

# INTERNATIONAL JOURNAL OF RESEARCH IN COMMERCE & MANAGEMENT

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# THE INFLUENCE OF ORGANIZATIONAL CULTURE AND ORGANIZATIONAL COMMITMENT ON STRATEGIC LEADERSHIP, JOB SATISFACTION AND PERFORMANCE OF REGIONAL WORK CIVIL UNITS EMPLOYEES IN MALUKU TENGGARA BARAT REGENCY, MALUKU PROVINCE

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## ABSTRACT

*The purpose of this research is to analyze, reveal, and find out the influence of organizational culture and organizational commitment on strategic leadership, job satisfaction, and employee performance. Data collection process was conducted through questionnaire. The research samples consisted of 130 employees. The collected data was descriptively analyzed to find out causal relationship among variables by using Partial Least Square (PLS) Analysis. The results showed that Organizational Culture was positively and significantly influencing Employee Performance, Strategic Leadership, and Job Satisfaction. The influence of Organizational Commitment towards Job Satisfaction was positive and significant, but not towards Employee Performance. The influence of Strategic Leadership was positive and significant towards Employee Performance and Job Satisfaction. Job Satisfaction was positively and significantly influencing Employee Performance. The findings point out that the dependent variables influence the independent variables positively and significantly. The findings of this research are expected to be useful for next researchers in the field of strategic management.*

## KEYWORDS

organizational culture, organizational commitment, strategic leadership, job satisfaction, employee performance.

## 1. INTRODUCTION

Calling to be in an organization is one way to implement human nature as social beings. Donne (2003) said, "No man is an island" which meant that a man must be with others. According to Sugandi (2011a), in togetherness human being can fulfill his or her needs such as: physical needs, security, safety, status, respect, and self-actualization. Maslow (as cited in Sheldrake (2003)) mentioned three achievements human being might achieve in an organization, namely safety, love, and esteem. Different human needs or conflict of interest may become the reason of organizational failure. Therefore, it's reasonable that the government as the agent which received the authority and responsibility from the society is authorized to manage organization (Wodsworth, 2008) to reach public interest (Gui, 2001). Sheldon and Gantt (1851) as cited in Wren and Bedeain (2009) even insisted that servicing society, as the responsibility of all managers is a great responsibility. The all implemented policies, conditions, and methods in an organization must support social welfare.

The Regional Working Units of Local Government of Maluku Tenggara Barat regency consisting of 27 units are public sector organization (*Himpunan Peraturan Daerah Kabupaten Maluku Tenggara Barat Tahun 2013*). The organization indicated the lower organizational performance, for example of minimum service standard 23, 33% in 2009 had decreased into 21, 54% in 2010 and decreased into 20% by 2011 (LAKIP, 2009-2011). This is the reason why the writer focuses the research to increase the performance of the Regional Work Civil Units employees in Maluku Tenggara Barat Regency, Maluku Province. It is urgent to increase employee performance of Local Government of Maluku Tenggara Barat Regency.

Prawirosentoso (2000) defined performance as the result of human works in organization as authority and responsibility, done to achieve organizational goals. Castetter (1981) mentioned some causes leading to ineffective organizational performance, namely: individual sources (intellectual weakness, physical weakness, aging, disorientation value), organizational source (organizational system, the role of organizations, groups within the organization, organizational culture), and external sources (family, economic conditions, political conditions, legal conditions, labor market conditions, social values, and technological change). Alongside these factors, there were some other factors, including organizational commitment (Allen & Meyer, 1990: 175), leadership (Norhous, 2007a: 211), and job satisfaction (Kinicki & Kreiner (2009: 195).

Empirical investigation on the influence of organizational culture on employee performance had been conducted by Olu Ojo (2009), Powarni (2010), Koesmono (2005). Their findings showed that the organizational culture affected positively the performance. Meanwhile, the researches conducted by Raka (2003), Ghani (2006), Winardi et al (2012), Syauta et al (2012a), and Dadgar (2013) showed negative result where organizational culture did not influence employee performance.

Based on the actual phenomenon and the empirical investigation, the research problem proposed in this research aimed to investigate the influence of organizational culture on employee performance. The writer also added organizational commitment, strategic leadership, and job satisfaction as the important variables which might influence employee performance.

## 2. LITERATURE REVIEW

### COVERAGE THEORY

Organizational perspective becomes the reason of the use of some theories as the basis for the writing, namely: Agency theory which is contradicted with Stewardship Theory, and Good Governance which is also a part of the New Public Management (NPM). In maximizing the prosperity achieved by the stockholders (principal/owner), it is important to involve the professionals (managers/structural position/echelon/agent) (Brigham and Daves, 2001) as cited in Ahmad & Septriani, (2008)). Thus, the delegation of authority (Eisenhardt, 1989), and conflict of interests may occur in the lower level needs such as pay and security needs.

