

4 Factors in Improving Performance of Civil Servants in the Local Government

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Abstract: This research is conducted to analyze and get empirical evidence of organizational culture, organizational climate influence, leadership style and organizational commitment to the civil servants performance in local government of Garut, West Java Province partially and or jointly. The population of Garut government civil servant in this research amounted 1685 people. Research method is used in this research is descriptive survey methods and survey explanatory with sample size use the regulation 1:5 of 200 respondents and data analysis methods that used was SEM (Structural Equation Modeling). The result of this research shows that organizational culture, organizational climate and leadership style partially and jointly have positive and significant impact on organizational commitment with influence of 55% while the rest of 45% was contributed by other factors but partially organizational culture most dominant have an effect on to organizational commitment. Organizational culture, organizational climate and organizational commitment partially and jointly have positive and significant impact to the official's performance of 80% while 20% the rest was contributed by other factors but organizational commitment partially most dominant to influence the employee's performance.

Key words: Employee performance, organizational culture, organizational climate, leadership style, organizational commitment

INTRODUCTION

Law No. 32 of 2004 on local government Article 129, which reads: paragraph civil service management area as referred to in paragraph shall include the determination of formation, procurement, appointment, transfer, dismissal, the determination of retired, salary, benefits, welfare, rights and obligation, legal standing, competence development and control number. According to the provisions contained in Article 129 of law No. 32 year 2004 on regional government, it showed clearly and has a strong legal foundation as guidance in governance and service to society, that the regional government has the authority to pursue the policy of welfare for civil servants who were on duty and work in the local government's environment and exist various forms. So with the issuance of regulations local government act relating to the formation, procurement, appointment, transfer, dismissal, the determination of pension, salary, benefits, welfare, rights and obligations, legal position, the development of competencies that everything is a form of government support to employees, it should be Garut government performance to improve the performance of local government in all sector but in fact the performance tends to decline. In addition, the low performance achievement

institutions in Garut government can be seen also from the performance achievement of the low institutions based on average assessment institutions in West Java Province that was under 80. While, employee performance is the most important factor to the success of an organization. Therefore, there is a need to adopt effective human resources strategies that aim creates the culture of high performance in any organization based human resources practice (June and Mahmood, 2011). Commitment of organizations have been closely intertwined with close ties to employee performance, the strong commitment of the organization, the performance of employee is increasing (Mguqulwa, 2009). There is a positive relationship between organizational commitment and employee performance (Memari *et al.*, 2013). Meanwhile, a good organizational culture can enhance the organizational commitment strong so as to improve organizational performance (Manetje and Martin, 2009). The significant impact also occur of transformational leadership and organizational climate on employee performance (Imran and Anis-ul-Haque, 2012). That transformational and transactional leadership both are significantly positive associated with employee performance. However, transactional leadership was more significant than transformational (Paracha *et al.*,

2012). This research could analyse of empirical evidence of organizational culture, organizational climate influence, leadership style and organizational commitment to the civil servants performance in local government of garut partially and or jointly.

Literature review

Organizational culture: The organizational culture is the distinctive norms, beliefs, principles and ways of behaving that combined to give each organization its distinct character (Arnold and Reynolds, 2003). Some elements of organizational culture consist of a bureaucratic culture, the local culture (clan culture) and adhocracy culture (Hellriegel and Slocum Jr., 2004).

Organizational climate: The organizational climate is the internal environment or organizational psychology. Organizational climate affects human resources practice and policies adopted by members of the organization (Simamore, 2004). The point of organizational climate includes structure, responsibility, support, organizational identity and loyalty, warmth and risk (Lussier, 2005).

Leadership style: The two types of leadership style namely style transformational and transactional leadership style (Munandar, 2001). Transformational leadership has been defined as “the process of influencing major changes in the attitudes and assumptions of organization members and building commitment for the mission of organization or objectives. While transactional leadership is expected to be associated with employee commitment to organizational change (Ahmad and Gelaidan, 2011).

Organizational commitment: Commitment as a sense of identification, loyalty and engagement disclosed by an employee of the organization (Gibson and Donnely, 2012). Organizational commitment describes the psychological states that has characterizes to the employee relationship with the organization for which they work and has implications on their decision to remain with the organization. The three types of organizational commitment namely affective commitment, continuous commitment and normative commitment (Jha, 2011).

