

# Organizational Commitment at Manufacturing Industries in West Java, and its Implication on Employees Performance

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# Organizational Commitment at Manufacturing Industries in West Java, and its Implication on Employees Performance

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**Abstract.** Manufacturing Industries have done bureaucratic reform, wrong one element set back is resources issues improve our mankind. So the importance of human resources factors it makes company management doing improvement human resources in the area. All restructuring the management be done to improve of employee performance. The purpose of this research is building the model of commitment organization and employee performance. This research took samples from 171 employees. The kind of research in writing this is descriptive and association causal relationships. Data processing used namely by SPSS ver 5 pm. Research instruments consisting of engineering data analysis and the hypothesis. The results of the study states that contribution competence, leadership and commitment to explain employee performance is of 81.6 %. And explained that competence, leadership and commitment awarded to an employee together or simultaneous had links and real impact of the performance of employees .

*Key Word* : Competence, leadership, commitment, performance

## 1. Introduction

The existence of resources improve our mankind in the company holding a very important role in exercise company. The potential of every human resources that is in the company has to be good, so it could give the maximal result. Company and employees is two things that needed each other. If the employee succeeded in carrying progress for the company, the advantage gained be plucked by both parties. For employees, success is actual potential self and opportunities to meet the life. For the company, success is a means of to growth and development company (Munnich & Iacono, 2016).

Companies often ignored human resource management, despite having often hear the importance of human resource management, but the handling in a planned fashion and are

focused, either by both firms and individuals as an employee itself rare. Human resources management well will increase the performance of employees and will increase the company (Heller Baird & Parasnis, 2011).

Business environment is currently being two facing the main challenges. First, change business environment rapid accompanied by the increase in the quality and the need for consumers. From one side a rapid change that resulted in the dynamics of a job of change and the demanding dexterity and skill that exceeds than before. On the other hand it turns out that the wants and needs of consumers is not a static, but continued to develop dynamically also. Consumers wish the wants and needs of could be met in quality and satisfying. Second, the increased competition between the company require to each company to run their operations in a more efficient way, effective and productive. To face the challenges of this, so companies need to demanding of employee performance tall one of them influenced by competence that should be owned by each employee. If competence was not optimal namely the tolerance of crimes against employees performing bad with will be given authority and tasks a great, it will not encourage the employees to understand competence to be present. In exercised their activities all plant PT Yamaha Music Manufacturing Asia (YMMA) around the world have a strong commitment to create harmonious relations stated in commitment as follows (Gupta & Sharma, 2016):

1. Commitment to customers, as satisfaction the hearts of customers, Yamaha will always offer products and services quality superior through advanced technology and traditional, creativity and sensitivity colorful, and always be a brand that recognized it, trusted and full of the impression.
2. Commitment to parties that works with: really make brand Yamaha shining in and of itself is all those that have a working relationship with Yamaha. Building relationships trust within the framework of regulations that fair based on community social norms, simultaneously indicates best performance and realization self through working on, and to the creation of climate a company that cheerful having the pride of and confidence .
3. Commitment to society: put the main priority to safety and environmental sustainability the earth, obey rules very high moral, and as a company residents the community, play an active role in develop social aspects, cultural and economic good to the community regional and the global community.

So the importance of factors human resources it makes company management doing improvement human resources in the area. The main focus of improvement human resources among others is a factor competence and commitment employees.

According to (Williams, 2011) use the model of iceberg who describes the six kinds of characteristic of competence namely : knowledge, skills, values, self concept, traits, and motives. These characteristics can be grouped into two a large group that is hard competence and soft competence. Hard of competency as background education and training an employee of PT. Yamaha Music Manufacturing Asia in general good enough, but should also in upgrade to employees can produce performed well. Soft competence who can be competence functional and leadership is competence not seen so it is more difficult to di-upgrade .