Stewardship Theory concentrates on higher-order needs such as achievement and self-actualization. Executive gives priority to continued life and the success of corporation. Unlike the relationship between principal and agents in Agency Theory, the relationship between board (board of directors/supervisory/legislature elected by the shareholders or stockholders) and top management (executive/board of directors) is the principle of Stewardship Theory. Thus, not only for agents and professionals, the executives will also utilize and mobilize various resources within the organization to achieve good governance, clean and free from corruption as idealized by Act Number 28 Year 1998 on good and corruption-free governance (Undang-Undang, 1999).

Sulistiyani (2011) stated that governance referred to the three pillars, namely: public governance (government agencies), corporate governance (private/business), and civil society. A balance and simultaneous improvement on these pillars needs to be conducted. The effort to conduct a balance and simultaneous improvement on the three pillars requires the applications of several principles, including the principles mentioned in Act Number 28 Year 1998 above, legal certainty principle, good governance principle, public interest principle, transparency principle, proportionality principle, professionalism principle, and accountability principle (Adisasmita, 2011). Meanwhile, United Nation Development Program (UNDP) mentioned the efforts to improve the three pillars also required: **participation** (every citizen should be involved in decision-making, either directly or indirectly), **the role of law** (fair application of the law), **transparency** (freedom of information openness), **responsiveness** (responsive to the interests of stakeholders), **Consensus oriented** (option on public interest), **equity** (equal opportunity of all citizens in improving and maintaining the welfare), **effectiveness and efficiency** (as expected), **accountability** (responsibility on the source of power), and **the strategic vision** (direct all parties to the goals and ideals). Bureaucratic governance acknowledged four principles abbreviated as **CISS** which consist: **coordination** (there are internal and external cooperation, so that the expected output will achieve good results), **integration** (planning and implementation are in unified system, structured comprehensively, so that the performance can reach optimal level), **synchronization** (various activities carried out according to the nature and type), and **simplification** (uncomplicated mechanism implementation of development activities done according to the procedure). Similarly, The New Public Management (NPM) mentioned three aspects of a good governance: accountability, responsiveness, and commitment which are based on the results, as presented in Denhardt & Denhardt (2009). Hence, good governance became seriously emphasized on NPM.

The key to the success of an organization can be traced from the positive changes resulted by the organization. The vision and goals of the organization should be formulated comprehensively and easy to implement. The role of strategic management is very important in helping to create integrated policies which are formulated and implemented precisely to achieve optimal level of organizational performance.

In achieving optimal organizational performance and goals, the use of existing resources should be optimized. Organizational potentialities (such as culture, organizational commitment, strategic leadership, job satisfaction, and employee performance (officers or staff, supervisor or subordinate)) should be prioritized and optimally utilized (good governance) for the sake of advancement of the organization and creating significant changes.

#### RELATED VARIABLES

##### ORGANIZATIONAL CULTURE

Schein (2004) perceived *organizational culture* as a basic assumption that created, discovered, and developed by individuals within the organization when dealing with external environment and all problems related. Everything is internalized and regarded to be useful in helping every individual in dealing with any problems encountered in the organization.

Organizational culture is "*a system of shared meaning held by members that distinguishes the organization from other organizations*" (Robbins & Judge, 2009b).

Organizational culture is viewed as a system of shared meaning and beliefs held by the members of the organization which determines the most part, the way they act towards one another, as well as to others outside the organization. Culture refers to the common perception held by the organization that determines how the members of the organization should behave. Thus, organizational culture is to be done by the employee regarding how they concept, define, analyze, and solve problems encountered in the organization.

The dimensions of organizational culture that will be used in this study include three parts (Wallach, 1983), namely: bureaucratic culture, innovative culture, and supportive culture. Bureaucratic culture refers to the culture conditions that require settings, commands, and rules.

Innovative culture is built when the environment provides participants the freedom to be free to think, express feelings and thoughts. Each participant is free to express his/her opinions and work. Environment stimulates each participant to be free, to be creative. While the lines of communication opened, not many rules concerning the implementation of the task making it is interesting and dynamic.

Supportive culture refers specifically on the warm and pleasant conditions in the work because it prioritizes family values, such as harmony, openness, friendship, cooperation and trust. Openness in a harmonious environment positions each member of the organization as a large family. Organizations help employees and give them privacy. This culture oriented towards justice, social, and relationships. Wallach (1983) referred to this culture as "*fuzzy places to work*". With this characteristic, an individual (as the member of the organization) is placed as central point within the organization. Therefore, fostering relationships among participants become the main focus of organizational culture.

##### ORGANIZATIONAL COMMITMENT

The definitions of organizational commitment had been stated by economic-management theorists. Meyer and Allen (1991) stated that the factor which determined whether an employee simultaneously experiencing organizational commitment was the emotional achievements. This perspective dealt with the affective aspect of human being in which the emotional condition of the employees clearly indicated their personal dedications for the organization as well as their participation in works, so that it is called *affective commitment*. On the other hands, the employees also felt obliged to the company. This normative perception refers to the feelings of the employees to remain as a member of the organization and based on a sense of responsibility or liability of employee to remain in the organization and do their job, called *normative commitment*. The costs that might be occurred when an employee left the organization were called *continuance commitment*. Contrary to the characteristics explained above, this type of commitment referred to the consideration of cost or loss, either directly or indirectly, if the employee leaves the organization.

