

The Effect of Leadership, Compensation, Organizational Culture, on Organizational Commitments in Civil Servants in Cilegon City Government

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Abstract—This study examines the influence of leadership, organizational culture, compensation and motivation in the organizational commitment with Civil State Employees in the Cilegon City Government. The study was conducted through a questionnaire with a sample size of 71 PNS in the government of the city of Cilegon. The analytical method used is to test the instrument that includes the validity and reliability test, linearity test, regression analysis, path analysis, t test, F test, test determination coefficient and correlation analysis. The results showed that there was a positive and significant relationship of leadership, organizational culture, and compensation for organizational commitment. This research has implications for helping leaders and policy makers in the Cilegon City government to develop a better understanding of leadership, organizational culture, compensation and their influence on organizational commitment.

Keywords—Civil State Employees; compensation; leadership; organizational culture; organizational commitment

I. INTRODUCTION

The main problem in the management of human resources that deserves attention is the organizational commitment. Organizational commitment is considered the most effective important factor for growth and increased organizational productivity. Organizational commitment is formed based on the existing links between workers and employers' organizations [1]. The organizational commitment is the psychological attachment of employees to the organization. All employees of an organization must have a high commitment to keep in touch with the organization to achieve the desired objectives [2]. Organizations hire the most committed employees as capital and an important part of their human resources management strategies [3]. Civil State Employees (PNS) are the main element of the human resources of the state apparatus that have an important role in determining the success of government agencies. Involved PNS are considered an important asset for the organization. PNS will continue to work in organizations if they have a high commitment to the organization [4].

In organizations committed to the public sector, leadership generally tends to try to implement things that can keep employees engaged with the organization [5]. Leadership is very important for the organization. A person's leadership style will influence the performance of individuals and teams to realize the vision and objectives of the organization. In addition, organizations need solid leadership and management to achieve optimal effectiveness. The relationship between employee commitment and the leadership and personality of its leaders is the most decisive factor in achieving organizational effectiveness [6].

The salary of public officials by the government is currently being implemented to use the compensation system. In accordance with the applicable regulations, the payroll system is provided in accordance with the performance performed by public officials. The payment at this time is minimal compared to the benefits granted to employees. So the government decided to reduce the incentives or fees outside the salaries that in fact were considered large. With a payroll system like this, the salary will be awarded according to the load and the achievement of the work done. If the employee wishes to obtain a higher performance allowance, it must also be accompanied by an increase in performance. To motivate public officials to improve their performance again, the government of the city of Cilegon increased the remuneration of public officials in 2016 by 100 - 125% [7].

Organizational culture as a basic philosophy that provides guidance for organizational policies in the management of members of the organization and systems of shared meaning is formed by its members, which at the same time becomes a differentiator from one organization to another. A specific result of a strong culture is to create a high agreement among members about what the organization believes. The harmony of these objectives creates cohesion, loyalty and organizational commitment. But when in an environment of embedded organizational culture there is a culture that has negative values, then the effect that can be generated will be worrying for the development of the organization in the future [8]. To

strengthen and promote the organizational culture that exists within this organization, several dominant aspects of culture must first be examined. PNS of the city government of Cilegon in Indonesia so far can play an important role in promoting the objectives of service to the community system by monitoring the lines of personnel and personnel.

This study aims to determine the effect of leadership, compensation, organizational culture, on organizational commitments in civil state employees in the Cilegon city government

II. LITERATURE REVIEW

A. Organizational Commitment

The relationship between organizational success and organizational commitment is very important to discuss. Many employees who are highly engaged are employees and managed by companies or organizations as an important part of their human resources management strategy. Organizational commitment in the workplace can take several forms and can be concluded, potentially affecting the effectiveness of the organization and the welfare of employees. While more and more attention is being paid to the study of organizational commitment in Indonesia at work, it seems that there is still much confusion and disagreement on this issue, where it is going, how it is developed and how it affects employee behaviour.

McShane and Glinow said that organizational commitment represents what some experts call a general work attitude. The effective organizational commitment is the emotional attachment of employees, participation and identification with an organization. Affective commitment is a psychological link in which a person chooses to be dedicated and responsible with the organization. Affective commitment is different from continuous or continuous commitment, which is a calculating adjunct for the organization [9]. According to Gautam and Wagner that organizational commitment is a psychological situation that determines the relationships of employees with the organization and their commitment to the organization. In close relationships between the members of the organization and the organizations, they will think and act on behalf of the norms and values of the group. The relationship will continue, even formally, there are no employment contracts or control mechanisms because they have incorporated the norms and values of the group into their self-concept [10].

