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## The Effect of Competence, Motivation and Organizational Culture on Organizational Commitment and Employee Performance: Study in Aceh Population Registration Service Institution

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### Abstract

This research aims to test the influence of competence, motivation and organizational culture on organizational commitment and employee performance. The survey is conducted in Aceh Population Registration Service Institution which is located in Banda Aceh, Indonesia. The population is all its employees as much as 54 persons, the sampling technique used is the census, which means that takes all population member as a sample. The result shows that competence has an influence on organizational commitment; motivation has an influence on organizational commitment; organization culture has an influence on organizational commitment; competence has an influence on employee performance; motivation has an influence on employee performance; organization culture has an influence on employee performance, and; organizational commitment has an influence on employee performance in the Aceh Population Registration Service Institution. These findings prove the fit of the model and the causality theories from the previous. The originality lies in the research model, this is the combination from the previous research models, and uses path analysis to test. This contributes both for academic and practical person. For academic, this can be developed to a new research model in further, while for the practical person especially for the policy maker for the Aceh Population Registration Service Institution, this can be a reference to take action to increase the employee performance.

**Keywords:** Competence, Motivation, Organizational Culture, Organizational Commitment, and Employee Performance.

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### 1. Introduction

Employee performance is an illustration of the success of an employee in carrying out their duties and responsibilities, where according to their duties and functions the Aceh Population Registration Service Institutions always provides the best service to the community. But in reality in the provision of services, especially the service of making family cards, identity cards and making moving letters between municipal districts in Aceh Province are still relatively unsatisfactory to the community, this certainly has an impact on the low performance of the organization. The low performance of employees is also influenced by the factors of low employee competence, the low motivation of work possessed by employees, especially to contribute thoughts and energy, and the incompatibility of organizational culture that applies in the organization.

The research result conducted by (Ruslan, Mukhlis, & Mahdani, 2015), stated that the ability or competence of employees is able to influence the improvement of employee performance. Employee performance is an achievement or the result of employee hard work

in the quality and quantity achieved by employees who have not been maximally in accordance with their responsibilities. The results of observations that show that employee performance is expected to be not optimal produced by employees in an organization such as providing technical guidance and supervision services in districts / cities, where the services provided are not satisfactory. This phenomenon is consistent with the research by (Fatmawati, Mahdani, & Idris, 2012) which stated that employee organizational culture has a significant effect on improving employee performance.

Then the research results of (Manaf, Lubis, & Mahdani, 2015) stated that work motivation has a role in improving employee performance. The low performance achieved by employees is caused by the low organizational commitment of employees. If members of the organization or employees within the organization have a high commitment to the organization, then the performance expected by the organization will be produced, whereas if the members of the organization do not have a high commitment to the organization, the performance of the organization will also decrease.

The function of the work culture in an organization is to facilitate increasing employee organizational commitment to something greater than personal interests and as a claimant in the formation of attitudes and behavior of employees in carrying out daily tasks and are expected to improve the climate and employee motivation to work more well.

If seen from the observations made, it proves that the achievement of employee performance based on SKP (performance report in this institution) in 2016 reached 83% of the 100% target that must be achieved by all employees in the Aceh Population Registration Service, while SKP in 2017 only reached 86% of the total SKP achievement 100% set by the leadership of the Aceh Population Registration Institution. Thus it can be explained that the performance of employees at the Aceh Population Registration Service is still said to be low.

## **2. Literature Review**

### **Employee Performance**

The company's culture and reputation are the intangible assets of the organizations that are used to create the strategic competitive advantages to differentiate themselves from other companies to improve organizational performance. Many articles cite how corporate culture can be an important intangible predictor of reputation, but only a few researchers empirically examine the relationship between culture and reputation. Culture does not only improve financial performance, but also positively relates to the reputation (Mowday, Porter, & Steers, 2013).

The relatively high level of achievement of an organization's performance is related to organizational goals, strong culture and effective behavior (Mas'ud, 2004). According to (Ou et al., 2014) performance is the measurable achievement with demand of goals, especially related to financial and market based, that characterize market culture. In market culture, the relationship between individuals and organizations is contractual. Individuals are responsible for several levels of rewards in return.