Luthans (1995) expressed his view that, "*organizational commitment is defined as most Often a strong desire to remain a member of a particular organization, a willingness to exert high levels of effort on Behalf of the organization, and a belief in and acceptance define of the values and goals of the organization.*" There are three important elements derived from this concept. **First**, a strong desire to remain a member of a particular organization referred to strong desire to be part of the organization. The level of commitment is indicated by employee loyalty to the organization and his/her dedication in carrying out organizational activities. The commitment appears indirectly through a continuous process. That process is assessed through the way an employee behaves to the achievements made by the organization and the welfare of its resources. Basically, loyalty level refers to how far an employee identifies himself/herself with organizational values and goals which are implemented through his/her intense efforts in achieving organizational goals. **Second**, a willingness to exert high levels of effort on Behalf of the organization, a point described the willingness of the employees to make sacrifice for the advancement of the organization. The sacrifice represents the employee's personal dedication viewing his/her tasks not merely as a daily routine. **Third**, a definite belief in, and acceptance of, the values and goals of the organization means that the involvement of an individual to the organization is based on confidence and acceptance of the values and goals of the organization. Individual needs and organizational goals are integrated as a factor affecting individual involvement of an employee towards the organization where he/she works. Commitment is perceived as the relationship between individuals or employees with the organization which is converted to relative strength of the organization indicated by the involvement of the employees in every organizational activity.

Robbins and Judge (2009a) suggested that organizational commitment is the "*degree to which an employee identifies with a particular organization and its goals and wishes to maintain membership in the organization.*" A high involvement on tasks required specific task identification. Therefore, the perspective of organizational commitment is closely related to identification.

Meyer and Allen (1990) stated that there are three entities that make up the organizational commitment, namely: **1. Affective commitment**, referring to an emotional touch to the organization and a belief in the values of the organization; **2. Continuance commitment**, referring to the perceived economic value lies in an organization. An employee may be treated as an employee because he/she has been paid well. The feeling to treat and being treated as a family indicated seriousness; and **3. Normative commitment**, indicating conformity to the organization, because of the moral and strategic reasons.

Mowday et al. (1979) stated that organizational commitment implies the meaning associated to attitude and behavior. Regarding attitude, one starts to think about his/her relationship with the organization, so he/she determines his/her attitude towards the organization. Evolving behavior is the consequence on commitments on behaviors, indicated by developing more positive attitude towards the organization where he/she works governing his/her attitude to establish positive self-perception.

##### STRATEGIC LEADERSHIP

According to Rowe (2001), strategic leadership referred to the capability to influence others to voluntarily make a decision at any time for the sake of long term viability of the organization. The perspective is closely related to the efforts in maintaining financial stability. Taylor-Bianco & Schermerhon (2006) stated that



strategic leadership included the use of agendas embed organizations not only with visions of change but also with the capacity to hold out for the implementation of the changes.

Leadership required acceptance towards changes or paradox of stability in understanding the complexity of the change as a collective and multi-level organizational competence. Therefore Huff et al. (2009: 364) stated that the strategic leader required flexibility and innovation in changing the direction of the organization. Ireland and Hitt (2005) stated that a leader should be able to anticipate, envision, maintain flexibility, think strategically and work with others to initiate changes that will determine the sustainability of the organization in the future. Pearce II and Robinson (2003: 294-295) argued that the role of a leader was to galvanize commitment to embrace change implemented in three related activities, namely: clarifying and explaining strategic intentions, developing the organization, and building/nurturing the organizational culture.

Burns (2008: 104) mentioned some leadership characteristics, namely: visionary, ability to communicate, ability to informally influence the employees, ability to motivate, the ability to think strategically, ability to manage change, ability to resolve conflicts, ability to build trust, ability to work in a team, ability to build relationships, ability to improve employees' confidence, the ability to delegate, the ability to build cohesion and a sense of belonging among the employees, ability to clarify ambiguities and uncertainties, ability to behave firmly but fairly, and ability to be flexible but consistent.

Hagen et al. (1998), Hitt et al. (2001), Jooste & Fourie (2009), and Ireland et al. (2005) also mentioned six criteria for strategic leadership, namely: (1) determining the strategic direction; (2) utilizing and maintaining the essential competencies; (3) developing human resources; (4) maintaining a culture of effective cooperation; (5) emphasizing ethical behavior; and (6) building control strategies.

### JOB SATISFACTION

Robbins and Judges (2009b) viewed job satisfaction as *"a positive feeling about one's job resulting from an evaluation of its characteristics."* It means the term "job satisfaction" described positive feeling about the job as the results of the evaluation of its characteristics. A person with a high level of job satisfaction owned positive feelings about his/her job while a person who dissatisfied with his/her job owned negative feelings towards his/her work.