B. Leadership

Leadership is a very important factor because it determines the success of collaborations made by group members or organizations to achieve successful tasks. Yukl argues that leadership is the process of influencing other people to understand and agree on what needs to be done and how to do it, and the process to facilitate individual and group work in order to achieve common goals [11]. Leadership is a way to improve your personal, social and professional life. Companies that are very concerned with leadership and look for people with good leadership skills because they trust people who can bring great benefits to their organizations. Peter Northouse

argues that leadership is a process of how a person can influence individual and group to achieve common goals [12].

C. Organizational Culture

The collection of members in the organization has each other. Differences, background, family background, environment, education, diverse economy. This situation must be addressed by the organization when the organization wants to equate the perceptions and shared objectives within the organization. Organizational culture will be formed by merging individuals who are rich in differences that will form an organizational culture different from the others.

Before moving on to the nature of the detailed organizational culture, then redefine what is in the organization from the point of view of the experts so as not to involve errors in the understanding of the culture. Jennifer and Jones that an organization is a group of people who work together and coordinate their actions to achieve different objectives, the objective is what people want to achieve as members of the organization [13].

D. Compensation

The compensation according to Garry Dessler said: The compensation of employees is all forms of payment to employees that come from their work. The compensation has two main components, namely direct financial payments (salaries, salaries, incentives, commissions and bonuses) and indirect financial payments (financial benefits such as insurance paid by employers and vacations) [14]. According to Supriyadi, compensation is the general reward that employees receive as an appreciation for the contribution they make to the organization, both financial and non-financial [15].

E. Leadership and Organizational Commitment

Leadership has been considered as one of the most important variables that influence the attitudes and behaviour of employees. Joo, Yoon and Jeung stated that leadership behaviour is related to the organization's commitment, which shows that employees who consider their superiors to adopt a consultative leadership style are more committed to their organization [16]. In addition, effective leaders can increase the level of employee commitment. So that leadership and organizational commitment are positively related.

In addition, Shah, Nisar, Rehman and Rehman state that leaders in organizations directly influence employee engagement. Leadership can provide a high level of trust and loyalty to followers, as long as they are willing to engage with their leaders and organizations [17]. Leaders can benefit from an understanding of a committed workforce because they can intervene when there are problems. They can adopt the understanding, for example, appropriate leadership behaviour, to increase the level of organizational commitment. The organizational commitment of a leader is very important for the survival and effectiveness of the organization because the responsibility of the leader is very basic to maintain the state of the organization to continue.

Based on the above arguments, we posit the following hypothesis:

H1: Leadership styles has positive affect on Organizational commitment.

F. Organizational Culture and Organizational Commitment

Several studies have shown the relationship between organization culture and organizational commitment [2,18,19]. Several factors determine organizational commitment, including motivation, job satisfaction and emotional intelligence. Therefore, one of the important factors that influence the formation of organizational commitment is the organizational culture. The organizational culture, as the most important factor that influences the life and identity of an organization, is always a special concern for all experts in administration.

Based on the above arguments, we posit the following hypothesis:

H2: Organizational Culture has positive affect on Organizational commitment.

G. Compensation and Organizational Commitment

It is very important to consider the compensation problems, since the size of the compensation given will affect the commitment of the employees. Based on several definitions that have been established, it can be seen that the compensation is the compensation received by the employees of the companies or agencies where they work. With the above understanding, the amount of compensation awarded by a company to each employee may increase or decrease the employee's commitment.

Financial compensation can be seen as a strategy in the management of human resources to attract, retain and motivate employees in a constantly changing environment. The employees who survive are caused by the commitment of the organization, thus minimizing the turnover rate in the organization. In turn, the organizational commitment is the desire of the workers to remain with the organization and with a certain willingness to participate in the achievement of the organizational objectives [20]. Ahmad and Bujan stated that workers who are committed and satisfied with work have little intention of leaving the organization to reduce employee absenteeism and turnover rates within the organization. Previous research shows that there is a positive relationship between compensation and organizational commitment. Therefore, organizations provide financial compensation such as human resource management strategies to increase organizational commitment among workers [21].