The four types of culture all represent different types of management philosophies or styles. This organizational culture is governed by how the company is run or the beliefs of the founding organization. Basically, the culture in this organization is driven from top to bottom, with an emphasis on the type of business or industry served by this organization.

### **Organizational Commitment**

Learning the behavior of employee organizational commitment leads to the belief that organizational commitment offers promises to improve the positive behavior. (Anik & Arifuddin, 2003) explored the nature of organizational commitment in three industrial units in Jordan using employee work performance and five demographic variables. Their research revealed that organizational commitment consists of three-dimensional concepts. This finding also revealed a positive relationship between commitment (all three components) and performance. In addition, organizational commitment and three dimensions present positive and negative relationships with variables of age, gender, education, employment status, and organizational tenure. (Greenberg & Baron, 2007), in (Chairy, 2011) also studied about the relationship of organizational commitment, communication and performance. The result indicated that there is a positive relationship between organizational communication, organizational commitment and performance. (Siagian, 2012) stated that there are many factors that affect employee performance, some of the factors are organizational commitment, organizational culture, and job satisfaction

### **Competence**

Competence is the ability to carry out or do work or tasks that are based on skills and knowledge and are supported by the work attitudes needed by the job. Thus the competencies shown by skills or knowledge are characterized by professionalism in certain fields as the most important, as the superior of that field. Competence is a fundamental characteristic of a person that allows them to provide superior performance in a particular job, role, or situation. Skills are things that people can do well; knowledge is someone who is known about a topic. Social role is an image that is shown by someone before the community. Social role represents what people consider important. The social role reflects the values of that person. (Spencer & Spencer, 1993) competencies are defined as the basic characteristics of an individual that is causally related to referenced criteria or superior and effective performance in work or situation.

### **Motivation**

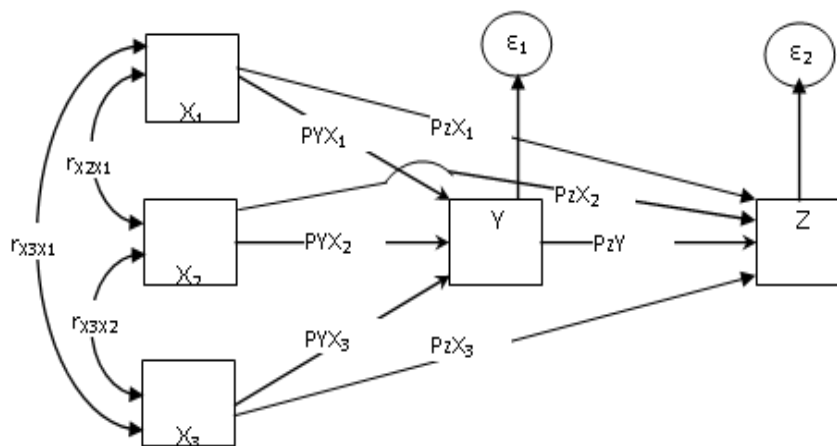
Motivation is a real condition that is needed by all employees in carrying out their duties. Therefore there is a need for motivation every day to live life, as well as to help other people in need, lead in a group to achieve the desired goals, (Robbins & Coulter, 2016). Motivation is another form of all the strength that exists in an employee, or employee who can provide direction, power, and to maintain the behavior.

### **Organizational culture**

Organizational culture is often referred to as a work culture. This is because the two meanings cannot be separated from the achievement of an employee's performance. Organizational culture is usually described in more detail with relation to the way an employee thinks, and directs it to how they work or act.

Whereas according to (Robbins & Coulter, 2012) culture in an organization is a shared view that is embraced by all members of the organization itself.

**Research Model and Hypothesis**

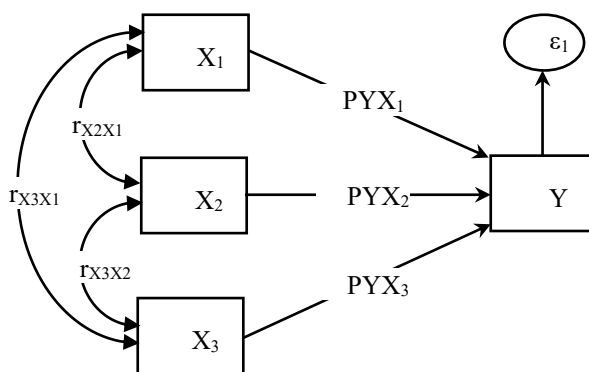


**Figure 1.** Research Paradigm

- H1:** Competence has an influence on organizational commitment
- H2:** Motivation has an influence on organizational commitment
- H3:** Organization culture has an influence on organizational commitment
- H4:** Competence has an influence on employee performance
- H5:** Motivation has an influence on employee performance
- H6:** Organization culture has an influence on employee performance
- H7:** Organizational commitment has an influence on employee performance