Job satisfaction can be perceived in the following definitions, including: 1) feelings and reactions of individuals to the work environment (Dole & Schroeder, 2001); 2) Excitement or statements of positive emotion as a result of the assessment of one or some work experiences (Nasarudin, 2001); 3) *"a pleasurable or positive emotional state resulting from the appraisal of one's job or job experiences"* (Rousell, 1999); 4) The degree to which an individual feels positively and negatively about work (Wood et al, 1998); and 5) *"a positive emotional state Evaluating the resulting from one's job experience"* (Mathis & Jackson, 2004b).

According to Luthans (2006), job satisfaction was related to: 1. Emotional response to the work; 2. Achieving the targeted goals; and 3. Job satisfaction is associated with interconnecting attitudes (i.e. feelings or attitudes towards work correlates with working environment, type of employment, compensation, and the relationship among coworkers). Since job satisfaction dealt with emotion and attitudes towards his/her job, each person owned different job satisfaction.

Lock (1969) in Gibson (1986) explained that job satisfaction of an employee depended on the *discrepancy* between *should be (expectation, need, and values)* with the perception about what he/she achieved through his/her job. Adams (1963) as cited in As'ad (2003) claimed that people will feel satisfied or dissatisfied depending on whether he/she feel being treated fairly in any circumstance, including the situation when he/she is compared to his/her colleagues.

### EMPLOYEE PERFORMANCE

Performance referred to quantity and quality of achievement gained by an individual or group within an organization in carrying out the duties and functions based on the norms, standard operating procedures, criteria, and requirements implemented within an organization. (Torang: 2013b). *"The record of the outcomes produced on a specified job function or activity during a specified time period"* (Bernadin & Russell, 1993a). Performance is a record of the results obtained through job functions in certain time. Efforts made by an employee to achieve the goals through his/her productivity which had been determined in specific qualities and quantities were conducted by fulfilling his/her duties within the organization efficiently and effectively (Wijono, 2010). In addition, the performance is the result of work in terms of quality and quantity achieved by an employee in carrying out tasks based on his/her responsibility (Mangkunagara, 2000). The achieved tasks (either qualitatively or quantitatively) achieved by an employee or a government apparatus (civil servant) in central or local government related to his/her responsibility should be accounted by the taskmasters/authority givers (Makmur, 2009).

In *"Public Administration"*, Robert B. Denhardt and Denhardt Janet V. (2009) stated that in order to develop the performance, some organizations relied on technological innovation while some emphasized human resource management; some organizations operated through improved productivity centered on staff, while others centralized its operation. Despite this success can also occur from the demonstration of the value of management for results.

Rai (2008) stated the importance of performance measurement. Performance measurement intended to: 1. creating public accountability, 2. determining achievement level of organizational objectives, 3. improving the performance of subsequent periods, 4. providing instruments of employee learning, and 5. motivating employees.

Performance was composed of several indicators. According Mondy and Noe (1996), there are five indicators in assessing the performance of individuals in any organization, namely: 1. time standards, 2. productivity standards, 3. cost standards, 4. quality standards, and 5. behavioral standards. Furtwengler (Mondy and Noe, 1996) mentioned eleven indicators in assessing the performance of employees in the organization, namely: 1. Job completion speed, 2. the quality of work, 3. the quality of service, 4. value of work, 5. interpersonal skills, 6. desire to succeed, 7. openness, 8. creativity, 9. communication skills, 10 initiatives, and 11. having plan. Bernadin and Russell (1993b) mentioned six indicators, namely: 1. quality, 2. quantity, 3. timeliness, 4. cost effectiveness. 5. need for supervision, and 6. interpersonal impact. Meanwhile, Mathis and Jackson (2004) also mentioned five indicators: 1. quality, 2. quantity, 3. timeliness, 4. attendance, and 5. ability to work together.

### 3. METHOD

In this research, the writer used questionnaire consisting of a series of statements as the instrument in collecting the data. Likert scale consisting of five responses: very agree (point 5), agree (point 4), neutral (point 3), disagree (point 2), and very disagree (point 1) was used to measure the data. The collected data analyzed using Partial Least Square (Gozali, 2006) to evaluate the *outer models (convergent validity, discriminant validity, and composite reliability)*, and *inner model* in determining the *goodness of fit* to obtain R square value. Causality test was conducted to examine the inter-relationship among the variables

#### 4. FINDINGS

##### Outer Models Evaluation

Outer loading values were used to measure convergent validity. An indicator fulfilled validity when its outer loading values are higher than 0.5. See Table 1 below:

