Organizational Culture, Leadership, Organizational Commitment and Work Engagement of Local Government Employees

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Abstract. The main topic of this research was the influence of Organizational Culture and Leadership toward Work Engagement through Organizational Commitment of local government employees. The population of the research was the local government employees in Riau Province. In general, this research aimed at reviewing, assessing, and recognizing how the influence of Organizational Culture and Leadership toward Work Engagement through Organizational Commitment of local government employees. The local government employees were considered still not able to achieve the objectives proclaimed in the Act of Republic of Indonesia number 43 of 1999 regarding the principles of local government employee. Research method used descriptive-verification method. Tool of hypothesis test used Structural Equation Model (SEM), whereas data processing used AMOS program. The result showed that Organizational Culture and Leadership did not significantly influence Work Engagement through Organizational Commitment. Therefore, Organizational Commitment variable could not be used as intervening variable in increasing Work Engagement by using Organizational Culture and Leadership through Organizational Commitment from provincial government of Riau Islands. It is suggested for further research to examine other variables that can increase the Work Engagement of employee, especially local government employees and study more deeply about each of the variables studied.

1. Introduction

Government employees play a key role in organizing the government and development to achieve the national objectives. Since the importance of the role of local government employees in achieving the objectives of the state, it is necessary that they should carry out the national objectives with high commitment and good employment involvement. However, currently, local government employees have no high commitment and good Work Engagement. Winarandu and Marlini [1] mention that the low performance of local government employees in achieving organizational goals is due to a factor of personality, Leadership, team, work system, and quality. Work Engagement also affects the performance and good Work Engagement that is influenced by Leadership factors.

Based on a survey conducted by Watson Wyatt in Hornstein & Luss [2], prominent human resource consultant, entitled "Work Indonesia 2004/2005", Indonesia's Commitment Index showed only 57%, seven points lower than Asia Pacific. It means that employee loyalty levels in Indonesia were around the lowest in the Asia Pacific region. This result would affect the low level of local government employee's involvement in the region in achieving the organizational goals as aspired in the Act of Republic of Indonesia Number 5 Year 2014 about the State Civil Apparatus that regulates the duties and responsibilities of employees.

Bass and Avolio [3] and Schein [4] suggest that a leader forms the Organizational Culture and is in turn shaped by the resulting Organizational Culture. This demonstrates the significant role of a leader in shaping the Organizational Culture and commitment within his or her agency that will influence the Work Engagement of local government employees. Based on the aforementioned description it is then deemed necessary to conduct a research on Organizational Culture, Leadership, Work Engagement, and Organizational Commitment of local government employees.

2. Literature review

2.1. Organizational Culture

The term Organizational Culture is generally accepted as meaning, belief, and understanding of how certain groups regard their problems, practices, and goals [5]. In relation to the Organizational Culture of local government employees, it can be attributed to Claver's [6] opinion on the culture of public organization that determines the orientation of public service of traditional internal bureaucratic culture.

Organizational Culture at least plays three important roles, first, provide an identity for its members, second, increase commitment to the vision and mission of the organization, and third, strengthen the standards of behaviour. When an Organizational Culture is strongly attached, each member will feel that they are part of the organization. Being part of the organization will strengthen the commitment to the vision and mission of the organization. Organizational Culture will also direct the behavior of members. Organizational Culture gives significant influence to individual and organizational processes [7].

Robbins [8] explains that Organizational Culture is a value system held and carried out by members, so that it can distinguish the organization with other organizations. The value system is built by seven characteristics as essence of Organizational Culture. The seven characteristics that become dimensions of Organizational Culture are: innovation and risk taking, attention to detail, outcome orientation, people orientation, team orientation, aggressiveness, and stability.

2.2. Leadership

Leadership is the process of guiding and directing the people's behaviour in the work environment" [9] (Nelson, 2000, p. 384). Leadership is also a set of traits and skills but not limited to the following:

1. Exemplary professional behaviour;
2. Good judgment;
3. Effective communication skills;
4. Strategic thinking;
5. Effective listening skills;
6. Collaborative management skills;
7. Empathy;
8. Wisdom decision making;
9. Reliability and follow-up, and
10. Trust.

The theory of nature assumes that the leader was born, not made [10]. Typical characteristics related to leader effectiveness include: high energy levels, physical appearance, independence, and firmness. This theory seeks to take a personality-based approach to choose effective leaders. Although the universal list of qualities possessed by successful leaders is still available, Lussier and Achua [11] offer nine characteristics of effective leaders based on empirical studies. The nine characteristics are dominance, high energy, confidence, control, stability, integrity, intelligence, flexibility, and sensitivity towards others [12].

