The Influence of Organizational Culture and HR Competency on Employee Commitment and Their Impact on Organizational Performance

Vivi Nila Sari1*, Hamdy Hady2, Elfiswandi3

1,2,3Faculty of Economics and Business, Doctor of Management Program, Putra Indonesia University YPTK Padang, West Sumatra, 25221, Indonesia.

ABSTRACT

There are several factors that affect Organizational Performance through Employee Commitment including Organizational Culture and HR Competencies. This study aims to empirically test and prove the direct influence of Organizational Culture and HR Competencies on Employee Commitment. The direct influence of Organizational Culture and HR Competencies on Organizational Performance and the influence of Organizational Culture and HR Competencies indirectly through the mediation of Employee Commitment to Organizational Performance. This study used a quantitative approach. The population consists of the State Civil Apparatus (ASN) of the West Sumatra Tourism Office. This study is a population census study with a sample of 248 people. Partial Least Square (PLS) analysis method with SmartPLS Application. The results showed that the accepted hypothesis that Organizational Culture and HR Competencies have a direct impact on employee commitment and the influence of the construct of Organizational Culture and HR Competencies on organizational performance whose hypothesis is accepted. The employee commitment variable in this study cannot be a mediator variable of Organizational Culture and HR Competence variables. The results of this research are expected to advance the science of human resource management and behavior for the benefit of both academics and practitioners.

1. INTRODUCTION

The performance of an organization can be measured by the extent to which the organization achieves its goals in accordance with the vision and mission that have been set previously. Understanding of organizational culture, and how culture maintains, creates and learns will increase to explain and
predict organizational behavior so that it can help management to improve organizational performance (Jufrizen et al., 2021; Lathiifa & Chaerudin, 2022). Organizational Culture is a value shared by a company and a group of people who learn and believe that truth is the solution to problems. Organizational culture is a system that assesses the beliefs or norms agreed upon by members of the organization as a guide for behavior and solving organizational problems in accordance with organizational culture (Pawirosumarto et al., 2017; Suwaldiyana, 2021). Organizational culture is good values that have an impact on increasing employee commitment (Ariawaty, 2020; Harwika, 2016). Narrow HR capabilities cannot be separated from the needs of the existing work. That is, the company must know in advance how the work must be done and what competencies are required of the perpetrators of the work. These competencies can cover aspects of employee knowledge, skills, attitudes and behavior. Broadly speaking, these competencies will be related to organizational strategy, and understanding these competencies can be combined with soft skills, hard skills, social skills, and mental skills. Hard skills reflect the knowledge and physical capabilities of HR, soft skills reflect HR intuition and sensitivity; social skills reflect HR social relationship skills, and psychological skills reflect HR resilience (Perkasa, 2016; Wan Hooi & Sing Ngui, 2014).

Tourism is expected to be the main support for regional economic growth, making it a development priority and one of the main performance indicators for local governments. The performance of the tourism sector also showed quite good year-on-year results, such as foreign exchange which increased by 6% from USD 44 million (2017) to USD 47 million (2018). Investment in the hotel, food, and beverage sector increased significantly by 513%, from US$3.6 million in FDI (foreign investment) to US$22.1 million. PMDN (Domestic Investment) also recorded a significant increase of 63% from 53.8 billion rupiahs. 88.2 billion. The study was conducted to ascertain their financial position to ensure the direct impact of the COVID-19 pandemic on tourist destinations in 19 provinces/cities in West Sumatra. Most of the tourist destinations surveyed stated that their income had decreased by 100% compared to before the pandemic (74% of respondents), and 26% of destinations experienced a decrease in income from 100%. Destinations that remain productive are destinations that began to open when the PSBB began to be relaxed. On the other hand, all respondents (100%) suffered losses due to the pandemic because they had no income at the beginning of the pandemic and had to pay for events and operations. There were 40 million (83.9% of respondents) and some suffered losses of up to hundreds of millions (16.1% of respondents). The maintenance budget at the time of closing is also felt and insufficient due to the absence of income.