**TABLE 1: RESULTS OF OUTER LOADING VALUE**

Variables	Indicator	Outer Loading
Organizational Culture	X1.1	0.85883
	X1.2	0.83163
	X1.3	0.83990
Organizational Commitment	X2.1	0.94726
	X2.2	0.95767
Strategic Leadership	Y1.1	0.82273
	Y1.2	0.80170
	Y1.4	0.90920
	Y1.5	0.77559
Job Satisfaction	Y1.6	0.78664
	Y2.1	0.75302
	Y2.2	0.85999
	Y2.3	0.87592
	Y2.4	0.82630
Employee Performance	Y2.5	0.80549
	Y3.1	0.78637
	Y3.2	0.62842
	Y3.3	0.76654
	Y3.4	0.76848
	Y3.5	0.74211

After undergoing elimination, all of the outer loading values of organizational culture, organizational commitment, strategic leadership, job satisfaction, and employee performance variables turned out to be higher than 0.5. Based on this result, convergent validity requirement had been met. Therefore, the measurement of these variables had been conducted perfectly.

Discriminant validity measurement was conducted by using cross loading values. An indicator was considered as discriminant validity when its cross loading value of its construct was the largest compared to other constructs. The result of cross loading values of every indicator was presented on Table 2

**TABLE 2: THE RESULT OF CROSS LOADING VALUE**

	Employee Performance	Job Satisfaction	Organizational Commitment	Organizational Culture	Strategic Leadership
x1.1	0.84808	0.87477	0.78002	<b>0.85883</b>	0.81395
x1.2	0.81852	0.74791	0.69085	<b>0.83163</b>	0.85523
x1.3	0.75805	0.76260	0.65414	<b>0.83990</b>	0.72382
x2.1	0.74383	0.73532	<b>0.94726</b>	0.74338	0.74162
x2.2	0.83943	0.80689	<b>0.95767</b>	0.85580	0.84758
y1.1	0.76911	0.76255	0.79480	<b>0.83123</b>	<b>0.82273</b>
y1.2	0.74435	0.75742	0.66260	0.70947	<b>0.80170</b>
y1.4	0.88011	0.82921	0.74270	0.87866	<b>0.90920</b>
y1.5	0.80284	0.74239	0.64626	0.75929	<b>0.77559</b>
y1.6	0.81721	0.79509	0.58137	0.69818	<b>0.78664</b>
y2.1	0.69136	<b>0.75302</b>	0.55055	0.69715	0.66073
y2.2	0.81067	<b>0.85999</b>	0.71435	0.83806	0.78829
y2.3	0.84238	<b>0.87592</b>	0.60503	0.78979	0.84640
y2.4	0.79857	<b>0.82630</b>	0.73592	0.79556	0.82856
y2.5	0.81445	<b>0.80549</b>	0.73308	0.77152	0.77393
y3.1	<b>0.78637</b>	0.77888	0.63351	0.75972	0.76337
y3.2	<b>0.62842</b>	0.60497	0.54896	0.55618	0.56920
y3.3	<b>0.76654</b>	0.77685	0.71323	0.75048	0.78167
y3.4	<b>0.76848</b>	0.70437	0.64596	0.75472	0.76735
y3.5	<b>0.74211</b>	0.68107	0.53563	0.71172	0.72393

Table 2 showed that not of all *cross loading* value of each indicator towards its' construct is larger than other constructs. Based on these results, it was found that the indicators used in this research owned its specific discriminant values in compiling respective variables.

Composite reliability examined the reliability of the indicators in each construct. A variable (construct) was considered met composite reliability when its composite reliability value was larger than 0.7. The composite reliability values of each construct were presented on Table 3 below:

**TABLE 3: THE RESULT OF COMPOSITE RELIABILITY VALUE**

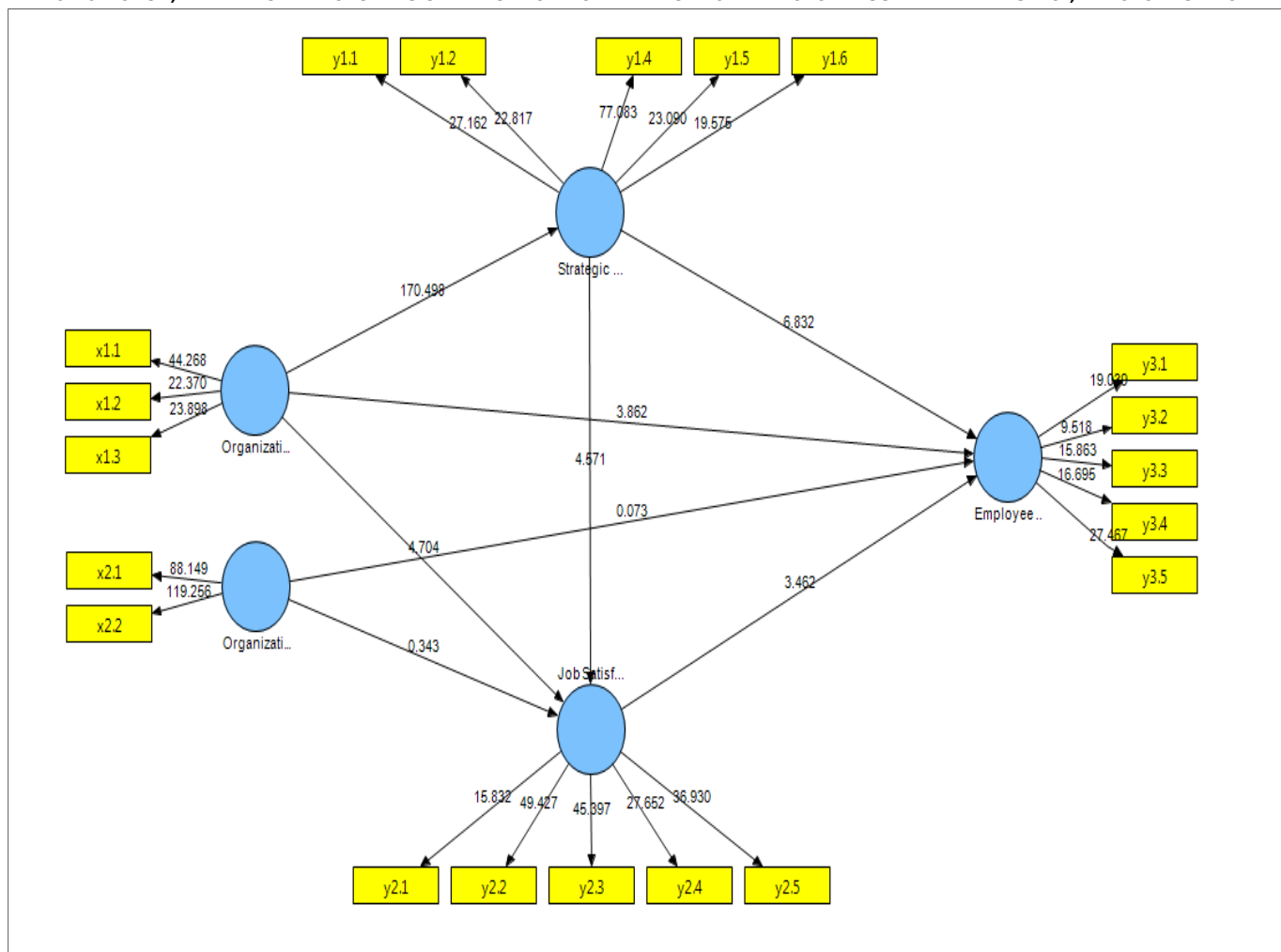
Variable	Composite Reliability
Employee Performance	0.857892
Job Satisfaction	0.914155
Organizational Commitment	0.951351
Organizational Culture	0.880937
Strategic Leadership	0.911274

Table 3 showed that the *composite reliability* values for organizational culture, organizational commitment, strategic leadership, and job satisfaction and employee performance variables were larger than 0.7. Thus, in the model, each variable had fulfilled the *composite reliability* requirement.

##### Inner Model Evaluation

Figure 1 below described structural model developed in this research regarding the influences of organizational culture and organizational commitment on strategic leadership, job satisfaction, and performance of Regional Work Civil Unit employees in Maluku Tenggara Barat Regency, Maluku Province:

FIGURE 1: STRUCTURAL MODEL OF THE INFLUENCE OF ORGANIZATIONAL CULTURE AND ORGANIZATIONAL COMMITMENT ON STRATEGIC LEADERSHIP, JOB SATISFACTION, AND PERFORMANCE OF REGIONAL WORK CIVIL UNIT EMPLOYEES IN MALUKU TENGGARA BARAT REGENCY, MALUKU PROVINCE



Initial evaluation on the inner model indicated *R square* values or coefficients of determination. *R square* values of each indicator based on PLS data analysis were presented on Table 4 below:

TABLE 4: THE RESULT OF R SQUARE VALUE

Variabel	R Square
Employee Performance	0.973904
Job Satisfaction	0.919686
Organizational Commitment	
Organizational Culture	
Strategic Leadership	0.898340

**Goodness of fit** PLS model indicated  $Q^2$  values which were similar to coefficient of determination ( $R^2$ ) in the regression analysis. The higher  $R^2$  values the fitter the model with the data. Based on Table 4 above,  $Q^2$  value of coefficient of determinant ( $R^2$ ) on strategic leadership variable was 0.898340. this value indicated that the level of alteration on strategic leadership explicable by organizational culture and organizational commitment variables was 89.8%. Meanwhile,  $R^2$  value of job satisfaction variable was 0.919686 indicating that the alteration level of job satisfaction explicable by organizational culture, organizational commitment, and strategic leadership was 91.97%. Table 4 also indicated  $R^2$  of employee performance was 0.973904 meaning that alteration level of employee performance variable explicable by organizational culture, organizational commitment, strategic leadership, and job satisfaction variables was 97.4%.

