ORGANIZATIONAL COMMITMENT AS A MEDIATOR - THE EFFECT OF ORGANIZATIONAL CULTURE ON THE PERFORMANCE OF MALANG MUNICIPAL WATER COMPANY EMPLOYEES

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Abstract:
Organizations generally believe that to achieve excellence must strive for the highest individual performance, because basically individual performance affects the performance of a team or work group and ultimately affects overall organizational performance. Malang Municipal Water Supply Company as one of the Regionally Owned Enterprises with a good image that has been owned by the company is demanded to improve the competence of its employees which will later be seen from its performance. Regional Drinking Water Company of Malang City as one of the Regionally Owned Enterprises, with a good image that has been owned, the company is demanded to improve the competence of its employees which will later be seen from its performance. The population in this study were 371 municipal water company employees in Malang. With a population size of 371 employees and an inaccuracy rate of 10%, the sample size in the study. After a total sample of 79 employees has been determined, the next sample is taken using a simple random sampling technique, which is a probability sampling technique where each element of the population has a selected probability of becoming a research sample. The results showed that organizational culture, work motivation, employee commitment, employee performance in municipal water company Malang City were perceived well, while freedom in innovation in carrying out work had a big role in shaping organizational culture variables.

Keywords: organizational culture, work motivation, employee commitment, employee performance
1. Introduction

Organizations are social units that are consciously coordinated, with a relatively identifiable boundary, working continuously to achieve goals (Robbins, 2006). The competitive advantage of an organization in the current global era is very dependent mainly on how the human resources (HR) in the organization are managed (Mendonca & Kanungo, 1996). Therefore, many companies involve HR in the preparation of corporate strategies. According to Ulrich (1991) to achieve a high and sustainable level of competitive advantage, an organization does not merely depend on the advancement of technology used, but rather emphasizes on the management strategy of labor or existing human resources.

Organizations generally believe that to achieve excellence must strive for the highest individual performance because basically, individual performance affects the performance of a team or workgroup and ultimately affects overall organizational performance. Seeing the importance of humans in an organization, matters relating to humans must receive great attention, because all ideas and organizational behavior come from the human thoughts that exist in the organization. Even though an organization is supported by sophisticated technology and other adequate resources it will not succeed effectively and efficiently without the support of human resources with adequate capabilities and numbers.

Improved employee performance is determined by organizational culture. According to Robbins (2003), organizational culture is a set of value systems that are shared and shared by all of its members that distinguish one company from another. The company’s strategy will not be separated from the culture of the company. Given the organizational culture is an agreement with the members of the organization or company, making it easier for a broader agreement for the benefit of individuals. The primacy of organizational culture is the controller and direction in shaping human attitudes and behaviors that involve themselves in an organization's activities. Sambasivan and Johari (2003) show that organizational culture that develops well and regularly in the organization will affect improving employee performance, different results are shown by Pangestuti, USA (2009) that organizational culture partially has an insignificant effect on employee performance.

The results of the study of the influence of organizational culture on employee performance show inconsistent results or the existence of a research gap. The existence of a research gap on the influence of organizational culture on employee performance raises an interesting opportunity for studies to fill the gaps and research gaps by adding intervening or mediating variables, namely organizational commitment. According to Luthans (2006) organizational commitment is an attitude that reflects employee loyalty to the organization and is an ongoing process whereby members of the organization express their concern for the organization, for the success of the organization and continuous progress. Pangestuti A. (2009) and Chen Jui Chen Colin, Hung (2006) found evidence that organizational commitment significantly influences employee performance.
performance. While Lee Huey Yiing and Ahmad (2009), suggested that organizational commitment has a weak positive relationship to employee performance.