Employee performance: The employee’s performance records production result in a specific job function or activity during a specific time period (Gomes, 2003). Furthermore, the employee performance is the result of the quality and quantity of work achieved by an employee in carrying out their duties in accordance with the responsibilities given to the employee (Sakiru *et al.*, 2013).

MATERIALS AND METHODS

Constructing framework model: This study describes the conceptual model of a framework and research hypotheses, clearly in Fig. 1. The image based on research hypotheses will identify the relationship between H_1 until H_9 . The goal in this model is to increase the performance of employee by analyzing and getting empirical evidence of organizational culture, organizational climate influence, leadership style and organizational commitment to the civil servants performance partially and or jointly.

SEM’s model calculating: Source of data in this research is the source of secondary data from documentation or report that available in relevant institutions. The primary data in the form of organizational culture, organizational climate, leadership style, organizational commitment and employee performance sourced from staff of Garut government, West Java Province. Based on the rule of thumb in the SEM this research used a ratio of 1:5. This research has 40 parameters (indicators), the minimum sample size is 200 respondents and the selection of the sample population used proportionate stratified random sampling technique. The analysis method used in this research is the analysis of SEM (Structural Equation Modeling) using processing software 8:51 lisrel. In analysis methods of SEM, statistical estimation individually tested using at test. Through output path diagram t-value statistics, t-test results confirm lisrel process complete the test error rate set at 5%. Not

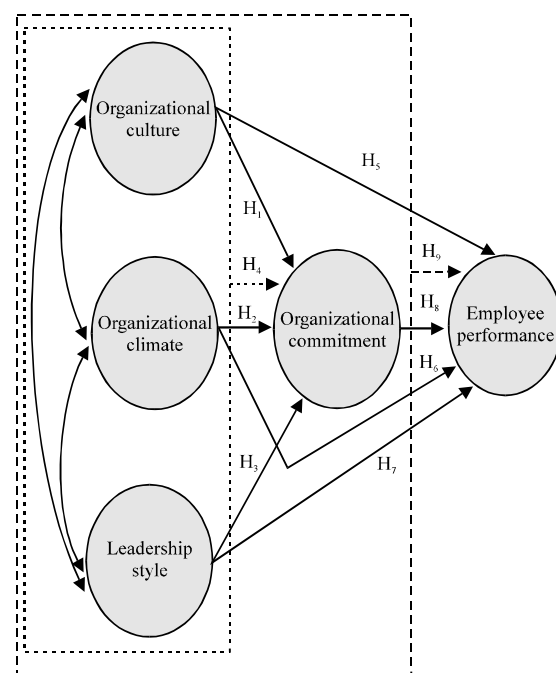


Fig. 1: Framework model

only individual test, SEM also test the proposed model as a whole system for example through conformance test model as known goodness of fit statistics.

Based on the Table 1 and 2, there are three index gained fitness model has a suitability index (good fit) are RMSEA, IFI and CFI. While five index compliance model which is under the suitability size good but still within the scope of the marginal (marginal fit) there are GFI, NNFI, NFI, AGFI and RFI. Marginal fit is the condition of the suitability of the measurement model under the criterion of absolute fit as well as incremental fit but still can be passed for further analysis because it is close to the size criteria for a good fit (Hair *et al.*, 2006). Thus, it can be continued in the subsequent analysis.

SEM full model equations: SEM full model equations using LISREL program 8:51 acquired two models. They are the standardized models and models of t-values. Each model as shown in Fig. 2 and 3.

Table 1: The suitability test model

GOF indicators	The expected size	Estimation result	Conclusion
Size absolute fit			
GFI	GFI > 0.90	0.85	Marginal fit
RMSEA	RMSEA < 0.08	0.078	Good fit
Size incremental fit			
NNFI	NNFI > 0.90	0.89	Marginal fit
NFI	NFI > 0.90	0.85	Marginal fit
AGFI	AGFI > 0.90	0.81	Marginal fit
Necessity	Necessity > 0.90	0.82	Marginal fit
IFI	IFI > 0.90	0.90	Good fit
CFI	CFI > 0.90	0.90	Good fit

Result processing with LISREL 51 8

Hypotheses testing: There is the result of hypotheses testing based on SEM model equation, clearly in Table 4.