#### CAUSALITY EXAMINATION

The research hypotheses were accepted if t-statistic value is higher than t-table value with error rate ( $\alpha$ ) 5% as much as 1.96. Table 5 below indicated path coefficient values (original sample estimation) and t-statistic values of the inner model:

TABLE 5: THE COEFFICIENT VALUE RESULT OF PATH AND t-STATISTICS

	Original Sample (O)	Sample Mean (M)	Standard Error (STERR)	t-Statistics ( O/STERR )
Job Satisfaction -> Employee Performance	0.227699	0.218678	0.065762	3.462481
Organizational Commitment -> Employee Performance	-0.002439	-0.0076	0.033242	0.073380
Organizational Commitment -> Job Satisfaction	-0.015927	-0.01632	0.046453	0.342871
Organizational Culture -> Employee Performance	0.206108	0.207044	0.053369	3.861949
Organizational Culture -> Job Satisfaction	0.463237	0.471086	0.098471	4.704279
Organizational Culture -> Strategic Leadership	0.947808	0.948607	0.005559	170.4982
Strategic Leadership -> Employee Performance	0.570672	0.582221	0.083528	6.832115
Strategic Leadership -> Job Satisfaction	0.522174	0.514952	0.114227	4.571357

Table 4 above provided detail explanation regarding research hypotheses related to the influence of organizational culture and organizational commitment on strategic leadership, job satisfaction and performance of the employees in Regional Work Civil Units of Maluku Tenggara Barat regency, Maluku Province. The hypotheses are:

- (1) Hypothesis 1: Organizational Culture (X1) significantly influenced employee performance (Y3) with path coefficient value as much as 0.206108 and t-statistic value as much as 3.861949 (higher than t-table value 1.96). These results indicate significant influence of organizational culture on employee performance. Therefore, the 1<sup>st</sup> hypothesis proposed in this research assuming significant influence of organizational culture on the performance of Regional Work Civil Units employees in Maluku Tenggara Barat regency is accepted.
- (2) Hypothesis 2: Organizational Culture (X1) significantly influenced strategic leadership (Y1) with path coefficient value as much as 0.947808 and t-statistic value as much as 170.4982 (higher than t-table value 1.96). These results indicate significant influence of organizational culture on strategic leadership. Therefore, the 2<sup>nd</sup> hypothesis proposed in this research assuming significant influence of organizational culture on strategic leadership practiced in Maluku Tenggara Barat Regency Regional Work Civil Units is accepted.
- (3) Hypothesis 3: Organizational Culture (X1) significantly influenced job satisfaction (Y2) with path coefficient value as much as 0.463237 and t-statistic value as much as 4.704279 (higher than t-table value 1.96). These results indicate significant influence of organizational culture on job satisfaction. Therefore, the 3<sup>rd</sup> hypothesis proposed in this research assuming significant influence of organizational culture on job satisfaction of Maluku Tenggara Barat Regency Regional Work Civil Units employees is accepted.
- (4) Hypothesis 4: Organizational Commitment (X2) did not significantly influence employee performance (Y3) with path coefficient value as much as -0.002439 and t-statistic value 0.73380 (lower than t-table 1.96). Based on these results, the 4<sup>th</sup> hypothesis assuming significant influence of organizational commitment on the performance of Maluku Tenggara Barat Regency Regional Work Civil Units employees is rejected.
- (5) Hypothesis 5: Organizational Commitment (X2) insignificantly influenced job satisfaction (Y2) with path coefficient value as much as -0.015927 and t-statistic value as much as 0.342871 (higher than t-table 1.96). These results indicate insignificant influence of organizational commitment on job satisfaction. Therefore, the 5<sup>th</sup> hypothesis proposed in this research assuming significant influence of organizational commitment on job satisfaction of Maluku Tenggara Barat Regency Regional Work Civil Unit is rejected.
- (6) Hypothesis 6: Strategic Leadership (Y1) significantly influenced Employee Performance (Y3) with path coefficient value as much as 0.570672 and t-statistic value 6.832115 (higher than t table 1.96). These results indicate significant influence of employee performance towards strategic leadership. Based on these results, the 6<sup>th</sup> hypothesis assuming strategic leadership influence on employee performance is accepted.
- (7) Hypothesis 7: Strategic leadership (Y1) significantly influenced Job Satisfaction (Y2) with path coefficient value 0.522174 and t-statistic value 4.571357 (greater than t table 1.96). It indicates significant influence of job satisfaction towards strategic leadership. Based on these results, the 7<sup>th</sup> hypothesis assuming strategic leadership influences job satisfaction is accepted.
- (8) Hypothesis 8: Job satisfaction (Y2) significantly influenced employee performance (Y3) with path coefficient value 0.227699 and t-statistic value 3.462481 (greater than t table 1.96). It indicated significant influence of job satisfaction towards employee performance. Based on these results, the 8<sup>th</sup> hypothesis assuming job satisfaction influence on employee performance is accepted.

