

# Gaining Leader–Employee Commitment: Linking to Organization Performance in Women Cooperative Setia Bhakti Wanita Surabaya

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**ABSTRACT:** Organizational commitment has been an essential factor in determining the success of an organization. Employee and leader commitment to an organization has acquired increasing demand as it aids the organizations to increase employee performance in achievement, productivity, and effectiveness. No organization in the current ambitious world can perform its best unless all employees and leaders are committed to the organization's objectives and perform as a productive team member. The employment of good workers is thus demanding as well as the organization's ability to create a committed workforce. The study aims to determine when employees and leaders who are engaged in their work & committed to their organizations give their companies crucial problems – including elevated productivity and higher quality of employee engagement to organizational performance. It is clearly showing the two-way relationship between leader and employee compared to the three constructs: job satisfaction, employee commitment, and employee engagement.

*Keywords:* organizational commitment, productivity, effectiveness, job satisfaction, employee engagement

## 1 INTRODUCTION

A reputable company that has an excellent performance assumes that employee commitment is the main factor in maintaining success and the formation of sustainable values. Employees involved are participatory and energized about what they do and the emergence of a willingness to carry out positive activities will enhance the progress of the organization. Employees involved help to optimize and maintain the potential for long-term work; automatically, the behavior will choose to continue with the work, even when the achievement of results is no longer easy. Three drivers of employee commitment are full fulfillment, fairness, and care for employees.

In a simple word, employees who are committed to contributing something from their work want to get the recognition of superiors and know they are contributing to important company goals. In addition, employees who have confidence in the leadership of superiors and are trusted by their superiors, will have the greater dedication and ultimately more productive at work. Employees who are involved in their work and committed to the organization will create competitive advantages, including higher productivity. Thus, it is not surprising that all sizes and types of organizations are formed substantially in policies and practices that encourage the involve-

ment and commitment of their employees. The importance of this study, manifested from the fact that over the past decade, many researchers have interested in discussing the topic of this commitment while much remains to be done to understand the mechanism and role of organizational commitment that has a strong influence on efficiency of organizational functions. (Latham, Borgogni & Petitta, 2018).

Commitment is considered to be the psychological immersion of an individual with his institute through a sense of belonging, ownership of organizational goals and is ready to accept challenges (Dolan, Tzafrir, & Baruch, 2015). Commitment is considered to be the psychological immersion of an individual with his institute through a sense of belonging, ownership of organizational goals and is ready to accept challenges (Dolan, Tzafrir, & Baruch, 2015). This statement confirms that interactions among individuals and organizations occur through ownership, the level of ownership of organizational goals and readiness to face all the challenges that exist. It was further stated that creating commitment among employees is essential because, without this, it will be difficult for an organization to achieve strategic goals (Briscoe & Claus, 2008; Fugate, et al., 2009). This statement adds to the understanding that creating commitment among employ-

ees is essential, especially for organizations where employees are trying to achieve and realize the strategic objectives of the organization.

Moreover, organizational commitment means the involvement of an employee to perform his work with zeal and excitement (Dorenbosch & Veldhoven, 2006). Then the statement was reaffirmed by the following statement, "Performance of an organization is directly related to the commitment level of employees" (Ivancevich, 2010). He emphasized that organizational performance is directly related to the level of employee commitment. The following statement supported an understanding of employee commitment: "Committed employees will be able to perform their jobs more than management expansion. A high level of commitment is indispensable for increasing output and obtaining sustainable competitive advantages (Bragg, 2012). Bragg argued that employees who are committed would contribute maximally and often higher than expected. A high level of commitment will have an impact on increasing output and strengthening the competitive advantage of the company.