Maintaining organizational commitment, the role of organizational culture is needed. In the view of Wheelen and Hunger (1996) corporate culture is a set of beliefs, hopes, and values, shared by members of the organization and passed down from one generation to the next. Luthans' opinion (2006) is almost in line with previous opinions, that organizational culture is the norms and values that direct the behavior of organizational members. Sambasivan and Johari (2003), Jandeska and Kraimer (2005), Zain et al. (2009), Awan and Mahmood (2010) find evidence that there is an influence between organizational culture and employee commitment. Local water company Malang City as one of the Regionally Owned Enterprises (BUMD), with a good image that has been owned, the company is demanded to improve the competence of its employees which will later be seen from its performance. The existence of Regional Water Supply Companies in various regions is a government company whose management is under the responsibility of the regional government which is expected to serve the community and still make a profit. One way to maintain or increase the effectiveness of a company in achieving its goals is to improve and develop comparative advantages in the field of human resources (Bangun, 2006).

The success of management in the company’s operational activities can be measured from the results of the company’s operations called company performance. The decrease in the number of employees of the Malang City Local water company began in 2009 until May 1, 2017. This condition shows that the Malang City Local water company made efficiency and tried to maintain the quality/competence of its human resources. The decrease in the number of employees of Local water company Kota Malang is due to the low quality/competency of the Honorarium. The low quality/competency of honorarium is caused by several factors, including a). the recruitment of directors and employees is not accountable. Recruitment of directors and employees who sometimes only rely on subjective assessments without a deeper assessment of their competencies leads to recruitment that is not accountable or cannot be accounted for later. b). There are no workers with the required qualifications. The current workforce is mostly people who have worked in Local water companies for a long time, with educational qualifications, most of which are not following their respective job desks. So that in carrying out the duties and obligations will work based on the ability and knowledge possessed only. c). HR lacks insight and lacks mastery of technology owned by Local water company employees. By looking at the phenomena and previous empirical studies, ideally, organizational culture can increase employee commitment which has an impact on improving employee performance in the local water company.
2. Literature Review

2.1 Performance
Mangkunegara (2009: 67) states that performance is the work of quality and quantity achieved by an employee in carrying out their duties following the responsibilities given to him. Prawirosentono (2009: 2) states that employee performance is something that is achieved by a person or group in an organization following their respective responsibilities to achieve the objectives of the organization concerned in a manner that is not against the law and following morals and ethics. Performance evaluation according to Armstrong (2009: 39) is as follows: size is associated with results, results can be controlled by the work owner, objective and observable measures, data can be measured, size can be used anywhere.

2.2 Organizational Culture
Organizational culture is a perception shared by all members or systems of shared meaning. A system of shared meanings is itself a set of main characteristics shared by a company (Robbins, 2006: 289). Luthans (2006: 278) that organizational culture is the norms and values that direct the behavior of organizational members. Organizational culture is a way of thinking or tradition adopted by all members of the company and new members must learn or at least accept it so that they can be accepted as part of the organization. Schein (2009: 27) defines culture as the basic assumptions and beliefs of an organization.

2.3 Organizational Commitment
Organizational commitment refers to identifying employee goals with organizational goals, willingness to exert all efforts in the interests of the organization, and engagement to remain part of the organization. Luthans (2006: 124) defines organizational commitment as an attitude that reflects employee loyalty to the organization and is an ongoing process whereby members of the organization express their concern for the organization, towards the success of the organization and continued progress.

3. Research Methods

3.1 Types of Research
The research method used was a survey method using a questionnaire instrument as a data collection tool.

3.2 Population and Sample
The population in this study were 371 Local water company employees in Malang. After a total sample of 79 employees has been determined, the next step is to take a sample using a simple random sampling technique, which is a probability sampling technique in
3.3 Data Analysis Method
Analysis of the data used in research using Path Analysis. Path analysis is a form of application of multiple regression that uses a path diagram as a guide to testing a complex hypothesis. This path analysis can be done to estimate the magnitude of the effect both directly and indirectly.

4. Result

The results of testing the hypothesis in this study are presented in Table 1 below.