2.3. *Organizational Commitment*

Commitment is an important thing in all organizations as it relates to the sustainability of an organization [13]. The competitiveness of an organization is influenced by employees' commitment to organizational goals and working as effective team members. It is no longer enough to have employees who come to work faithfully every day and do their work independently. In the current development, workers should think like entrepreneurs while working the way must be part of the organization.

Organizational Commitment is the feeling of a person related to continuing its relationship with the organization, acceptance of organizational values and goals, and a willingness to help the organization achieve its goals and values. Miner [14] considers this type of commitment as a presence to stay with the organization.

Organizational Commitment, according to Meyer and Allen [15], is divided into three components; namely

1. Affective components related to emotional, employee identification, and involvement.
2. The normative component is the employees' feelings about the obligations they must give to the organization.
3. The continuance component means a component based on the employees' perception of the disadvantages will be encountered if they leave the organization.

2.4. *Work Engagement*

Many studies have been conducted on Work Engagement, but there has not been a consistent and universal definition for this term [16]. Robertson & Markwick [17] define Work Engagement as the ability that enables individuals to entirely self-engage in the work by enhancing self-efficacy and positively impacting the health of employees who will increase employee support for the organization. Work Engagement, as said by Baumruk and Gorman [18], consistently shows three common behaviors that indicate an improvement in organizational performance:

1. Say - employee support for organizations to communicate smoothly among colleagues, and to refer to potential employees and customers;
2. Stay - employees have a fervent desire to be members of an organization despite having opportunities to work elsewhere;
3. Strive - employees give extra time, effort, and initiative to contribute to the success of the business.

Based on the description of the research, there is a connection between one variable to another one that affect the Work Engagement of local government employees of Riau Islands province. This connection then formulates the following hypothesis:

1. Organizational Culture significantly influences Work Engagement
2. Leadership significantly influences Organizational Commitment
3. Organizational Commitment significantly influences Work Engagement
4. Organizational Culture significantly influenced Work Engagement
5. Leadership significantly influences Work Engagement, and Organizational Culture and Leadership influence Work Engagement through Organizational Commitment

From the theory and hypothesis above, it can be concluded the conceptual model outline as graphic below.
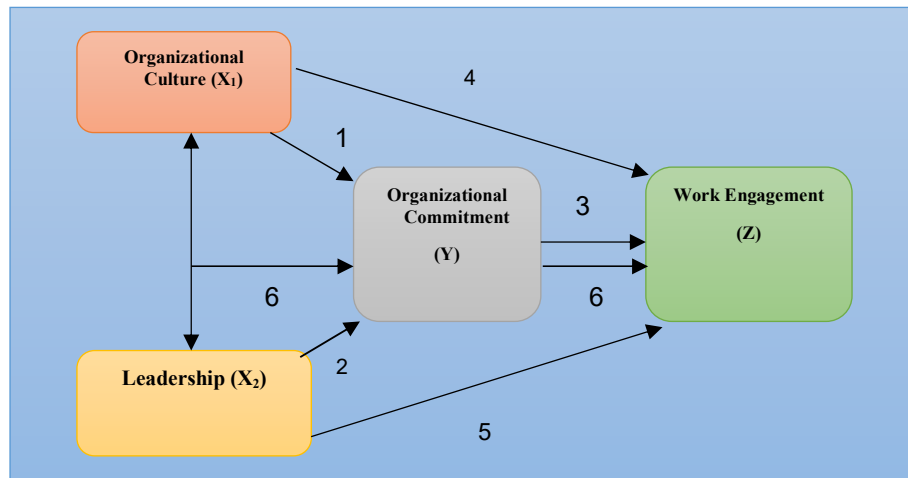
Figure 1. Conceptual Model Outline

3. Method

The method of this research was descriptive and verification. Nasution [19] says that descriptive research method is a general term that includes classification analysis, investigation with survey techniques, interviews, observation, and descriptive implementation that also included analysis and interpretation of the data. Meanwhile, the verification research basically wants to test the truth of a hypothesis implemented through data collection in the field [20]. The descriptive verification research method was used to describe the actual location in the field and then verify it to get answers to the hypotheses that have been previously stated.

3.1. Sample determination

Sample determination was used to determine sample criteria for Structural Equation Modelling (SEM) techniques. According to Solimun [21], several guidelines for determining the sample size for SEM are given as follows:
a. Around 5 to 10 times the number of parameters in the model.
b. It is equal to 5 to 10 times the number of manifest variables (indicators) of the entire latent variables. Based on the information above, the number of samples used was obtained from 57 indicators multiplied by 4 variables. Then, the number of samples used was 228.