Of course, based on the above phenomenon, this indirectly affects the fluctuation of tourist interest to visit all tourist attractions in West Sumatra which actually have very interesting tourist objects. Therefore, this situation is inversely proportional to the expectations of the West Sumatra Regional Government, especially for the launch of West Sumatera tourism objects. Organizational performance is an indicator of the level of achievement that can be achieved, reflects the success of the organization, and is the result of the actions of its members. Performance can also be described as the result (output) of a certain process carried out by all organizational components for a particular source (input) used. In addition, performance is the result of a series of process activities carried out to achieve certain organizational goals. Based on the presentation of the problems that have been submitted, it can be known that the purpose of this study is to examine the influence of organizational culture and human resource (HR) competence on employee commitment, as well as its impact on organizational performance. This research is expected to contribute to the development of knowledge about the factors that affect employee commitment and organizational performance, so as to assist companies in formulating appropriate strategies and policies to improve employee commitment and performance. In addition, this research is also expected to provide useful information for practitioners and academics in understanding the relationship between organizational culture, HR competence, employee commitment, and organizational performance.

2. METHODS

The method used in this research is a descriptive research method with a causal approach. This research is intended to build a real picture of a phenomenon that exists in the context of research. With this descriptive research, various information will be collected to test hypotheses or answer questions related to the research problem. Causal approach is a study to determine the effect of one or more independent variables (independently) on the dependent variable. The population consists of the State Civil Apparatus (ASN) of the West Sumatra Tourism Office. This research is a population census study with a total sample of 248 people. Partial Least Square (PLS) analysis method with SmartPLS Application. The data processing technique in this study using the SEM method based on Partial Least Square (PLS) requires 2 stages to assess a research model, namely the outer model and the inner model (Ghozali, 2018).
The outer model assessment aims to assess the correlation between the score of an item or indicator and its construct score, which indicates the level of validity of a statement item. The outer model test was carried out based on the results of the questionnaire trials that had been carried out for all research variables. There are three criteria in the use of data analysis techniques to assess the outer model, namely Convergent Validity, Discriminant Validity and Composite Reliability. An item or statement item is said to be valid if it has a correlation value or a convergent validity value in above 0.7, but in the development stage correlation 0.5 to 0.6 considered still adequate or still acceptable.

3. RESULTS AND DISCUSSIONS

Results Measurement Model Rating

The measurement model assessment is used to test whether the indicators can explain the latent variables. One technique that can be used is to perform a convergent validity analysis by looking at the outer loading value of each indicator on the research variable. The outer loading value of 0.7 is said to be valid. And it can be seen in the Figure 1.

![Figure 1. Outer Loading](image)

Structural Model Research

Structural model assessment is part of SEM analysis that is used to test the relationship between latent variables to ensure that the latent variables are valid and reliable. Construct Reliability and Validity tests are needed. A construct is said to be valid and reliable if it meets the following criteria: rhoA 0.7 or Average Variance Extracted (AVE) 0.5. The results of reliability and construct validity are presented in Table 1.

<table>
<thead>
<tr>
<th>Variable</th>
<th>Alpha Cronbach</th>
<th>Composite Reliability</th>
<th>Extracted Mean Variance (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Culture (X1)</td>
<td>0.922</td>
<td>0.939</td>
<td>0.722</td>
</tr>
<tr>
<td>Human Resources Competence (X2)</td>
<td>0.888</td>
<td>0.915</td>
<td>0.642</td>
</tr>
<tr>
<td>Employee Commitment (Y)</td>
<td>0.852</td>
<td>0.889</td>
<td>0.572</td>
</tr>
<tr>
<td>Organizational Performance (Z)</td>
<td>0.891</td>
<td>0.915</td>
<td>0.608</td>
</tr>
</tbody>
</table>

Then the predictive power of the structural model was measured using R-Square. R-Square explains if exogenous latent factors have a substantive effect on endogenous latent variables as shown in Table 2.

<table>
<thead>
<tr>
<th>No</th>
<th>Variable</th>
<th>R Square</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Employee Commitment (Y)</td>
<td>0.814</td>
</tr>
<tr>
<td>2</td>
<td>Organizational Performance (Z)</td>
<td>0.927</td>
</tr>
</tbody>
</table>

From the results of the r-square in the table above, it shows that the r-square of employee commitment (y) is 0.814. And the value of r-squares organizational performance (z) is 0.927. This value indicates that the variables of organizational culture and hr competence have an effect on the employee commitment variable (y) of 81.4%. And the remaining 19.6% is driven by other variables outside the...
variables in this study. And this value also shows that the variable of organizational culture and hr competence has an effect on the variety of organizational performance (z) by 92.7%. And the remaining 7.3 % is driven by other variables outside the variables in this study. The bootstrap function in smartpls 3.2.9 can be used to determine whether a hypothesis is accepted or not. When the t value is greater than the important value or the significance level is less than 0.05 then the hypothesis is accepted. The t-statistic value for the 5% significance level is 1.96.

