

The Effect of Leadership and Organizational Commitment to Organization Performance through Employees Satisfaction Pt. Akebono Astra Indonesia

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The Effect of Leadership and Organizational Commitment to Organization Performance through Employees Satisfaction Pt. Akebono Astra Indonesia

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ABSTRACT: This study aims to determine the influence of leadership and organizational commitment to organizational performance partially and simultaneously and to determine the influence of leadership and organizational commitment to performance through job satisfaction. Research conducted on the organization of PT. Akebono Astra Indonesia. The sampling technique used a random sample involving 92 employees in the organization. Data analysis using path analysis. Based on data analysis, it is known that leadership variable and organizational commitment have an effect on partial and simultaneously organizational performance. And the variable of job satisfaction can mediate the relationship between leadership and organizational commitment to organizational performance.

KEYWORDS: Leadership, Commitment to the Organization, Job Satisfaction, Organizational Performance

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I INTRODUCTION

Organizational commitment is important for the organization because with the commitment of the organization it is expected to have a high level of resilience in work. Employees who have a high commitment to the organization are valuable assets for the company because highly committed employees will have high resilience to remain in the organization. The high organizational commitment will impact on the achievement of high performance in the company.

The presence of employees who move and do not care about the organization indicates that the employee has a low organizational commitment. In research Tobing (2016) stated that organizational commitment affects the performance of organizations working in a company.

Another factor that affects organizational performance is the leadership applied to the organization. The same is also conveyed by Timothy et al (2011) which states that leadership impact on the performance of organizations working in the company. In the study of Cameli et al (2004) states that job satisfaction affects the performance of the organization. This research was conducted on a number of employees. The higher the satisfaction than expected performance is also greater. Therefore, the researchers took the title of influence leadership and organizational commitment to organizational performance through employee work satisfaction PT. Akebono Astra Indonesia.

II LITERATURE REVIEW

Organizational Performance

According to Richard et al (2009) in James (2012) organizational performance is produced by organizations that include the outcome of financial performance such as profit measured by return on assets, return on investment and so on, market performance) such as market share expansion, and sales. In addition, return a shareholder is a shareholder return and economic gain from shareholders. In some areas of organizational performance can also be measured from other things such as strategic plans, operations, finance, legal and organizational development. In developing an institution or organization it is imperative to remain in the competitive climate of the world. The purpose of productivity is related to the development of the organization. Small organizations have a desire to keep growing and grow. Such a developing organization in order to accommodate the development itself.

According to the management system (2004) in James (2012), the effectiveness of the organization can be measured by the following criteria:

1. Market

In this aspect, it means whether the consumer will be satisfied with the service on the company's part.

2. Products/services
Products or services/services produced must be considered in order to develop the organization
3. Resource
Resources owned must be well developed for companies to compete with other companies
4. Operating system
The resulting operating system must be able to support the achievement of organizational goals
5. Management system
The management system must also be well managed for the purpose of the organization properly implemented.
6. Organizational culture
Organizational culture also plays a role in achieving good organizational performance.
7. Impact on finance
Impacts on finances should also be well earned with marked savings on the organization.

Leadership

In a leadership organization is a very important factor in determining the achievement of goals set by the organization. Leadership is the central point and policy maker of the activities to be carried out within the organization. Leadership is an activity to influence the behavior of others so that they will be directed to achieve certain goals (Thoha, 1983: 123). Meanwhile, according to Robbins (2003: 163) Leadership is the ability to influence a group to achieve goals. From the above description can be concluded that leadership is the ability to influence the behavior of a person or group of people to achieve certain goals in certain situations.

The types of leadership according to Terry (in Suwatno, 2011: 165) explain it as follows:

1. Personal Leadership
In this type of leader direct relationships with subordinates, resulting in intimate personal relationships.
2. Non-Personal Leadership
In this type of leader does not make direct contact with his subordinates, so that superiors and subordinates do not arise personal contact.
3. Authoritarian Leadership
In this type, the leader treats his subordinates arbitrarily.
4. Fatherhood Leadership
In this type of leader treats his subordinates like a child himself.
5. Democratic Leadership
In this type of leader always holds deliberations with his subordinates to complete his difficult jobs.
6. Talent Leadership
In this type of leader can move his subordinates because they have talent.