<table>
<thead>
<tr>
<th>Influence Between Variables</th>
<th>Path Coefficient</th>
<th>t-statistics</th>
<th>Sig.t</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Culture → Organizational Commitment</td>
<td>0.611</td>
<td>6.767</td>
<td>0.000</td>
</tr>
<tr>
<td>Organizational Culture → Employee Performance</td>
<td>0.311</td>
<td>3.325</td>
<td>0.001</td>
</tr>
<tr>
<td>Komitmen Organisasi → Kinerja Pegawai</td>
<td>0.533</td>
<td>5.703</td>
<td>0.000</td>
</tr>
</tbody>
</table>

**Hypothesis 1:** The Influence of Organizational Culture on Organizational Commitment
The results of testing the hypothesis about the influence of organizational culture on organizational commitment produces a statistical t value of 6.767 with sig.t of 0.000. Because sig.t is smaller than statistically significant at α = 5%, so the hypothesis stating that organizational culture influences organizational commitment can be accepted, these results indicate that the better the organizational culture, the higher the commitment of employees towards Water Company of Malang City. The path coefficient of influence of organizational culture on organizational commitment is 0.611 with a positive direction, this shows that any increase in organizational culture will increase organizational commitment by 61.1%.

**Hypothesis 2:** The Influence of Organizational Culture on Employee Performance
The results of testing the hypothesis about the influence of organizational culture on employee performance produces a statistical t value of 3.325 with sig.t of 0.001. Because sig.t is smaller than statistically significant at α = 5%, so the hypothesis stating that organizational culture influences employee performance can be accepted, these results indicate that the better the organizational culture, the higher the performance of Water Company of Malang City employees. The path coefficient of influence of organizational culture on employee performance has a value of 0.311 with a positive direction, this shows that any increase in organizational culture will increase employee performance by 31.1%.
Hypothesis 3: Effect of Organizational Commitment on Employee Performance

The results of testing the hypothesis about the effect of organizational commitment on employee performance produces a statistical t value of 5.703 with a sig.t of 0.000. Because sig.t is smaller than statistically significant at α = 5%, so the hypothesis stating that organizational commitment influences employee performance can be accepted, these results indicate that the higher the commitment of employees, the higher the performance of employees of Water Company of Malang City. The path coefficient of the influence of organizational commitment on employee performance is worth 0.533 in a positive direction, this shows that any increase in organizational commitment will increase employee performance by 53.3%.

The results of the analysis of direct, indirect and total effects are presented in the following table.

<table>
<thead>
<tr>
<th>Influence Between Variables</th>
<th>Direct Influence</th>
<th>Indirect Influence Through Organizational Commitment</th>
<th>Total Influence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Culture → Organizational Commitment</td>
<td>0.611</td>
<td>-</td>
<td>0.617</td>
</tr>
<tr>
<td>Organizational Culture → Employee Performance</td>
<td>0.311</td>
<td>(0.611) x (0.533) = 0.326</td>
<td>0.637</td>
</tr>
<tr>
<td>Organizational Commitment → Employee Performance</td>
<td>0.533</td>
<td>-</td>
<td>0.301</td>
</tr>
</tbody>
</table>

Hypothesis 4: The Influence of Organizational Culture on Employee Performance through Organizational Commitment

Based on table 2, it is known that the indirect effect of organizational culture on employee performance through organizational commitment has a total coefficient value of 0.637 and is greater than the direct influence of organizational culture on employee performance of 0.311. These results indicate that organizational commitment variables can mediate the influence of organizational culture on employee performance.

5. Discussion

5.1 Organizational culture directly has a significant effect on organizational commitment

In this study, it can be seen that organizational culture has a significant influence on organizational commitment. This significant influence has a positive value, which means that if there is an increase in conformity with organizational culture, it will increase organizational commitment, in this case, the commitment of employees at municipal water company Malang. In other words, the higher the culture developed in the organization, the higher the commitment of the employees to the Municipal water company in Malang City.