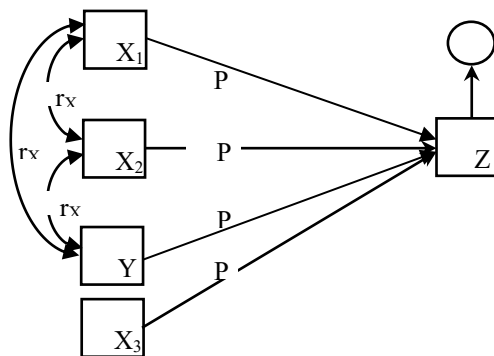
**3. Method**

The research location at the Aceh Population Registration Service Institution. The research variables are the competence, motivation, organizational culture, organizational commitment, and employee performance. The population is all of the employees as much as 54 persons. The sampling technique used is the census, which means that takes all population member as a sample. To test the hypotheses, the path analysis is used in accordance with the model. The test is divided in 2 substructure models that are explained below.



**Figure 2.** Substructure 1

The mathematical equation for substructure 1 path diagram is:  
 $Y = \rho_{YX1} + \rho_{YX2} + \rho_{YX3} + \epsilon_1$



**Figure 3.** Substructure 2

The mathematical equation for the substructure 2 path diagram is:

$$Z = \rho ZX_1 + \rho ZX_2 + \rho ZX_3 + \rho ZY + \varepsilon_2$$

where: Y = Organizational Commitment

Z = Employee Performance

X<sub>1</sub> = Competence

X<sub>2</sub> = Motivation

X<sub>3</sub> = Organizational Culture

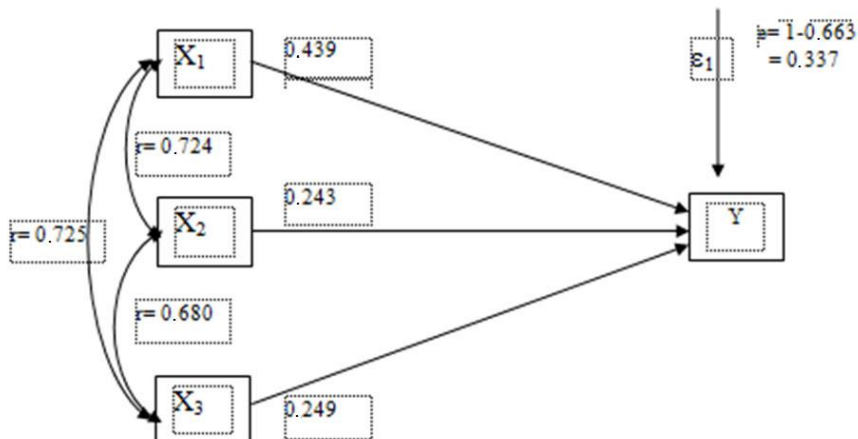
P = Path coefficient

$\varepsilon_i$  = Structural error

#### 4. Result

##### The Effect of Competence, Motivation and Organizational Culture on Organizational Commitment (Substructure 1)

For the Substructure 1, the result is shown in the figure and table below.