### 1.1 *The profile of women's cooperative Setia Bhakti Wanita*

Since the first operation on May 30, 1978, the women's cooperative "*SETIA BHAKTI WANITA*", Surabaya is one of the cooperatives or non-bank financial institutions that manages the field of savings and loan. The Women's Cooperative (Kopwan) has carried out several efforts by asserting and focusing the principle of togetherness in all activities every day and supporting the economic interests of cooperative members, in order to improve the welfare of members. Service activities to cooperative members are provided as economical as possible, able to deliver the best service possible and provide quality services according to the needs of its members. In this women's cooperative vision, it is clearly stated to strive to improve organizational performance so that it can become a reliable and resilient women's cooperative with support from professional human resources, as well as the implementation of a "responsibility system" through Empowering members in order to improve the welfare of family members. Reaching the age of 41 years this year, this cooperative is asking for assistance from a management consultant to evaluate and at the same time, help provides suggestions for improvement because the organizational performance was stagnant and a downward trend oc-

curred. Leaders of this cooperative indicated that it was due to a decrease in employee commitment to contribute their best contribution to the organization. It is predicted that the decrease in employee commitment is due to a decrease in employee trust in the management and vice versa. This situation arises because of doubts from subordinates that leaders pay less attention to subordinates. Conflicts among individuals occur and get more complex so that the initial synergy between leaders and subordinates was torn and had an impact on the achievement of employee performance. Some employees feel that they are always blamed, and the verbal communication with their superiors is not well-formed and even tends to create disappointment, and finally, it seems like a grudge appears to the leaders.

### 1.2 *Research Questions*

The research questions are as follows:

- a. What is the profile of the level of employee commitment towards the administrators of the Women's Cooperative "*SETIA BHAKTI WANITA*" Surabaya?
- b. What efforts can be made so that the level of employee commitment changes for the better than before in order to increase the contribution of its members to the Women's Cooperative "*SETIA BHAKTI WANITA*" Surabaya?

## 2 RESEARCH METHODS

The approach used in this study was a qualitative approach to building inductive theory through a single case study (Eisenhardt & Martin, 2015), and this single case study is expected to exploit significant phenomena under extreme conditions. Data were collected from several sources. Several data sources were needed to support the validity and reliability of the data obtained. There were 6 data sources, namely, documents, notes, interviews, direct observation, participant observation, and physical equipment. The use of several data sources and instruments is also intended for Triangulation, namely cross-checking, to increase the level of data accuracy. The data analysis procedure was carried out in 3 steps through in-depth interviews, observations, and document analysis.

### 3 RESULT AND DISCUSSION

Data collected from in-depth interviews and employee performance data during the improvement period and subsequently, the data was analyzed qualitatively. The results of the analysis were able to find the extent of employee commitment factors to organizational performance. This research has found four mutually agreed upon factors between superiors and subordinates who have a significant influence on the level of employee commitment. The consensus referred to are (1) Consent on goal setting and KPI, through several meetings that are guided by consultants, there was a strong trade-off between both parties in setting goals and KPI (Key Performance Indicators). The main problem was that subordinates felt that the KPI set was too high and difficult to achieve. Finally, all agreed to a new KPI in which there will be a reward when it is achieved and punishment when it is not achieved. It seems that this rule is the best for this women's cooperative. (2) The consent forms a new sense of trust, without realizing, it happens a situation that makes the trust of subordinates to leaders increasingly reduced. This is due to some leaders are too rigid, feel powerful, unwilling to listen, and prefer to force their subordinates. Through mediation by consultants, all the grievances have been raised individually and in the end there was an agreement to strike a new mindset with an agreement to work together to form new trust and (3) A challenging work environment, it turns out that some employees feel stagnant in their work and feel have no challenges. Therefore, through mutual agreement and synergy between new leaders and subordinates, new challenges are created that are more towards changing work patterns that are digital following the demands of the industrial revolution 4.0, which inevitably have to be started immediately.

### 4 CONCLUSIONS

The final results obtained four months after the consensus are that the performance showed a significant increase in employee performance, which increased by 37% and 5% higher than expected by the employer. In addition, the level of conflict dropped dramatically to only 3.5%, so mediation through this new consensus was successful. The challenge to change work patterns that use the latest and digital technology creates new work motivation as well as

spirit and it looks evenly distributed in all existing work units.

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