

THE EFFECT OF LEADERSHIP, WORK DISCIPLINE ON EMPLOYEE PERFORMANCE THROUGH ORGANIZATIONAL COMMITMENT AS MEDIATION VARIABLES

(Case study on The Workshop Company in Purwokerto)

Fatmah Bagis¹, Akhmad Darmawan², Arini Hidayah³

Fakultas Ekonomi dan Bisnis Universitas Muhammadiyah Purwokerto

E-mail: fatmahbagis2014@gmail.com

Abstract : This study aims to analyze the effect of leadership, work discipline on performance through organizational commitment as a mediating variable. This research is a case study at a workshop company in Purwokerto and respondents from this study were 100 employees from the supervisor and technical staff. This study used data analysis techniques namely PLS (Partial Least Square) analysis using Smart PLS 3.0. The results showed that the leadership had a negative and no significant effect on organizational commitment, work discipline had a negative and significant effect on organizational commitment. The results also show that organizational commitment has a positive and significant effect on employee performance. The results showed that work discipline has a positive and significant effect on employee performance and leadership has a positive and significant effect on employee performance. The results showed that organizational commitment cannot mediate between leadership and work discipline on employee performance.

Keywords: leadership, work discipline, organizational commitment, employee performance.

1. Introduction

The business world is currently growing so that companies must utilize natural resources and human resources to support company activities. Company competition in the era of globalization is getting sharper so that Human Resources (HR) is required to continuously be able to develop themselves proactively. Human Resources (HR) must be individuals who are willing to learn and work hard with enthusiasm so that their human potential is maximally developed (Sutrisno, 2016). Human Resources must have organizational commitment. Organizational commitment is the degree to which people identify with the organization that employs them. This implies a willingness on the part of the employee to put forward a substantial effort on behalf of the organization or his intention to stay with the organization for a long time (Wagner and Hollenback in Yusuf and Syarif, 2018).

Bagis (2018) Employees who are treated unfairly will show negative behavior towards the organization in the form of low commitment and desire to leave the organization. Meanwhile, the willingness of employees to contribute and commit to the workplace is strongly influenced by the organization's ability to meet the goal of employee expectations several factors can affect organizational commitment, one of which is discipline. Work discipline is the awareness and willingness of employees to comply with all applicable organizational rules and social norms. Work discipline is a tool used by leaders to

communicate with employees so that they are willing to change their behavior according to the established rules of the game (Sinambela, 2018).

Organizational commitment can also be influenced by leadership. According to Slamet Santosa in Rivai et al (2013), leadership style is an attempt to influence group members so that they are willing to contribute more of their abilities in achieving agreed group goals. Organizational commitment, leadership style, and work discipline also affect employee performance. Performance according to Mangkunegara (2010) is the result of work in quality and quantity achieved by an employee in carrying out his duties by the responsibilities assigned to him.

Bagis (2020) Performance is a function of motivation and ability to complete tasks or work. A person should have a certain degree of willingness and ability. A person's willingness and skills are not effective enough to do something without a clear understanding of what is done and how to do it. Performance is a real behavior that is displayed by everyone as a work achievement generated by employees by their roles and institutions. Employee performance is the work of quality and quantity achieved by an employee in carrying out their duties by the responsibilities given to him.

This research was conducted to determine whether leadership and work discipline can affect employee performance with organizational commitment as a mediating variable in a workshop company located in Purwokerto. Researchers are interested in doing this research because this workshop has been around for a long time and most of the employees who work have had a service period of more than 5 years.

Based on the description that has been stated in the objectives and objective research, the hypothesis proposed is:

- H1: Leadership has a significant positive effect on organizational commitment in the workshop companies?
- H2: Work discipline has a significant positive effect on organizational commitment in the workshop companies?
- H3: Organizational commitment has a significant positive effect on employee performance in the workshop companies?
- H4: Leadership has a significant positive effect on employee performance in the workshop company?
- H5: Work discipline has a significant positive effect on employee performance in workshop companies?
- H6: organizational commitment can mediate between leadership, work discipline, and employee performance in the workshop company?

2. Research Method

The approach used in this research is the quantitative approach. This research is a case study at a workshop company in Purwokerto, the sample uses a random sampling method and 100 employees as a respondent. This study uses data analysis, namely Partial Least Square (PLS) analysis.

Leadership

Hughes et al (2012) state leadership is a complex phenomenon involving leaders, followers, and situations. Leadership is art and science, in both sides not only oriented into sophisticated leadership concepts but also want to see and learn from existing leadership practices. Hasibuan (2008) argues that leadership is a way for a leader to influence the behavior of subordinates so that they are willing to work together and work productively to achieve organizational goals.