Organizational Commitment

According to Robbins and Judge (2008: 100) organizational commitment is a situation in which an employee sided with a particular organization and its goals and intentions to maintain membership in the organization. Thus, high employee involvement means siding with the particular job of an individual, while high organizational commitment means favoring the organization that recruits the individual.

Meanwhile, according to Moorhead and Griffin (2013: 73) organizational commitment is an attitude that reflects the extent to which an individual knows and tied to his organization. A highly committed individual will likely see himself as a true member of the organization. Meanwhile, according to Kreitner and Kinicki (2014: 165) that organizational commitment reflects the degree to which a person recognizes an organization and is bound to its goals. It can be concluded that organizational commitment is the individual psychological state associated with strong beliefs, beliefs and acceptance of organizational goals and values, a strong willingness to work for the organization and the degree to which it wants to remain an organization member.

Robbins and Judge (2008: 101) state that there are three separate dimensions of organizational commitment:

1. Affective commitment is an emotional feeling for an organization and a belief in its values.
2. Sustained commitment is the economic value felt to persist in an organization when compared to leaving organization.
3. Normative commitment is an obligation to stay in the organization for moral and ethical reasons.

Job Satisfaction

Job satisfaction, according to Martoyo (1992: 115), is basically one of the psychological aspects that reflects one's feelings toward his work, he will be satisfied with the suitability between his ability, his skills and his expectations with the work he faces. Satisfaction is actually a subjective condition that is the result of a conclusion based on a comparison of what the employee receives from his job than expected, desired, and

thought of as appropriate or entitled to it. While every employee/employee subjectively determines how the job is satisfactory.

According to Robbins (2003: 91), the term job satisfaction refers to the general attitude of an individual to the work he does. A person with a high level of job satisfaction shows a positive attitude towards the work; a person who is dissatisfied with his work shows a negative attitude toward the job, because in general when people talk out employee attitudes, more often they mean job satisfaction. Meanwhile, according to Hasibuan (2006: 202) job satisfaction is a pleasant emotional attitude and love his job. This attitude is reflected by work morale, discipline, and work performance. Job satisfaction is enjoyed in work, out of work, and in combination between the two. Rivai (2004: 475) satisfaction is an evaluation that describes a person's feelings of pleasure or dissatisfaction with work.

According Hasibuan (2004: 203) employee job satisfaction is influenced by factors:

1. Decent and fair remuneration
2. Proper placement according to skill
3. The weight of work
4. The atmosphere and work environment

III RESEARCH METHODS

Research Design

This study uses explanatory analysis and descriptive analysis, which aims to determine the influence of independent variables and bound. This study examines the influence of leadership variables, organizational commitment, and job satisfaction simultaneously or partially on the performance of employee organization of PT. Akebono Astra Indonesia. Influence of variables can be described in the form of research framework as follows:

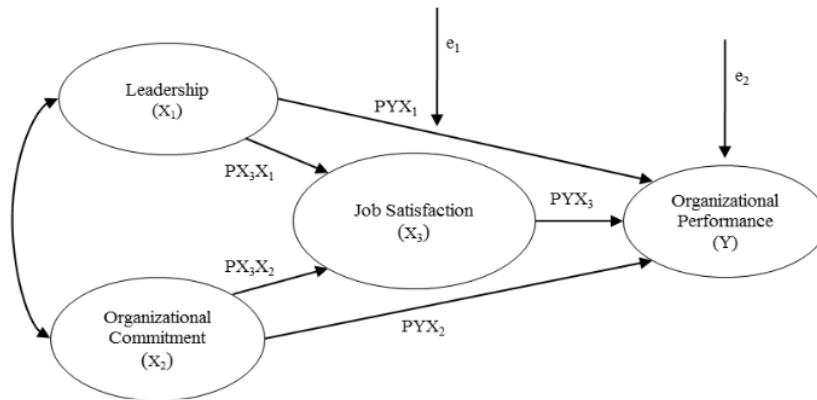


Figure 1. Path Analysis Model

Population and Sample

Population in research is an employee of PT. Akebono Astra Indonesia with the number of employees as many as 120 people. The number of samples taken with Slovin formula is $n = 120 / (1 + 120 \times 0.01^2) = 92$ people. This sampling uses a simple random method.

