnbaum (1998); Pinho *et al.* (2014) that affective and continuance commitments have insignificant effect to performance. At last, work motivation has significant effect to apparatus performance. Thus, the research supports the finding that work motivation has significant positive effect to employee performance (Armstrong, 1994; Hakim, 2012)

## V. CONCLUSION

Organizational culture does not have direct contribution as expected because it has no significant effect to organizational commitment. Leadership contributes directly positive and significant effect to organizational commitment. It means that the better the leadership, the establishment of organizational commitment will be promoted. That is, the higher the knowledge, the skills, the attitudes in performing the jobs will have a positive effect to organizational commitment. Organizational culture has indirectly significant effect to employee work motivation. It means that if the culture under agreement is not executed according to legitimate rules, work motivation will declines. Leadership has directly positive and significant effect to employee motivation. It means that good leadership is the leadership that always gives guidance, directing, giving responsibility, and involving employees in various occasions, will encourage higher work motivation. Competence significant has positive and significant effect to work motivation of the employees. It means that people who have ability and skills in variety of dimensions and then perform positive attitude toward the job will encourage higher work motivation. No significant effect of organizational culture to employee performance, means that if the agreed culture was not carried out seriously or not transparent, will cause a disappointment that good working cannot be encouraged well that at last the working result is getting lower.

Leadership has direct significant and positive effect to employee performance. It means that, the leaders who constantly direct, guide, nurture, and engage and authorize fully on employees in every decision-making will encourage someone to do better and improve performance. Competence does not significantly affect employee performance. It means that the higher the knowledge, skills, attitudes but not supported by good behavior will have effect to decrease motivation. Organizational commitment has direct significant and positive effect to employee performance. It means that when a person has a feeling of attachment and strives to build organizations throughout a career, then the higher the passion for working that lead to the high work result. Work motivation has directly significant and positive effect to employee performance. It means that the higher the individual's work motivation with high organizational commitment will have a positive effect on the work result.

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