Work Discipline

Hasibuan (2008) states work discipline is the awareness and willingness of a person to obey all company regulations and applicable social norms. Siagian (2007) argues that discipline shows a condition or attitude of respect that exists in employees towards company rules and regulations. So that the rules or regulations that exist in the company are ignored, or are often violated, then employees have poor work discipline.

Organizational Commitment

Robbins, (2008) defines commitment as a condition in which individual sides with the organization and its goals and desires to maintain its membership in the organization. Mathis and Jackson in Sopiah, (2008) define organizational commitment as the degree in which employees believe and are willing to accept organizational goals and will remain or will not leave the organization.

Employee Performance

Bagis(2019) argue that Performance is the result of work in quality and quantity achieved by an employee in carrying out his duties by the responsibilities assigned to him. Mangkunegara (2010) states that performance is the result of work in quality and quantity achieved by an employee in carrying out his duties by the responsibilities assigned to him. Bangun, (2012) argues that there are four indicators of employee performance, namely 1. Quantity, 2. Quality, 3. Implementation and 4. Responsibility.

3. Results and Discussion

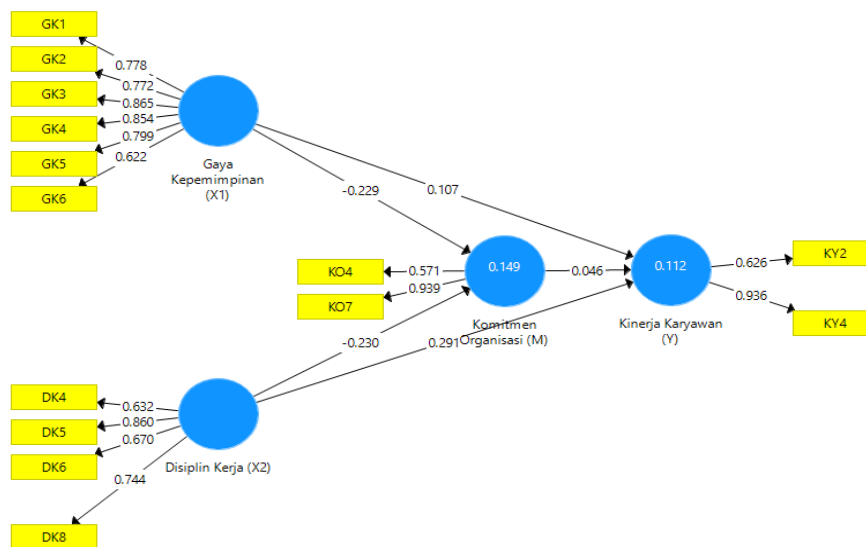
1) Results

Partial Least Square Analysis

Based on calculation with Smart PLS 3.0 software the following values are obtained:

a. Convergence Test Validity

In the convergence test validity of indicators that have values, less than 0,500 must be excluded from the model because they are considered to be unreliable and insignificant. After that, a re-estimation of the model is performed. The result obtained from this study are all indicators of variables that have a value of more than 0.500 can be used to be used as measurement tools.



b. Discriminant Validity Test

Discriminant validity refers to the degree of discrepancy between the attributes that the measuring instrument should not measure and the theoretical concepts about the variable. Discriminant validity can be said to be achieved if the AVE value is greater than 0.5.

Table 1. Discriminant Validity Test Variable

	Average Variance Extracted (AVE)
Leadership (X1)	0,617
Work Discipline (X2)	0,535
Organizational Commitment (M)	0,604
Employee Performance (Y)	0,634

c. Composite Reliability Test

A composite reliability test was conducted to test the reliability of the research variables. The results of the composite reliability test can be seen in Table 2.

Table 2. Composite Reliability Test

	Composite Reliability
Leadership (X1)	0,905
Work Discipline (X2)	0,820
Organizational Commitment (M)	0,742
Employee Performance (Y)	0,769

The composite reliability test is said to be reliable if the composite reliability value is greater than 0.700. Based on the data in Table 2, it can be seen that the value of the composite reliability variable of leadership, work discipline, organizational commitment, and employee performance, is greater than 0.700. Thus, the variables of

leadership, work discipline, organizational commitment, and employee performance are declared reliable.

d. Structural Model Analysis

A structural model analysis is performed by evaluating the estimated results of the path coefficient parameters and their level of significance. The results of the path coefficient significance test of each variable can be seen in Table 3 and the indirect effect in Table 4.