Based on the above arguments, we posit the following hypothesis:

H3: Compensation has positive affect on Organizational commitment.

III. METHODOLOGY

This study uses a quantitative approach through survey methods with route analysis techniques (route analysis). The analysis is used to facilitate the influence or cause of exogenous variables in endogenous variables. This quantitative

research approach explains statistically when answering hypothesis tests.

A. Population and Samples

The target population in this study was all Group III PNS in the city government of Cilegon. The population taken is the entire group of government officials of the city of Cilegon. The target population in this study was 3,298 PNS of Group III of the City Government of Cilegon, but the number was not uniform because there were Group III officials who held positions and did not hold positions either. They do not have a position or up to 241 people. By taking an accuracy limit of 90% (statistical error rate of 10%), the number of research samples can be set at 70.67 for Group III staff (rounded to 71). The sampling method is carried out by strata or random sample by layers or also called estratified random sampling

IV. RESEARCH RESULTS AND DISCUSSION

A. Description of the Data

1) *Organizational commitment*: The Organizational Commitment variables have a valid number of items of up to 18 valid statements with a rating scale measurement consisting of five alternative answers (rating scale from 1 to 5). The total score of the Organizational Commitment is in the range between 30-93. The smallest difference in the number of scores with the highest number of scores has a range of 60. The distribution of research data shows an average score of 61. Other statistical values show a median = 60, mode = 56, standard deviation = 12.68 and variants of 160.76. The highest score in the variable Organizational Commitment is the moral understanding based on the feeling of obligation and responsibility in the government of the city of Cilegon, while the lowest is the commitment of public officials to the government of the city of Cilegon.

2) *Leadership*: The leadership variables have a number of valid elements of up to 22 valid statements with a rating scale measurement consisting of five alternative answers (rating scale from 1 to 5). The number of leadership scores is in the range between 29 and 92. The smallest difference in the number of scores with the highest number of scores has a range of 57. The distribution of research data shows an average score of 62 other statistical values Show the median = 64, the mode = 54, the standard deviation = 13.13 and the variants of 172.53. The highest score in the leadership variable is encouraging, while the lowest score is motivating.

Other statistical values show a median = 64, mode = 66, standard Deviation = 12.37 and variants of 153.02. The highest score in the organizational culture variable is cooperation, while the lowest is mutual respect.

3) *Organizational culture*: The variables of the organizational culture have a number of valid elements of up to 25 valid statements with a rating scale consisting of five alternative answers (values of scale 1 to 5). Number of scores the organizational culture is in intervals between 38-89. The smallest difference in the number of scores with the highest

number of scores has a range of 51. From the distribution of research data shows that the average number of scores is 62.

4) *Compensation*: The Compensation variable has a valid number of items of up to 35 valid statements with a rating scale measurement consisting of five alternative answers (scale values 1 to 5). The total Compensation score is in the range between 18-94. The smallest difference in the number of scores with the highest number of scores has a range of 67. From the distribution of the research data shows an average score of 47. Other statistical values show a median = 46, mode = 46, deviation standard = 13 and variants of 170, 62. The highest score in the Compensation variable is financial, while the lowest is the award authors and Affiliation.

B. Testing of Research Hypothesis

TABLE I. TESTING OF RESEARCH HYPOTHESIS

No	Line	Path Coefficient	t count	Result
1	X1 to Y	$p_{y1}=0,210$	2,258	Significant
2	X2 to Y	$p_{y2}=0,219$	2,102	Significant
3	X3 to Y	$p_{y3}=0,298$	2,884	Significant

V. CONCLUSION

Based on the description of the analysis in this study, it is concluded as follows;

- There is a direct positive influence of the leadership in the Organizational Commitment. The findings of this study illustrate that improving the quality of good leadership will lead to an increase in the Organizational Commitment of Public Servants in the Government of the City of Cilegon.
- There is a direct positive influence of the organizational culture on the Organizational Commitment. The findings of this study illustrate that a strong increase in organizational culture will lead to an increase in the Organizational Commitment of Public Officials in the Government of the City of Cilegon.
- There is a direct positive effect of the compensation on the Organizational Commitments. The findings of this study illustrate that an increase in good compensation will lead to an increase in the PNS Organizational Commitment in the Government of the City of Cilegon.

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