RESULTS AND DISCUSSION

Based on the result of hypothesis 1-4 above, the great influence directly and indirectly organizational culture, climate organization and leadership style to the organizational commitment as follows.

According to Table 4, mutual effect Organizational culture (BO), climate organization (IO) and leadership style (GK) on organizational commitment (KO) is $0.5533 \approx R^2 = 0.55$ or a 0.55 (see equation structural model 1). On the basis calculation above, it can be expressed as the following matters.

The amount of the contribution of the direct influence of organizational culture variable to variable organizational commitment is the contribution of 10.24%. While the contribution of the indirect effect of organizational culture on organizational commitment through organizational climate is 4.15%. Then, the contribution of the indirect influence of organizational culture variable to variable organizational commitment

Table 2: Covariance matrix of latent variables

Variables	KO	KP	BO	IO	GK
KO	1.00				
KP	0.85	1.00			
BO	0.63	0.80	1.00		
	0.74	0.59	1.00	0.67 pct IO	
GK	0.68	0.72	0.59	0.88	1.00

Output LISREL 8.51

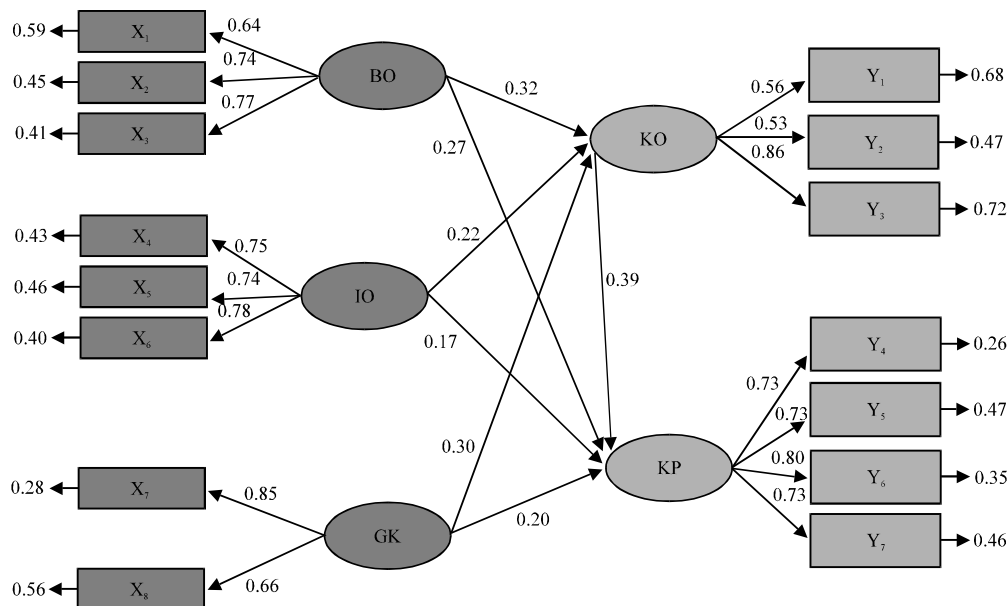


Fig. 2: The basic model SEM (Standardized Model)