Table 3. Parameter Coefficient and Statistical Values

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics	P Value
Leadership => Organizational Commitmen	-0,229	-0,241	0,103	2,237	0,026
Work Discipline => Organizational Commitment	-0,230	-0,226	0,122	1,882	0,060
Organizational Commitment => Employee Performance	0,046	0,029	0,127	0,358	0,720
Leadership => Employee Performance	0,107	0,0095	0,140	0,763	0,446
Work Discipline => Employee Performance	0,291	0,314	0,142	2,055	0,040

Table 4. Specific Indirect Effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics	P Value
Leadership => Organizational Commitmen => Employee Performance	-0,010	-0,006	0,034	0,304	0,761
Work Discipline => Organizational Commitment => Employee Performance	-0,010	-0,008	0,0032	0,328	0,743

The results of this study aim to determine the effect of leadership and work discipline on employee performance through organizational commitment as a mediating variable. The significance level of 95% ($\alpha = 0.05$) was used in testing the hypothesis of this study. The analysis results show that there are variables that have positive and negative directions seen from the original sample value which shows positive and negative values. The original sample values indicate that the relationship can lead to positive or negative effects. The results showed that leadership and work discipline factors have a negative influence on organizational commitment. The results also showed that leadership, work discipline, and organizational commitment have a positive influence on employee performance.

Based on the results of this research analysis, it was concluded that leadership harms organizational commitment and the first hypothesis state that leadership has a significant positive effect on organizational commitment is not supported. The results of the analysis of this study showed that work discipline harms organizational commitment, so the second hypothesis state that the work discipline have a significant positive effect on organizational commitment is not supported. These results also showed that organizational commitment has a significant effect on employee performance, and the third hypothesis state that organizational commitment has a significant effect on employee performance, was supported.

Based on the results of the analysis of this study it can be seen that leadership has a significant positive effect on employee performance, and the fourth hypothesis states that leaders have a significant positive effect on employee performance is supported. The result of the analysis of this study also showed that work discipline has a significant positive effect on employee performance, so the fifth hypothesis that states the work discipline has a significant positive effect on employee performance, accepted.

The results of the analysis show that the relationship between leadership on employee performance through organizational commitment has a negative direction as seen from the original sample value which shows a negative value. The original sample values indicate that the relationship can lead to positive or negative effects. So the leadership style factor on employee performance through organizational commitment has a negative effect. The results also show that the relationship between work discipline on employee performance through organizational commitment has a negative direction seen from the original sample value which shows a negative value. So the work discipline factor on employee performance through organizational commitment has a negative effect. The sixth hypothesis states that organizational commitment can mediate the leadership and work discipline to employee performance, was no supported.

2) Discussion

Based on the research results, the first hypothesis that the leadership variable has a negative and insignificant effect on organizational commitment is not accepted. Leadership is a way for a leader to influence the behavior of subordinates so that they are willing to work together and work productively to achieve organizational goals, Hasibuan (2008). From the research results, leadership does not affect organizational commitment. It shows that in the workshop company in Purwokerto the leadership factor is not a factor affecting organizational commitment. This means that so far employee commitment is not influenced by who or how the leadership is, this can happen because most of the employees who work have worked for more than 10 years, so there is no need to doubt their commitment to the organization.

The results of this study indicate that the second hypothesis is that work discipline variables do not affect organizational commitment. Discipline shows a condition or attitude of respect that exists in employees towards company rules and regulations. If the rules or regulations that exist in the company are ignored or are often violated, then employees have poor work discipline, Siagian in Sutrisno (2009).

Good work discipline means that a useful advantage will be achieved, both for the company and the employees themselves. The work discipline factor is not a factor capable of influencing the organizational commitment of the workshop company employees in Purwokerto. This means that employees understand very well the existing regulations so that they work according to existing regulations. It can also be seen from the data that I got, that the majority of employees have worked for more than 10 years, so there is no need to doubt about their discipline.

The results showed the acceptance of the third hypothesis that the variable organizational commitment has a positive effect on employee performance. Organizational commitment is the degree to which employees believe and are willing to accept organizational goals and will remain or will not leave the organization, Mathis, and Jackson in Sopiah, (2008). Organizational commitment factors to employee performance where employees have had an organizational commitment from their long work. With organizational commitment, employee performance will run well. Employees already feel they have a sense of responsibility and have a love for their work, so employees will work as well as possible and employee performance will always improve.

The results showed the acceptance of the third hypothesis that the leadership variable has a positive and significant effect on employee performance. These results are in line with research conducted by Nyoman Aditya, et al, (2017) which states that leadership has a positive and significant effect on employee performance. Acceptance of the hypothesis that the variable work discipline has a positive and significant effect on employee performance. Good work discipline means that a useful advantage will be achieved, both for the company and the employees themselves, Soetrisno (2016). The rules made by the company will be obeyed by employees. Employees will be very careful because employees will comply with existing regulations. If the employee does not comply with the existing regulations, there will be a fine in the form of a discount, the nominal value of which is stipulated in company regulations.