Table 3. Specific Direct Effects

<table>
<thead>
<tr>
<th>Information</th>
<th>Original Sample (O)</th>
<th>Standard Deviation (STDEV)</th>
<th>T statistics</th>
<th>P value</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational culture (X1) -&gt; Employee Commitment (Y)</td>
<td>0.713</td>
<td>0.037</td>
<td>19.252</td>
<td>0.000</td>
<td>Hypothesis Accepted</td>
</tr>
<tr>
<td>Human Resources Competence (X2) -&gt; Employee Commitment (Y)</td>
<td>0.241</td>
<td>0.042</td>
<td>5.723</td>
<td>0.000</td>
<td>Hypothesis Accepted</td>
</tr>
<tr>
<td>Organizational culture (X1) -&gt; Organizational Performance (Z)</td>
<td>0.548</td>
<td>0.039</td>
<td>13,876</td>
<td>0.000</td>
<td>Hypothesis Accepted</td>
</tr>
<tr>
<td>Human Resources Competence (X2) -&gt; Organizational Performance (Z)</td>
<td>0.185</td>
<td>0.035</td>
<td>5,281</td>
<td>0.000</td>
<td>Hypothesis Accepted</td>
</tr>
<tr>
<td>Employee Commitment (Y) -&gt; Organizational Performance (Z)</td>
<td>0.291</td>
<td>0.046</td>
<td>6.276</td>
<td>0.000</td>
<td>Hypothesis Accepted</td>
</tr>
</tbody>
</table>

Based on the Table 3, it can be seen that, of the 5 hypotheses which state that there is a direct influence relationship, all hypotheses are accepted and significant where P-Value <0.05. Analysis of Indirect Effects (Mediation) to see whether the employee commitment variable (Y) can mediate the relationship between all exogenous variables and endogenous variables, namely Organizational Performance (Z). The relationship between exogenous variables and endogenous variables through mediating variables in this study can be seen in Table 4.

Table 4. Specific Indirect Effects

<table>
<thead>
<tr>
<th>Information</th>
<th>Original Sample (O)</th>
<th>Standard Deviation (STDEV)</th>
<th>T statistics</th>
<th>P value</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Culture (X1) -&gt; Employee Commitment (Y) -&gt; Organizational Performance (Z)</td>
<td>0.207</td>
<td>0.034</td>
<td>6.138</td>
<td>0.000</td>
<td>Hypothesis Accepted</td>
</tr>
<tr>
<td>Human Resources Competence (X2) -&gt; Employee Commitment (Y) -&gt; Organizational Performance (Z)</td>
<td>0.070</td>
<td>0.017</td>
<td>40.46</td>
<td>0.000</td>
<td>Hypothesis Accepted</td>
</tr>
</tbody>
</table>

Next to see the relationship or quality of each construct that forms hypotheses 6 and 7, the following path analysis is shown to describe the value of direct and indirect influence in helping and understanding the influence of Organizational Culture, HR Competence and employee commitment on organizational performance, as shown in Table 5.

Table 5. Direct and Indirect Effects

<table>
<thead>
<tr>
<th>Information</th>
<th>Specific Indirect Effects</th>
<th>Specific Direct Effects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Culture (X1) -&gt; Employee Commitment (Y) -&gt; Organizational Performance (Z)</td>
<td>0.207</td>
<td>0.548</td>
</tr>
<tr>
<td>Human Resources Competence (X2) -&gt; Employee Commitment (Y) -&gt; Organizational Performance (Z)</td>
<td>0.070</td>
<td>0.185</td>
</tr>
</tbody>
</table>
The Table 5 shows that there is a direct effect that is greater in value with an indirect effect, and there is also a smaller indirect effect with a direct effect. Direct influence > indirect effect means that this variable cannot be called a mediating variable.