Reicher (1986) says that commitment to the organization is the acceptance of the goals and values of the organization, where the degree of commitment is defined as the willingness to dedicate themselves to the values and objectives of the organization. Following the context of empowering human resources, to produce professional
employees with high integrity, it is necessary to have values that are enforced by a company. These values are an organizational culture that systematically guides employees to increase their work commitments for the company (Moeljono, 2005).

Organizational culture is a way of thinking or tradition adopted by all members of the company and new members must learn or at least accept it so that they can be accepted as part of the organization. Generally, organizational culture is brought about or created by the founder or the uppermost level of society (Top Management), who founded or pioneered the company. The strategies adopted by these people are then used as instructions and guidelines for their subordinates in carrying out the tasks. If the implementation of the strategy is successful and lasts several years, then the philosophy or vision that is believed to develop into a corporate culture (Cheki: 1996).

According to Hofstede (1991), culture is not a clear behavior or an object that can be seen and observed by someone. Culture is also not a philosophy or value system that is spoken or written in the articles of association of the organization but culture is an assumption that lies behind values and determines individual behavior patterns towards organizational values, organizational atmosphere, and leadership. Organizations with certain cultures provide an attraction for individuals with certain characteristics to join. Organizational culture is non-formal or unwritten but has an important role as a way of thinking, accepting the situation, and feeling something in the company.

Cultural values that can be developed by employees in municipal water company Malang City include the freedom of employees to innovate, the process of completing detailed work, results-oriented, pay attention to communication with individuals, the existence of group/team collaboration, the existence of work aggressiveness and in completing work workability required.

When cultural values can be adhered to and upheld by all employees, employees will have a shared commitment to advance the organization. Robbins (2006) explains that organizations that have a strong culture can have a significant influence on the behavior and attitudes of their members. The organization's core values will be held incentivized and embraced widely in a strong culture. A strong culture shows a high agreement among members about what must be maintained by the organization. Such roundness of intent will foster cohesiveness, loyalty, and organizational commitment. This quality will further reduce the tendency of employees to leave the organization.

This is following the opinions expressed by Sambasivan and Johari (2003), Jandeska, and Kraimer (2005), Zain. et al (2009), Awan and Mahmood (2010) find evidence that there is an influence between organizational culture and employee commitment.

5.2 Organizational culture directly has a significant effect on employee performance

From the results of data analysis and hypothesis testing shows that organizational culture influences employee performance. This can be explained that building an organizational culture must always be sustainable, especially concerning efforts to achieve organizational goals. According to Robbins (2006), corporate culture is a set of value
systems that are shared and shared by all of its members that distinguishes one company from another. The company's strategy will not be separated from the culture of the company.

To develop an organizational culture in Local water company Malang City, employees should be able to see the organizational environment holistically, so that a broader framework is obtained to understand difficult problems and complex relationships in municipal water company Malang. Through the deepening of his understanding of organizational culture, employees will be better able to provide sharpening of the values, beliefs, and attitudes that are important to improve the stability and maintenance of the work environment.

Sharpening of values, beliefs, and attitudes that must be implemented, namely the freedom of employees to innovate in carrying out work, the process of completing detailed work, results-oriented more important in completing work, paying attention to communication with individuals in institutions, the existence of group/team collaboration in completing work, the existence of aggressiveness of work and in completing work required workability. Implementing good values, beliefs and attitudes will contribute positively to improving employee performance.

Charles, Hampden Turner (1992) states that culture is a very useful tool for directing behavior, where a strong organizational culture will show a high agreement among members of the organization about what is maintained by the organization/company. Given the organizational culture is an agreement with the members of the organization or company, making it easier for a broader agreement for the benefit of individuals. The primacy of organizational culture is the controller and direction in shaping human attitudes and behaviors that involve themselves in an organization's activities.

These findings concur with the research conducted by Sambasivan and Johari (2003) showing that organizational culture that develops well and regularly in the organization will affect improving employee performance.