Based on the research results, it can be concluded that organizational commitment does not have a mediating effect on the relationship between leadership and work discipline with the performance of the workshop company in Purwokerto. Organizational commitment cannot have a mediating effect on leadership, work discipline, and employee performance. Where leadership, work discipline, and employee performance will keep moving and remain productive without being influenced by organizational commitment. Organizational commitment cannot have a positive influence on leadership, work discipline, and employee performance. Because without an organizational commitment, leadership, work discipline, and employee performance can still run well. And also leadership, work discipline, and employee performance are not always influenced by organizational commitment, because when employees feel they have a sense of responsibility and have a love for their work, then employees will work as well as possible.

4. Conclusion

Based on the analysis results described, it can be concluded that the leadership and work discipline factors have a negative influence on organizational commitment. The results also showed that leadership, work discipline, and organizational commitment have a positive influence on employee performance. This study also provides results that organizational commitment cannot mediate leadership and work discipline for employee performance.

The results of this study explain that the employees of the workshop company in Purwokerto have worked long enough so that they have a high organizational commitment. High organizational commitment is not affected by their leadership and level of discipline. They work because they feel part of the company and feel they have a responsibility in their respective jobs.

This research has limitations where it is only carried out in workshop companies in Purwokerto. The results that will be obtained may be different if the object of research is expanded and the respondent is an employee who has recently been a worker in the company. This research is expected to be useful for all parties, especially the company because it is very difficult to have employees who have a high work commitment.

Reference

Bangun, Wilson, 2012. Manajemen Sumber Daya Manusia. Jakarta : Erlangga

Fatmah Bagus Dkk, 2020. Effect Of Compensation On Employee Performance Through Spirit of Work As a Variabel Of Mediation Case Study in Employees Of Education Institution. JIEI : Jurnal Ilmiah Ilmu Ekonomi Islam Vol 6 Juli 2020. ISSN: 2477-6157

Fatmah Bagus 2018 Does Job Satisfaction Mediate the Effect of Procedural Justice and Distributive Justice on Organizational Commitment?: Case Study of Education Institution, Advances in Social Science, Education and Humanities Research, volume 231, 5th International Conference on Community Development (AMCA 2018)

Fatmah Bagus Dkk, 2019. Pengaruh Disiplin Kerja, Komitmen Organisasi dan Kepuasan Kerja Terhadap Kinerja Karyawan Studi Kasus Institusi Pendidikan. DERIVATIF : Jurnal Manajemen Vol. 13 No. 2 Nopember 2019 ISSN : 1978-6573

Hasibuan, Malayu S.P., 2008. Manajemen Sumber Daya Manusia. Jakarta : Bumi Aksara

Hughes, Dkk, 2012. Leadership. Jakarta : Salemba Humanika

Mangkunegara Dkk, 2015. Effect of work discipline, work motivation, and job satisfaction on employee organizational commitment in the company (case study in PT Dada Indonesia). Universal Journal of Management. 2015.

_____, 2015. Effect of training, competence and discipline on employee performance in company PT Asuransi Bangun Askrida Procedia - Social and Behavioral Sciences 211 (2015) 1240 – 1251

_____, 2010. Evaluasi Kinerja SDM. Bandung : Refika Aditama

- _____, 2017. Manajemen Sumber Daya Manusia Perusahaan. Bandung : Remaja Rosda Karya
- PT. Harapan Jaya Globalindo. (<https://harapanjg.indonetwork.co.id/>) (*Accessed 23 September 2019*).
- Rivai, Veithzal dkk, 2014. Pemimpin dan Kepemimpinan dalam Organisasi. Jakarta : PT Raja Grafindo Persada.
- Robbins, S. 2008. Perilaku Organisasi, Jilid I dan II, alih Bahasa : Hadyana Pujaatmaja. Jakarta: Prenhallindo
- Siagian, Sondang, 2007, Manajemen Sumber Daya Manusia, Jakarta: Penerbit Bumi Aksara
- Sinambela, Lijan Poltak, 2018. Manajemen Sumber Daya Manusia. Jakarta : Bumi Aksara
- Sopiah, 2008. Perilaku Organisasi. Yogyakarta : Andi
- Suliyanto, 2011. Ekonometrika Terapan : Teori dan Aplikasi. Yogyakarta : Andi Offset
- Sutrisno, Edi, 2016. Manajemen Sumber Daya Manusia. Jakarta : Kencana.
- Yusuf, Ria Mardiana dan Darman Syarif, 2018. Komitmen Organisasi. Makassar : Nas Media Pustaka.