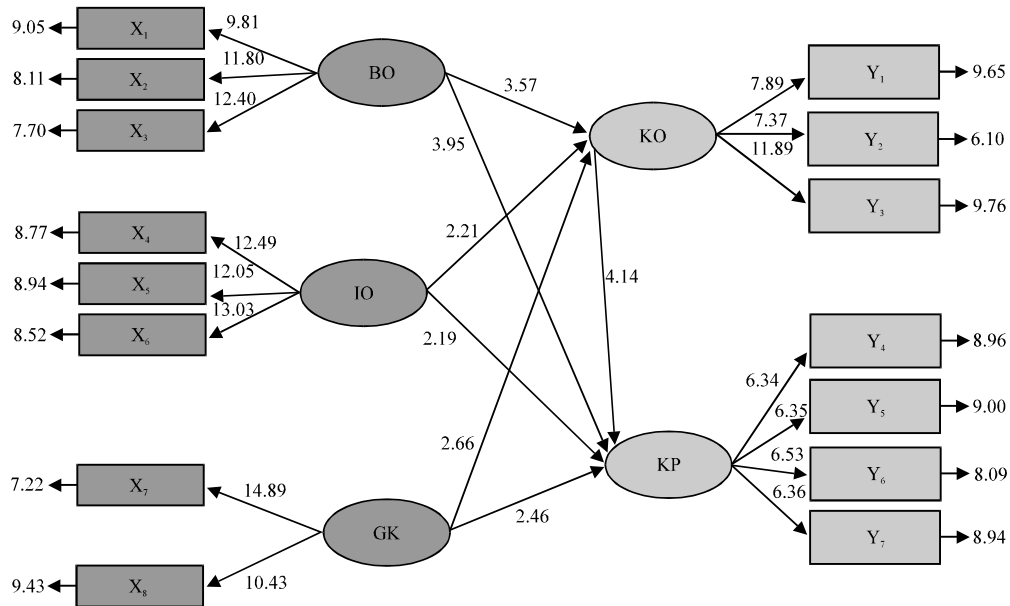


Fig. 3: Basic model SEM (t-model); Specification: BO = cultural organization; IO = organizational climate; GK = leadership style ; KO = organizational commitment ; KP = employee performance

Table 3: Hypothesis testing

Hypothesis	Variables	Standardize coefficient	t count/F count	Statistic conclusion
H ₁	Organizational culture~Organizational commitment	0.32	3.57	Significant
H ₂	Organizational climate~Organizational commitment	0.22	2.21	Significant
H ₃	Leadership style~Organizational commitment	0.30	2.66	Significant
H ₄	Organizational culture, climate organization and leadership style~Organizational commitment	0.55	79.85	Significant
H ₅	Organizational culture~Employee performance	0.27	3.95	Significant
H ₆	Organizational climate~Employee performance	0.09	2.19	Significant
H ₇	Leadership style~Employee performance	0.20	2.46	Significant
H ₈	Organizational commitment~Employee performance	0.39	4.14	Significant
H ₉	Organizational culture, climate organization, leadership style and organizational commitment~Employee performance	0.80	260.00	Significant

Table 4: Calculation results of the direct and indirect effects of organizational culture (BO), climate organization (IO) and leadership style (GK) on organizational commitment (KO)

Variables	The effect/Influence			
	Direct	Indirect	Explanation	Total
Organizational culture (BO)	0.1024	0.0415	Through IO	0.2048
Organizational climate (IO)	0.0484	0.0566	Through GK	0.1480
		0.0415	Through BO	
Organizational commitment (KO)	0.0900	0.0581	Through GK	0.2005
		0.0566	Through BO	
		0.0581	Through IO	

through leadership style is equal to 5.66%, it is bringing the total contribution to the influence of cultural variables organization organizational commitment variable is equal to 20.48%. The amount of the contribution of direct influence of the organizational climate variables organizational commitment variable is 4.84%. The contribution of indirect influence organizational climate on organizational commitment through cultural organization amounted to 4.15% while the contribution of the indirect

effect of the organizational climate variables organizational commitment through leadership style is 5.81%. So, the total contribution of the organizational climate variables to the organizational commitment variable is 14.80%. The amount of the direct influence contribution of variables leadership style on organizational commitment variable is 9.00%. While the indirect contribution effect of leadership style on organizational commitment through cultural organization

Table 5: The calculation results of the direct and indirect effects of organizational culture (BO), organizational climate, leadership style and organizational commitment (KO) on employee performance (KP)

Variables	The effect/Influence			
	Direct	Indirect	Explanation	Total
Organizational Culture (BO)	0.1024	0.0415	Through IO	0.2048
Organizational Climate (IO)	0.0484	0.0566	Through GK	0.1480
		0.0415	Through BO	
Organizational Commitment (KO)	0.0900	0.0581	Through GK	0.2005
		0.0566	Through BO	
		0.0581	Through IO	

Mutual effect BI, IO, GK on KO, $R^2 K_{MBOKO} = 0.5533$; Effect of external variables on KO, ζ_1 , 0.4467; Data processing result, 2014 (LISREL 8.51)

amounted to 5.66% then the contribution of indirect influence of leadership style variable to the organizational climate variable through organizational commitment is 5.81%. So, the total contribution of leadership style effect variable on organizational commitment variable is 20.05%.