Method of Collecting Data

To obtain a concrete and objective data then the researchers collect primary and secondary data:

1. Primary data is data obtained directly from the object of research. In this case, the primary data obtained from the field research data collection method is done by direct research on the object of research in question. Primary data collection using questionnaires. Respondents were asked to fill out the questionnaire answers by checking (√) on the measurement scale listed below according to the respondents' correct assessment of the statements in the questionnaire. The measurement scale used in the questionnaire has a score between 1-5, the more to 1 then the answer the more disapproving to the next to 5 means the answer strongly agree
2. Secondary data is data obtained indirectly from research object. In this case, the secondary data obtained from the library research data collecting method that is done by studying and understanding books of the literature of the author's work that can be justified theoretical basis.

Data Processing Technique

Test Data Validity

Validity is intended to test the accuracy of an instrument in measuring the concept to be measured or performing its measuring function. An instrument is said to be valid if the instrument measures what should be measured (Sugiyono, 1999). Testing the validity of the instrument using the item analysis, which is to calculate the score of each item with the total score which is the number of each scored item. The coefficient of correlation used is product moment correlation coefficient.

Test Data Reliability

Looking for instrument reliability whose score is not 0-1, but is a range between several values, eg 0-10 or 0-100 or scales 1-3, 1-5, or 1-7, and so on can use alpha coefficient (α) from Cronbach. This test is done by comparing the value of Cronbach alpha with a value of 0.6. If the value of Cronbach alpha is greater than 0.6 then it can be said that the question is reliable.

Hypothesis testing

To observe each model significance, it is done through t-test estimators and F arithmetic. Predictive models are used to answer the problems and prove the proposed hypothesis. For test F Alternative hypothesis (H_a) is accepted if F-arithmetic $>$ F-table or by looking at the value of P-Sig <0.05 then the independent variables (Leadership, Organizational Commitment, and Job Satisfaction) included in the model have influence simultaneously or simultaneously to the dependent variable (organizational performance). As for the t-test, the alternative hypothesis (H_a) is accepted if $t >$ t table and if t is negative then $-t <$ -t - table or by looking at the P-Sig value less than 0.05 then each independent variable included in the model has a partial effect on the dependent variable.

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IV RESEARCH RESULTS AND DISCUSSION

Validity and Reliability Test Results

Validity test is used to test each research variable, where the overall research variable contains 36 statements answered by 92 respondents. Based on the analysis that has been done, then the test results validity note that the value of r count is greater than the value of 0.3. This means that all items of the proposed statement are valid.

Reliability test is used to determine the extent to which the measurement results are reliable and consistent. Based on the analysis that has been done, the test results validity can be shown in the table below:

Table 1. Reliability Test Results

Reliability Statistics				
Faktor	X ₁	X ₂	X ₃	Y
Cronbach's Alpha	0,671	0,815	0,654	0,684

Based on the above Cronbach alpha reliability figures can be seen that all existing statements form a reliable measure of leadership variables, organizational commitment, job satisfaction and organizational performance to form a reliable measure of each dimension.

Path Analysis Results

In order to provide an overview of the results of the analysis that has been done, then the results obtained from the analysis of Path Analysis can be presented in the picture as follows:

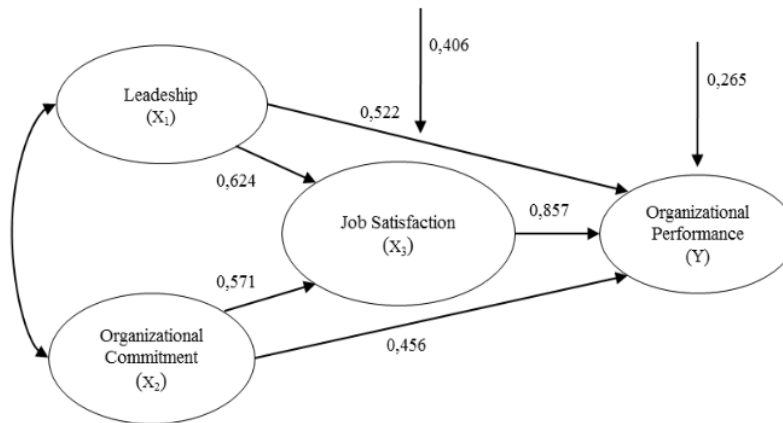


Figure 2. Path Analysis Results

From the above explanation is known:

Substructure I

Based on the picture 2, the value of e₁ is 0,406, the value means that the variable outside of leadership and organizational commitment affect the satisfaction of 40,6% this indicates that leadership variables and organizational commitment greatly affect citizenship behavior that is equal to 0,594 or 59,4 % explain that leadership variable and organizational commitment affect satisfaction .

Based on the above picture also then can be compiled equation of path analysis described as follows:

$$X_3 = 0,624 + 0,571$$

Substructure II

Based on the picture 2, the obtained value of e₂ is 0,265, value implies that the variables outside of the leadership, organizational commitment and satisfaction affects organizational performance by 26,5% it indicates that the variable of leadership, organizational commitment and satisfaction affects the performance of the organization that is equal to 0,735 or 73,5% explains that leadership variables, organizational commitment, and satisfaction affect organizational performance .

Based on the above picture also then can be compiled equation of path analysis described as follows:

$$Y = 0,522 + 0,456 + 0,857$$

Based on the picture 2 can be seen that the direct influence of leadership on organizational performance is 0,522. While the influence of leadership on organizational performance through satisfaction is $0,624 \times 0,857 = 0,535$. The total effect on this analysis is the direct influence plus the effect of $0,522 + 0,535 = 1,057$. In this case, the direct effect is smaller than the indirect effect so that it can be said that the variable of satisfaction as an intervening variable.

V CONCLUSIONS AND SUGGESTIONS

Conclusion

Leadership Variables and Organizational Commitment affect the performance of the organization simultaneously. F value counted 65.231 and significance of 0.00. This value is less than 0.05. The r squared value of 0,594 means Leadership and Organizational Commitment have an effect on organizational performance equal to 59,4% while the rest is influenced by other variables not included in equation model.

Leadership variables affect the performance of the organization partially. The value of t is 5,804. Value significance of 0.00. This value of significance is smaller than 0.05. The value of r squared is 0,264. This means the influence of Leadership variables on performance is 26,4% and the rest is influenced by other variables that are not included in the equation model.

Organizational Commitment variables affect the performance of the organization partially. The value of t is 7,580. Value significance of 0.00. This value of significance is smaller than 0.05. The value of r squared is 0,390. This means that the influence of Organizational Commitment variable on organizational performance is 39,0% and the rest is influenced by other variables not included in equation model.

The satisfaction variable affects partial organizational performance. The value of t is 15,796. Value significance of 0.00. This value of significance is smaller than 0.05. The value of r squared is 0,735. This means the influence of the satisfaction variable on organizational performance of 73,5% and the rest influenced by other variables that are not included in the equation model.

The influence of Leadership on organizational performance is 0.522. The influence of leadership on performance through job satisfaction is $0.637 \times 0.857 = 0.545909$. In this case, the indirect effect is greater than direct influence so it can be said that the variable of job satisfaction as an intervening variable.

The direct influence of organizational commitment on organizational performance is 0.624. While the influence of organizational commitment on organizational performance through satisfaction is $0.769 \times 0.857 = 0.6590$. In this case, the direct effect is smaller than the indirect effect so it can be said that the variable of job satisfaction as an intervening variable

Suggestion

Organizational performance needs to be improved through increased levels of leadership, organizational commitment and employee satisfaction levels in work.

Leadership can be improved by improving the leadership applied to the organization. The attitude of fair leaders, discipline, and attention to the needs of employees needs to be developed.

Organizational commitment can be enhanced through increased awareness of employees to the organization in the form of employee inclusion to corporate decision-making, activities togetherness and training activities to improve personality.

Employee satisfaction levels also need to be improved by paying attention to the needs of both financial needs and non-financial needs. Non-financial companies such as awards, communication and good relationships between employees and leaders also need attention. Financial needs such as salaries and commissions also need to be considered with regard to employee performance and the ability of the company in fulfilling it.

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