**Figure 4.** Substructure 1 with the coefficient

**Table 1.** Significance Value for Substructure 1

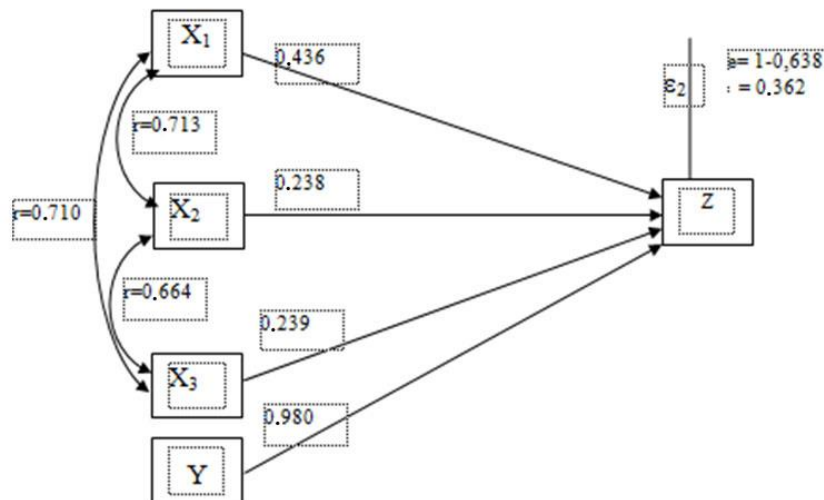
VariabelName	Standardized Coefficients		t <sub>hitung</sub>	Sig
	Beta			
Competence (X <sub>1</sub> )	0.439		6.329	0.000
Motivation (X <sub>2</sub> )	0.243		2.350	0.020
Organization Culture (X <sub>3</sub> )	0.249		2.651	0.009
R	= 0.814	F <sub>hitung</sub>	= 76.832	
R <sup>2</sup> Square	= 0.663	Sig.	= 0.000	
Adjusted R <sup>2</sup> Square	= 0.655	F <sub>table</sub>	= 2.682	

Sumber : Data Primer, 2018 (diolah)

Based on the figure and table above, it explains that simultaneously the variables of competence, motivation, and organizational culture have a significant effect on the organizational commitment. This is indicated by the value of  $F_{count} > F_{table}$  ( $76.832 > 2.682$ ) at the significance level of 0.000. For the partial effect, this can be seen at the significant value as well for each variable. All the values are under 0.05. This describes that the hypothesis 1, 2, and 3 are accepted.

### The Effect of Competence, Motivation, Organizational Culture, and Organizational Commitment on Employee Performance (Substructure 2)

The results of the second hypothesis can be seen in the following figure and table below:

**Figure 5.** Substructure 2 with the coefficient

**Table 2.** Significance Value for Substructure 1

Nama Variabel	Standardized Coefficients		t <sub>hitung</sub>	Sig
	Beta			
Competence (X <sub>1</sub> )	0.436		6.062	0.000
Motivation (X <sub>2</sub> )	0.238		2.221	0.028
Organization Culture (X <sub>3</sub> )	0.239		2.450	0.016
Organization Commitmen (Y)	0.980		53.471	0.000
R	= 0.799	F <sub>hitung</sub>	= 68.721	
R <sup>2</sup>	= 0.638	Sig.	= 0.000	
Adjusted R <sup>2</sup>	= 0.629	F <sub>table</sub>	= 2.682	

Sumber: Data Primer, 2018 (diolah)

The result shows that the competency, motivation and organizational culture have a significant effect on the performance of the Aceh Population Registration Service staff. This is indicated by the value of  $F_{count} > F_{table}$  ( $68.721 > 2.682$ ) at the significance level of 0.000. For the partial effect, this can be seen on Significance each variable, that all the values are under 0.05. This describes that the hypothesis 4, 5, 6, and 7 are accepted.

## 5. Conclusion

The result shows that competence has an influence on organizational commitment; motivation has an influence on organizational commitment; organization culture has an influence on organizational commitment; competence has an influence on employee performance; motivation has an influence on employee performance; organization culture has an influence on employee performance, and; organizational commitment has an influence on employee performance in the Aceh Population Registration Service Institution. These findings prove the fit of the model and the causality theories from the previous. The originality lies in the research model, this is the combination from the previous research models, and uses path analysis to test. This contributes both for academic and practical person. For academic, this can be developed to a new research model in further, while for the practical person especially for the policy maker for the Aceh Population Registration Service Institution, this can be a reference to take action to increase the employee performance. Employee competency should be an attention of the leaders to be improved. The employees also must be able to maintain working relationships with the leadership well. With the leadership culture, the organization must have an attention to every detail in the work carried out by subordinates, so that the work carried out by employees becomes clearer. To increase organizational commitment, what needs to be addressed is related to the work target expected by the organization. To improve employee performance, is related to the quantity of work produced or the number of activities that can be completed by employees must meet the target.

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