Based on the description 1 until 3, the most dominant total contribution which is influence to the organizational commitment is an organizational culture with 20.48% then the organizational climate factor and leadership styles, each of amounted to 14.80% and 20.05%.

Then based on the results of hypothesis testing (Table 4), the direct and indirect influence of organizational culture, organizational climate, leadership style and organizational commitment on employee performance are as follows.

According the Table 5, mutual effect of organizational culture (BO), organizational climate (IO), leadership style (GK) and Organizational Commitment (KO) on employee performance (KP) is $0.7992 \approx 0.80$ or an $R^2 = 0.80$ (see equation structural model 2). Regarding to those calculation, it can be expressed as the following matters. The amount of direct contribution influence of organizational culture variable to the employee performance variable is 7.29%. Meanwhile the contribution of indirect influence organizational culture on employee performance through organizational climate is 2.71%, then the contribution of the indirect effect of organizational culture variable to variable employee performance through leadership style amounted to 3.19%, the contribution of the indirect effect of variables organizational culture variable employee performance through organizational commitment is equal to 6.64%. So as the total contribution of the organizational culture influence variable to the employee performance variable is equal to 19.82%. The amount of direct contribution influence of organizational climate variable to the employee performance variable is 2.89%. Meanwhile the contribution of indirect influence organizational climate on employee performance through organizational culture is 2.71%, then the contribution of the indirect effect of

organizational climate variable to employee performance variable through leadership style is 2.99%, the contribution of the indirect effect of organizational climate variable to the employee performance variables through organizational commitment is 4.44%. So as the total contribution of organizational climate influence variable to the employee performance variable is 13.03%.

The amount of direct contribution influence of leadership style variable to employee performance variable is 4.00%. Meanwhile the contribution indirect effect of leadership style on employee performance through cultural organization amounted to 2.19% while the contribution of the indirect influence of leadership style variable to variable employee performance through organizational climate is 2.99% and the contribution of indirect influence leadership style variable to employee performance variable through organizational commitment is 5.30%. So as the total influence contribution of leadership style variable to the performance variable amounted to 15.48%.

The amount of direct contribution influence of organizational commitment variable to the employee performance variable is 15.21%. Meanwhile the contribution of organizational commitment indirect effect on employee performance through cultural organization amounted to 6.64% then the indirect contribution effect of organizational commitment variable to the employee performance variable through organizational climate amounted 4.44% and the contribution of indirect influence organizational commitment variable to employee performance variable through leadership style is 5.30%. So as the total contribution of the effect of organizational commitment variable to employee performance variable is equal to 31.59%. Based on the description numbered 1-4 then the total contribution of the most dominant influence on employee performance is a factor of organizational commitment with a contribution of 31.59% than the factor of organizational culture, organizational climate and leadership styles, each only amounted to 19.82, 13.03 and 15.48%.

According to the test results shows that the direct variable of organizational culture, organizational climate and leadership styles affect the organizational

commitment variable with a contribution of 55%. Then, organizational culture variable, organizational climate and leadership style directly affects employee performance variable with a contribution of 31.95%. But with through organizational commitment, organizational culture variables, organizational climate and leadership styles affect the performance of employees with a contribution of 80%. This shows that organizational commitment is a partial mediating variable of organizational culture, organizational climate and leadership style on employee performance.

CONCLUSION

Organizational commitment on civil servants in Garut, especially in normative commitment will be able to be improved if Garut government is able to increase organizational culture (especially in adhocracy culture) and supported by increasing and improving leadership style (especially on transformational leadership style) and organizational climate mainly on style climate leadership support. Employee's performance of civil service in Garut, especially on dependability element will be able to be improved if the Garut government able to improve organizational culture (especially the adhocracy cultural elements) and supported by the ability to improve leadership style (especially on the element of transformational leadership style) and organizational climate particularly in support of climate elements through organizational commitment (especially normative commitment) to the civil servants in Garut .

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