Based on the above analysis, look the important role competency and committed to increase of employee performance .Of preliminary observations conducted in employees in Yamaha music manufacturing Asia, it can be seen that the skill employees especially competence, leadership and commitment employees is still low. This can be seen from the phenomenon fact that there are still employees poor in implementing the tasks, not can work together in teamwork and lack of a sense of responsibility. Next seen from of employee performance, looked the limited of employee performance. This can be seen from employees often procrastinate the work so the completion of time the work is not on time, is not oriented at the success employment and the provision of employment only to people certain, work does not effective and work like robot without any creativity and the idea / suggestions. This has led to the low owned employees performance (Kurtessis et al., 2015).

## **2. Literature review**

### **Understanding competence**

(Nasriyah, Arham, & Aini, 2016) that competence is characteristic basic can be connected with the performance of which jumped from individuals or a team. (Siahaan, Gultom, & Lumbanraja, 2016) provide explanations the process of competence in the work will be benefits as:

- a) Help meet the needs of individual, as: direct behavior in expected of standards and improved the skills.

- b) The use of competency standard to help on policy selection to pick the candidate employee who best, associated with conformity behavior effective that have implemented functions, and responsibilities of. Someone manager could lead on a target that is selective and reduce the recruitment unnecessary, as for example by develop a set behavior needed for each function office and focus on conduct interview selection.
- c) Maximize productivity, with competency standard to make an organization trying to effective and help to find employee who bias developed in a purposeful manner and meet the gap competency, that have implemented fungus duty.
- d) A basis for development system remuneration, model competence can be used to develop system remuneration (return) a more flexible and more just .Policy remuneration will be directed and transparent by associating as much as possible decision by a set behavior expected shown of an employee.
- e) Facilitate adaptation to change, in this era of environmental changes a very fast , affecting the nature of a and the consequent need for the ability new continues to rise .Model competence this gives means of to establish skill what is required to meet needs that would constantly change.
- f) Adjust behavior working with values organization , model competence is the way the most striking to communicate values and things what it must be focus on were work employees.

### **Understanding leadership**

(Beth Knight, 2016) said, that leadership is the process of inspiration, affecting, and guide others to participate in the joint effort to .With these words other, leadership is a process influence inspiration social and guide others in the joint effort to. Next (Grönqvist & Lindqvist, 2015) added that leaders assume responsibility guide a number of a constituent to the achievement of a goal thorough, whether to bring employees lead to greater productivity, guiding suppliers to a better understanding a way to work in order the more serve their customers company, or help investors appreciate strategy and how achievement company of strategy will produces increased shareholder value. All need a solid in vision who supervised leader and eventually organization to a better performance.

Leadership shall jointly universal generate a level of performance and satisfaction subordinate high. In a different situation requires style leadership that is characteristic of

personal and environmental forces. This theory also describes how perception hope influenced by the continece of four styles leadership and various the attitudes and behavior employees. Behavior a leader gives motivation up to the levels (1) lower the barriers the disturbing the achievement of a goal, (2) guiding and support required by the employees , and (3) linked award which means to the achievement of a goal.

### **Understanding commitments**

Originating in employees to finish various duties, responsibilities and authority supported by motivation owned. (Lee & Kang, 2013) expressed their commitment is acceptance employees over organization values (identification), the involvement of (involvement) psychologically and loyalty (loyalty). This means that commitment has three aspects: (1) an identification come into being in the trust employees over organization; (2) loyalty , shows the attitudes and behavior that positive for his organization , an employee will have souls continues to defend his organization, tried to improve achievement and have confidence indeed to help realize organizational goal; (3) involvement, would have to have a sense of for employees to his organization .We hope that it can run and achieve success and welfare organization in the long term.

Further, (Sukirno & Siengthai, 2011) will factors commitment of organization differently. As for factors affecting commitment organization is:

- a) satisfaction work when employees have personal satisfaction on duty, they will be tolerance in driving and control her if those who disappointment.
- b) identification when employees feel the goal in line with its aim company will cause identification and confidence that the company will benefit those.
- c) involvement work employee who active participate in companies and work (especially in decision-making also having a commitment and more interested in the organization).