Discussion
The Influence of Organizational Culture on Employee Commitment
Organizational efforts in increasing the organizational commitment of its employees, cannot be separated from the applied organizational culture, where organizational culture is a guideline or basic assumption applied by employees in behaving in an organization. Previous research stated that organizational culture is for the beliefs and ethical principles of organizational members who play an important role in the organization's management system (Nafis, 2021; Soomro & Shah, 2019). Employees who have a high organizational commitment can be seen from their job satisfaction in the organization.

The results of this study explain that Organizational Culture on Employee Commitment has a significant influence. This is because Organizational Culture is still important for Employee Commitment. With a good organizational culture, employees will have a high work commitment. Organizational Culture indicators such as Innovation and risk taking, attention to detail, Results Orientation, Individual Orientation, Team Orientation and Aggressiveness have a relationship with employee commitment indicators in the form of Affective commitment, Continuing Commitment and Normative Commitment. This is in accordance with previous research whose research results show that Organizational Culture influences positive on Employee Commitment (Acquah et al., 2020; Arifudin, 2020; Muis et al., 2018; Shahriari et al., 2023; Zhang et al., 2022).

The Influence of HR Competence on Employee Commitment
The quality of human resources is one of the factors needed in order to improve the performance of an organization. In this case, highly competent human resources are needed because competence is a key factor in improving employee performance (Kaur & Kaur, 2022; Silfiani et al., 2021). In addition, the competence of qualified human resources will also foster a sense of belonging to the organization which has an impact on increasing commitment to the organization (Murniash & Sudarma, 2016; Raharjo et al., 2018). The results of this study explain that HR Competence on Employee Commitment has no significant effect. This is because HR Competencies are still less important for Employee Commitment. With good HR competence, employees will have a low work commitment. HR Competency Indicators such as Intellectual Competence, Emotional Competence and Social Competence have no relationship with employee commitment indicators in the form of Affective Commitment, Continuing Commitment and Normative Commitment. This is not in line with similar research whose research results show that HR competence has a positive effect on employee commitment (Agustian et al., 2018; Rodrigues & Ferreira, 2015).

The Influence of Organizational Culture on Organizational Performance
Organizational culture is basically the standard of behavior followed by the members of the organization. Culture performs a number of functions in organizations. Organizational culture affects organizational efficiency and staff satisfaction. The acceleration of environmental change causes changes in Organizational Culture. The way staff behave and what they have to do is highly dependent on the Organizational Culture or what is called Organizational Culture. Organization & Apos; Its success is supported by its organizational culture to achieve job satisfaction which can increase staff productivity. The company’s organizational culture is an important factor as a manager &apos; s efforts to create a comfortable environment to improve the performance of its staff.

The results of this study explain that Organizational Culture on Organizational Performance has a significant influence. This is because Organizational Culture is still important for Organizational Performance. With a good organizational culture, the organization will have on high performance. Organizational Culture indicators such as innovation and risk taking, attention to detail, result orientation, individual orientation, team orientation and aggressiveness have a relationship with organizational performance indicators in the form of efficiency, effectiveness, fairness and responsiveness. This is in accordance with previous research which state that there is a partial influence of organizational culture on organizational performance (Kiziloglu, 2021; Santosoto et al., 2021; Tang, 2017).

The Influence of HR Competencies on Organizational Performance
To create quality human resources (HR), competence is needed. If employees do not have the competence, it will cause problems for the company/organization. individual commitment to achieve life goals (motives), discipline, self-concept, social roles, mentoring qualities, harmony in family relationships. Of all the forming competencies, commitment in achieving one's life goals (motives) is the strongest in determining the level of mastery of one's competencies which ultimately affects his performance.

Vivi Nila Sari / The Influence of Organizational Culture and HR Competency on Employee Commitment and Their Impact on Organizational Performance
Therefore, employee competencies can be used to predict which employees have good and bad performance based on the standards used. Performance can be interpreted as the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him. Employees who have good performance are employees who have good work quality, large amount of work, good or friendly attitude, reliable, initiative, diligent, always present at work and have the potential to progress. In the end, employees who have good performance can create competitiveness for the company, because they can carry out activities in accordance with the targets that have been set.