3.2. Descriptive analysis method

Descriptive analysis was used primarily to obtain a description of the level of Organizational Culture, Leadership, Organizational Commitment, and Work Engagement of Local Government Employees in Riau Islands Province. To determine the level of Organizational Culture, Leadership, Organizational Commitment, and Work Engagement of employees in Regional Governments in Riau Islands Province were classified into several categories: very high, high, high enough, low, and very low in accordance with the classification criteria stated by Arikunto [22] and Umar [23] whose scores range from Organizational Culture, Leadership, Organizational Commitment, and Work Engagement.

3.3. Validity analysis using SEM

Data analysis method was used to process research results to obtain a conclusion. By looking at the theoretical framework, this research used quantitative analysis using SEM (Structural Equation Modeling) model with AMOS program. SEM was used because SEM allowed simultaneous analysis of all variables in the model instead of separately [24] [25]. For searching mediation or intervening variable, to examine the differential performance of mediation testing approaches within an actual latent variable of SEM framework. SEM is the best method for testing indirect effects without causing

bias in data processing. This is based on the research conducted by Shrout & Bolger [26], Cheung & Lau [27], Preacher & Hayes [28], Taylor, MacKinnon, & Tein [28] and Hayes & Scharkow, [30]. In using validity analysis with SEM, there are several steps namely, validity test, reliability test, and structural equation modelling.

4. Discussion

After obtaining the results from descriptive analysis, the verification analysis was done. In the verification research, to test hypotheses based on the results of statistical calculations, the verification analysis used SEM model. The SEM testing was conducted through 2 stages, namely structural model measurement and test model tests, which would be examined by the validity, reliability, average variance extract, normality, and goodness of fit.

4.1. Measurement model test

Measurement model test is to examine the relationship between indicators and latent variables. Combining the structural and measurement model testing allows researchers to test measurement error as an integral part of SEM and perform factor analysis along with testing hypotheses.

4.2. Preparation of path diagram

Based on the theoretical review in the previous chapter, a path diagram would be drawn on the influence of Organizational Culture and Leadership on Organizational Commitment and its implications for the Work Engagement of local government employees in Riau Islands Province. The following is the diagram model result in this research;
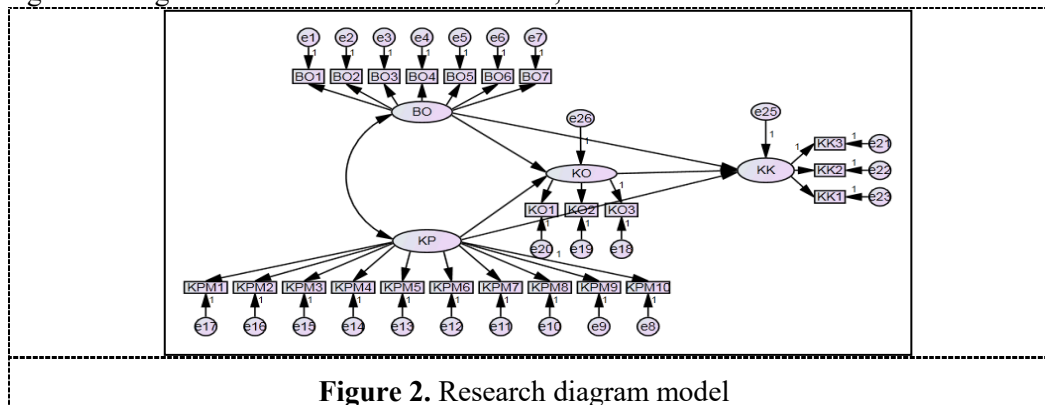

Figure 2. Research diagram model

4.3. Validity test, reliability test, and average variance extract

Validity test is used to measure the valid or not of a questionnaire. A questionnaire is said to be valid if the questions are able to reveal something that will be measured by the questionnaire. If the loading factor is > 0.50, it can be said to be valid [31]. The following are the results of the validity test with confirmatory factor analysis (CFA) on the four variables in this research. The result in this test will be occurred in evaluation of structural model.

4.4. Normality test

Normality test is conducted by calculating multivariate distribution, in which this testing is conducted by calculating multivariate c.r (critical ratio) values. Normality test is categorized as normal data if the critical ratio must meet the requirements of $-2.58 < c.r < 2.58$ [32]. Based on data processing, it was found that all indicators have a c.r value below 2.58, so it can be concluded that all indicators in all three constructs can be declared normal distribution.