### **Understanding of employee performance**

Performance individual employees increasingly important when an organization will do reposition employees. It means how organization need to know what factors influences the performance. The results of analysis is going to be beneficial for the construct program the development of human resources in steady .In turn performance individual would reflect degrees competence an organization. (Jayawarna, Rouse, & Kitching, 2013) define

performance as function go on strike work in accordance with capacity , chance and his part want to indicated. While (Bentley, Coates, Dobson, Goedegebuure, & Meek, 2013) see performance as the level of success in implementing the tasks and the ability to hit its intended purpose and (Chen & Silverthorne, 2005) identify performance as the achievement of its intended purpose is one of benchmark performance individual.

According to (Joo & Ready, 2012), in general there are four factors that can affect organizational performance, namely:

- a) The effectiveness of the effectiveness of an organization is that if the purpose of these organizations could be achieved as the need planned. Efficiency pertaining to the number sacrifice issued in achieving the objectives .If salvation considered too big , thus it can be said inefficient. According to (Sok & O’Cass, 2011), efficient is the ability to finish the job properly and effectiveness is the ability to choose appropriate destinations or equipment appropriate to accomplish its intended purpose.
- b) Authority and responsibilities of the authority and responsibility is an important factor in effective organizational performance. Each a member of a know what has been duties and responsibilities in an effort to reach a goal organization. According to (Bentley et al., 2013), authority is a person right to give orders (to subordinate). While responsibility is part that cannot be separated or as a result of possession of the authority. If there were authority mean by itself appear responsibility.
- c) Discipline disciplinarian in general wisdom and insight obey laws and regulations. Discipline employees obedience employees are concerned in honor of the agreement is where he works. Discipline also closely related to the need to sentence for parties who violate, so that the thing is will give hue on performance organization.
- d) Initiative the initiative the subordinate related to the power think of creativity in the form of an idea to plan something pertaining to organizational goals. In other words, the initiative participants organization is thrust progress that finally influences the performance an organization concerned. So the initiative is necessary to effort completed a work. Without any initiative so a job will not be reached or intractable, the goal effectively and efficiently. Hence each worker have to dig power he thought to find different kind of the initiative in finish the job.

### 3. Result and Discussion

There are testing a positive influence competence ( $x_1$ ), of leadership ( $x_2$ ) and commitment ( $x_3$ ) in together on the performance of an employee ( $y$ ). Correlation test double the results of the analysis double correlation between variables competence , leadership and a commitment to performance variables employees shown in the table following this:

**Table 1**  
**Determination Between  $X_1$ : Competence,  $X_2$ : Leadership and  $X_3$ : Commitment to Y of Employee Performance**

Model Summary<sup>b</sup>

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.909 <sup>a</sup>	.827	.816	.66602

a. Predictors: (Constant), Competence, Leadership, Commitment

b. Dependent Variable : Employee Performance

On table 1 is the correlation between competence, leadership and commitment to employee performance which has indicated by value  $r = 0.909$ . This means that there is a correlation a strong positive and in line between competence, leadership and commitment simultaneous on performance employees.

The significance correlation double the formulation hypothesis is as follows:

$H_0 = \beta_1 = \beta_2 = \beta_3 = 0$  of no is the competence, leadership, and commitment simultaneous on performance employees.

$H_1 \neq \beta_1 \neq \beta_2 \neq \beta_3 \neq 0$  is the competence, leadership, and commitment simultaneous on performance employees ). The significance correlation double at the  $\alpha = 0.05$  is as follows:

**Table 2**  
**Significant F Test**

ANOVA<sup>b</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	103.548	3	34.516	77.812	.000 <sup>a</sup>
	Residual	21.735	49	.444		
	Total	125.283	52			

a. Predictors: (Constant), Competence, Leadership, Commitment

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b. Dependent Variable: Employee Performance

Table 2, value significance indicated by the magnitude of statistical produced, namely  $F \text{ test} = 77.812 > f\text{-table} = f 0.05; 3; 49 = 2.79$  with  $p\text{-value} (0.000) < \alpha = 0.05$  so  $H_0$  rejected. This indicates that there is a positive influence competence  $(X_1)$ , of leadership  $(X_2)$  and commitment  $(X_3)$  together on performance an employee  $(Y)$ . Test multi regression the results of the analysis multiple regression competence, leadership and commitment to of employee performance is presented in the table below this:

**Table 3**  
**Significant t Test**  
Coefficients<sup>a</sup>

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	32.711	2.791		11.720	.000
	Competence	.015	.071	.015	.209	.835
	Leadership	.922	.085	.849	10.860	.000
	Commitment	.041	.034	.089	1.217	.230

a. Dependent Variable: Employee Performance

Table 3 above shows estimation the model,  $\beta_0$  (intercept) of 32.711;  $\beta_1$  of 0.015;  $\beta_2$  of 0.922 and of  $\beta_3$  of 0.041 . Until they reached the regression equation as follows:

$$\hat{Y} = a + b_1X_1 + b_2X_2 + b_3X_3$$

$$\hat{Y} = 32.711 + 0.015 X_1 + 0.922 X_2 + 0.041 X_3$$

This equation can be defined as following:

- constant of 32.711 means: if competence  $(X_1)$ , leadership  $(X_2)$  and commitment  $(X_3)$  the value of the three are 0 so employee performance  $(Y)$  value of 32.711 positive.
- the competence regression variable  $(X_1)$  of 0.015 which means: if competence increased by a unit, then employee performance  $(Y)$  will increased by 0.015 unit assuming variable leadership and commitment worth constant.
- the regression coefficient variable of leadership  $(X_2)$  as much as 0.922 means, if leadership increased by a unit, so employee performance  $(Y)$  will increase 0.922 a unit of assuming variable commitment and variable competence worth constant.

- d) the regression coefficient variable commitment ( $X_3$ ) as much as 0.041 means, if commitment increased by a unit, so employee performance (Y) will increase 0.041 a unit of assuming variable competency and leadership worth constant.

### **The Significance Multiple Regression**

The formulation hypothesis is as follows:

$H_0 = \beta_1 = \beta_2 = \beta_3 = 0$  ( there is no a positive influence competence, leadership and commitment together on performance employees ).

$H_1 \neq \beta_1 \neq \beta_2 \neq \beta_3 \neq 0$  it is competence, leadership and commitment together on performance employees). The significant multiple regression is presented in the table 2 above. Table 2 shows the statistics f-test = 77.812 > f-table = f 0.05; 3; 49 = 2.79 with p value (0.000) <  $\alpha = 0.05$  so  $H_0$  rejected. It means there are there are competence, leadership and commitment together on performance employees .After the probe so hypothesis research its fourth proven received or supported.

### **Determination Coefficient**

The size of the determination competence, leadership, and committed to explain performance variables employees measured by the coefficients determination ( $R_2$ ). The size of the coefficient determination is presented in table 1 above.

Table 1 shows the R of 0.909 and value  $R_2$  of 0.816 which means contribution variable competence, leadership, and committed to explain performance variables employees is of 81.6 % and the rest 18.4 % described by other variables that not included in the model.

The influence of competence, leadership and commitment simultaneous to of employee performance is positive and significant indicated by value a correlation coefficient of 0.909 with probabilities significance  $0.000 < 0.05$  .The influence of significant shown also by value multiple regression, namely fuji of 77.812 greater than f table = f 0.05; 3; 49 = 2.79 .This means that competence , leadership and commitment awarded to an employee together or simultaneous had links and real impact of the performance of employees .

## **4. Conclusion**

Analyzing data who carried and which are presented in chapter before, so can be concluded that:

1. Is the positive and significant competence of the performance of employees, so that employee performance can be increased by improving competence.
2. Is the positive and significant leadership of the performance of employees, so that employee performance can be increased by improving leadership.
3. Is the positive and significant commitment to of employee performance, so that employee performance can be increased by improving commitment.
4. Is the positive and significantly from competence, leadership and commitment together on performance employees.
5. The result of this research said that the variable leadership a dominant influence of employee performance, this can be seen of the value of the coefficients determination more leadership greater than variable competence and commitment is as much as 0.906.

Based on the results an author in this study, so for uses further research can suggested:

- a) Yamaha Music Manufacturing Asia should see performance employees through variable leadership stable existing the company.
- b) That Yamaha Music Manufacturing Asia being firm superior in maintaining the results and employee performance, we need to increase the competency and commitment .
- c) Increase other variables to further research as: work environment, compensation and satisfaction work.

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