Table 6 below presented the findings of this research:

TABLE 6: THE RESEARCH FINDINGS

Hypotheses	Variable Explaining	Analysis Result
H1	Influence of <i>Organizational Culture</i> (X1) towards <i>Employee Performance</i> (Y3)	Positive-significant
H2	Influence of <i>Organizational Culture</i> (X1) towards <i>Strategic Leadership</i> (Y1)	Positive-significant
H3	Influence of <i>Organizational Culture</i> (X1) towards <i>Job Satisfaction</i> (Y2)	Positive-significant
H4	Influence of <i>Organizational Commitment</i> (X2) towards <i>Employee Performance</i> (Y3)	<b>Not Significant</b>
H5	Influence of <i>Organizational Commitment</i> (X2) towards <i>Job Satisfaction</i> (Y2)	Positive-significant
H6	Influence of <i>Strategic Leadership</i> (Y1) towards <i>Employee Performance</i> (Y3)	Positive-significant
H7	Influence of <i>Strategic Leadership</i> (Y1) towards <i>Job Satisfaction</i> (Y2)	Positive-significant
H8	Influence <i>Job Satisfaction</i> (Y2) towards <i>Employee Performance</i> (Y3)	Positive-significant

Table 6 above indicated that H4 explaining the influence of Organizational Commitment (X2) on Employee Performance (Y3) showed an interesting result. The results of the analysis proved that Organizational Commitment (X2) turned out provided insignificant influence on Employee Performance (Y3) (as marked by bold fonts).

## 5. DISCUSSION

**Organizational culture influences employee performance.** The results of this study supported the findings of Koesmono (2005), Olu Ojo (2009), and Powarni (2010). However, this result contradicts the previous research findings conducted by Raka (2003), Ghani (2006), Winardi (2012), and Syauta et al (2012a) stating that organizational culture had no direct influence on employee performance.

**Organizational culture influences the strategic leadership.** Robbins and Coulter (2009) stated that weak organizational culture (indicated by lacks of values, rules, and standardized institutional ethics) would have less influence on the manager. Similar emphasis was also proposed by Schien (2004) stating that a strong organizational culture would affect the manager. The results of this research showed the influence of organizational culture to strategic leadership supporting previous researches conducted by Tsai (2011) and Sheraz et al (2012).

**Organizational culture influences job satisfaction.** Robbins and Judge (2009b) stated that job satisfaction as a positive feeling would not be perceived without good organizational culture. Without good organizational culture, the positive feeling could turn into negative feeling. The influence of organizational culture on job satisfaction had been proven by this study, so it supported previous research conducted by Koesmono (2005), Tsai (2011), and Syauta et al (2012b), found that there was positive and significant influence of organizational culture to job satisfaction.

**Organizational commitment influences employee performance.** The influence of organizational commitment to employee performance had proven by this research, and the result showed insignificant influence. The research contradicts theoretical perspective proposed by Mowday, Porter, and Stress (1979) stating that besides age, work experience, job title, group cohesiveness, and organizational structure organizational commitment also influenced performance, Robbins and Judge (2009) also stated that there was a strong correlation between organizational commitment and job satisfaction. The research contradicts Syauta et al (2012a) and Khan et al (2010) who stated commitment have positive influence to performance.

**Organizational commitment influences job satisfaction.** The results support Kinicki and Kreiner (2009), Anis et al. (2011), and Syauta et al. (2012a), who stated that there was influence of organizational commitment to job satisfaction. Positive feelings towards organization and individual determination to remain in the organization have a positive impact on every individual in the organization because it is directly to touch individual needs and interests.

**Strategic leadership influences employee performance.** Theoretically Locke (1968) as cited in Jeffrey (1982: 89) acknowledged the influence of leadership on performance. They argued that performance was influenced by monetary incentives, knowledge of results, and participation in decision making. The results of this study have proved the truth of the influence of strategic leadership to employee performance, therefore this research supports Abbas and Yaqoob (2009), and Phipps and Burbach (2010).



**Strategic leadership influences job satisfaction.** The results of this study support Voon et al. (2011), Javadi et al. (2013), and Magsood et al. (2013) which stated that leadership influenced job satisfaction.

**Job satisfaction influences employee performance.** The results of this study support Koesmono (2005), Kinicki and Kreiner (2009), Ahmad et al. (2010), Syauta et al. (2012b), who stated that job satisfaction had positive and significant influence to employee performance.

## 6. CONCLUSIONS

- Organizational Culture influences Employee Performance indicates that there are some employees working based on organizational rules, get involved in decision-making process, and cooperating each other. The improvements on employee performance, strategic leadership, and job satisfaction are urgent.
- The employees tend to work in a transactional life style and demanding pay for their obligations become main factor of insignificant influence of organizational commitment on employee performance. Organizational commitment is supposed to directly provide significant and positive influence on job satisfaction because it directly deals with individual interests and needs.

Employee performance can be improved by increasing strategic leadership and job satisfaction. Strategic leadership influences employee performance directly or indirectly through job satisfaction. The higher quality of strategic leadership and the better the leader responds employee interests and needs will greatly affect employee performance improvement.

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