5.3 Organizational commitment directly has a significant effect on employee performance

Each employee has a different basis and behavior depending on the organizational commitment he has. Employee commitment to institutions does not just happen, but through a fairly long and gradual process determined by several factors, as revealed by Steers in Sopiah (2008) three factors affect employee commitment to the organization, namely: (1) personal traits workers, including their tenure in the organization, and the different needs and desires of each employee. (2) Job characteristics, such as task identity and opportunities to interact with co-workers. (3) Work experience, such as the reliability of the organization in the past and the way other workers expressed and discussed their feelings about the organization.

Based on the results of empirical studies, organizational commitment has a significant effect on employee performance. This significant influence has a positive
value, which means that if there is an increase in conformity with organizational commitment, it will improve the performance of Municipal water company in Malang City employees. In other words, Municipal water company in Malang employees will have a good performance if they have high commitment. that the high attitudes and work results in quality and quantity achieved by an employee in carrying out their duties following employee commitments with the responsibilities given to him due to the commitment factor of existing employees, where Municipal water company in Malang City employees are proud to be part of the organization feel guilty if the work is not following the targets set, willing to work overtime, feel an organization, where working in the Municipal water company in Malang is a necessity, this is because Municipal water company in Malang gives good inspiration for a career. Also, it should advance Municipal water company in Malang City, because the organization has provided something meaningful.

The results of this study expand the study conducted by Pangestuti A (2009) and Chen Jui Chen Colin, Hung (2006) find evidence that organizational commitment significantly influences employee performance.

5.4 Organizational commitment mediates the influence of organizational culture on employee performance

The results of the study show that organizational commitment variables can mediate the influence of organizational culture on employee performance. In other words, the high performance achieved by an employee in carrying out their duties due to the values developed in organizational culture, where the cultural values of employee freedom to innovate, the process of completing work that is detailed, results-oriented, pay attention to communication with individuals, the existence of group/team collaboration, the existence of aggressiveness of work and in completing work required work skills.

These conditions will have an impact on employee commitment to the company where employees should advance the organization, the organization has provided something meaningful, feel guilty if the work is not following the targets set. Besides, employees are proud to be part of the company, are willing to work overtime, feel they own the company, working at the company is a necessity because the company provides good inspiration for a career.

With the commitment of the employees, it will improve one’s performance both in terms of attitude and work results in quantity and quality which will later have an impact on the performance of the company in achieving the goals set. In terms of the attitude that is having responsibility for work, being able to work with colleagues, having high morale, and completing work on time. In terms of quantity, the amount of work completed is following the job description, in carrying out the work following the capacity provided by the organization, and the workload provided by the organization following ability. Whereas in terms of quality, employees always finish work neatly and thoroughly and can complete more work than the set standards.
The results of this study support the study put forward by Sambasivan and Johari (2003) that an organizational culture that develops well and regularly in an organization will affect increasing organizational commitment and employee performance. Nurjanah (2008) shows that organizational commitment can mediate the influence of organizational culture on the performance of bureau employees within the scope of the agriculture department.

6. Conclusion

Organizational culture in the City of Malang Municipal Water Supply Company is perceived well, while freedom in innovation in carrying out work has a big role in shaping organizational culture variables. Work motivation related to meeting the needs of responding agreed by employees, while meeting the needs of the household can increase work enthusiasm has a big role in shaping work motivation. The commitment of employees at Malang Municipal Water Supply Company showed good results while working in this organization because it is a necessity to have a big role in shaping organizational commitment variables.

The performance of employees in the Malang City Regional Water Company has shown good results while carrying out tasks following the specified targets has a big role in shaping employee performance variables. Organizational culture influences organizational commitment and these results show that the better the organizational culture, the higher the commitment of employees towards Malang Municipal Water Supply Company. Organizational culture influences employee performance, these results indicate that the better the organizational culture, the higher the performance of employees of Malang City Water Supply Company.

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