The results of this study explain that HR Competence on Organizational Performance has a positive and positive effect on organizational performance important. This is because the more employees who have HR competencies, the lower the organizational performance will be. HR Competency Indicators such as Intellectual Competence, Emotional Competence and Social Competence have no relationship with Organizational Performance indicators in the form of Efficient, Effectiveness, Fairness and Responsiveness. This is in accordance with other research which states that there is a partial influence of HR competence on organizational performance (Chakraborty & Biswas, 2020; Chillakuri & Vanka, 2022; Odja et al., 2020).

The Effect of Employee Commitment on Organizational Performance

Performance is determined by work results and work behavior. If performance depends on the results, what is seen is the amount of quality and quantity produced, but when viewed from work behavior, what is assessed is how employees fulfill their commitments and contribute positively or negatively to the fulfillment of organizational goals as measured when evaluating performance. Based on work behavior. Individual or group performance is defined as the willingness to carry out an activity and carry it out in accordance with the commitment and expected results. Therefore, a person’s achievement ability is strongly influenced by three factors, namely skills and desires, and the environment. For that, a person must have a great desire to learn and understand the aspects that affect his profession in order to provide an honest performance. Good performance will not be achieved until the things that affect it are understood.

The results of this study explain that Employee Commitment to Organizational Performance has a significant influence. This is because Employee Commitment is important for Organizational Performance. With good employee commitment, the organization will achieve high performance. Employee Commitment indicators such as Affective Commitment, Continuing Commitment and Normative Commitment have a relationship with Organizational Performance indicators in the form of Efficient, Effective, Fairness and Responsiveness. This is in accordance with previous research which state that there is an effect of Employee Commitment on Organizational Performance (Chen et al., 2015; Mohyi, 2021; Ogala S. C, 2020; Princy & Rebeka, 2019; Wahyudi et al., 2021).

The Influence of Organizational Culture on Organizational Performance Through Employee Commitment

Organizational culture is a system that is shared by members of the organization and has the same meaning. Organizational culture is a set of thoughtful programs that includes individuals in society and distinguishes the members of one group of people from members of another. That is, the values, norms, and customs of an individual associated with members of a social unit or group. Organizational culture is considered as one of the key variables in the success of organizational performance. Organizational commitment is the extent to which employees equate them with the organization, but their goals and desires to maintain membership in the organization. Organizational commitment indicates an individual’s ability to identify involvement in the part of the organization. Significant impact on Organizational Performance through Employee Commitment. This is because Employee Commitment is important for Organizational Culture on Organizational Performance through Employee Commitment. With good Employee Commitment, Organizational Culture and Organizational Performance will achieve good results as desired. This is not in accordance with similar research whose research results show that Organizational Culture has a positive effect on Organizational Performance through Employee Commitment (Al-Fakeh et al., 2020; Anggapradja & Wijaya, 2017; Loan, 2020; Sabaruddinsah & Asiah, 2022; Santoni & Heryono, 2021).

The Influence of HR Competence on Organizational Performance Through Employee Commitment

Commitment has a relationship with performance so it is important for organizations to grow employee commitment. Commitment to the organization has the meaning of concern and ability that synergizes in influencing the success of the organization in achieving its goals. Organizational commitment is related to an employee’s loyalty to the organization. This means that employees with high commitment will make every effort to achieve organizational goals. The results of this study explain that
HR Competencies affect Organizational Performance through Employee Commitment has a significant influence. This is in line with other research which show that there is a positive influence of HR Competence on Performance Organization through Employee Commitment (Pramono & Prahiawan, 2022; Pudjowati et al., 2021).

4. CONCLUSION

The results of this study found that Organizational Culture is considered the most important factor in improving Organizational Performance. The measurement of loading factor which has the biggest influence in this research is Organizational Culture, namely Innovation and Risk Taking. The indicators used in this study can be said to be reliable and valid. Then R-Squares explains that exogenous latent factors have a substantive effect on endogenous latent variables. Of the hypotheses which state that there is a direct influence relationship, all hypotheses are received. Analysis of Indirect Effects (Mediation) to see whether the employee commitment variable can mediate the relationship between all exogenous variables and endogenous variables, namely Organizational Performance. From the results of this study, it can be concluded that organizational culture and HR competencies can improve organizational performance through employee commitment. This means that the better the Organizational Culture, the higher the employee’s commitment and result in an increase in organizational performance. Similarly, HR Competencies also affect Organizational Performance through Employee Commitment.

5. REFERENCES