4.5. Evaluation of structural model

Structural model is a relationship between independent and dependent latent variables (variables that cannot be measured directly and require several indicators to measure them) [33]. The results of structural model test can be seen from the figure below:
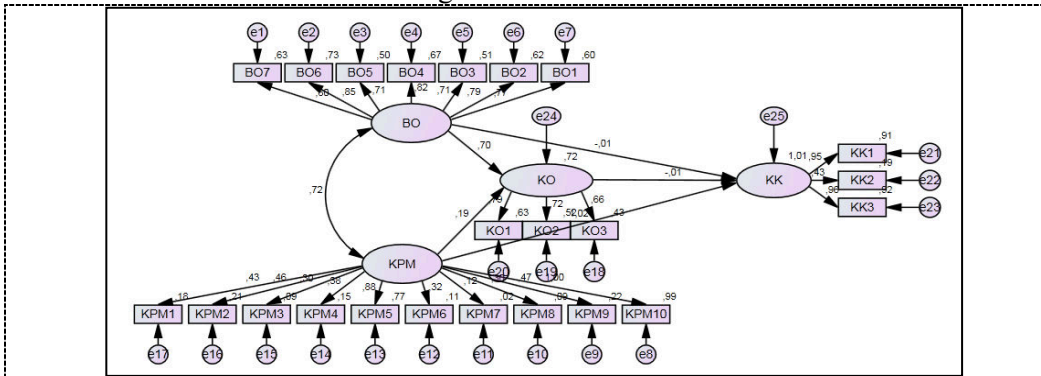

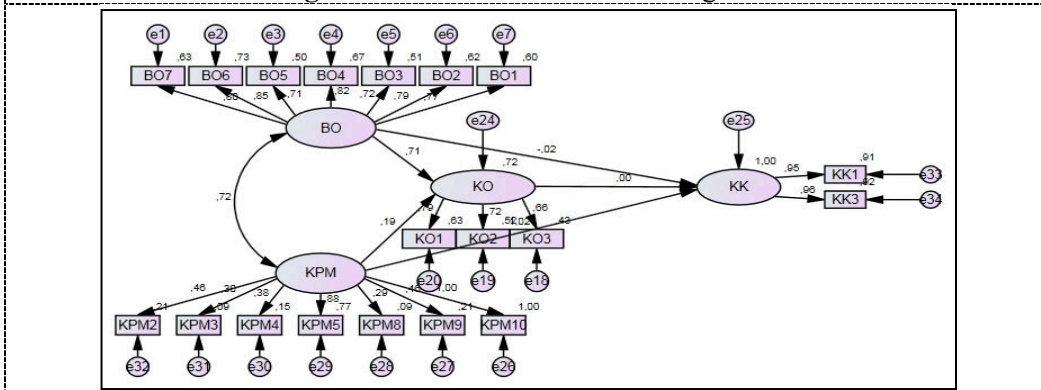**Figure 3.** Initial model structure diagram

Figure 4. Model evaluation structure diagram

Based on the evaluation results, the construct model of Organizational Culture is innovation and risk taking (BO1), attention to detail (BO2), outcome orientation (BO3), people orientation (BO4), team orientation (BO5) aggressiveness (BO6), and stability (BO7). Furthermore, the Leadership construct is emotional stability (KPM2), knowledge about human reaction (KPM3), honesty (KPM4), objective (KPM5), teaching ability (KPM8), social skills (KPM9) and technical skills or managerial skills (KPM10). The commitment construct is affective commitment (KO1), continuous commitment (KO2), and normative commitment (KO3). The construct of Work Engagement is seen from the communication (KK1) and seen from their wishes (KK3).

4.6. Match test (goodness of fit)

Match test is intended to evaluate in general the degree of compatibility or Goodness of Fit (GOF) between data and model. Based on the results of the fitness test (goodness of fit) above, the results obtained that all tests were in bad conditions because the results were in a state of close fit.

4.7. Structural model test

After the measurement model was carried out, a structural test would then be tested. Structural testing in this research is to examine the effect of each latent variable among testing hypotheses.

Table 1. Hypothesis Testing

Structural			Estimate	S.E.	C.R.	P	Label	Conclusion	
									(a)
OCM	<---	OCL	0.647	0.095	6.811	***	par_10	Sig. Influence	(b)
OCM	<---	LDR	0.340	0.145	2.345	0.019	par_11	Sig. Influence	(c)
WEN	<---	OCM	-0.001	0.022	-0.027	0.978	par_12	Non Sig. Influence	(d)
WEN	<---	OCL	-0.009	0.019	-0.468	0.640	par_13	Non Sig. Influence	(e)
WEN	<---	LDR	0.973	0.030	32.303	***	par_14	Sig. Influence	(f)

5. Conclusion

The followings are several conclusions that can be drawn from this research:
1. Organizational Culture significantly influenced Work Engagement
2. Leadership significantly influenced Organizational Commitment
3. Organizational Commitment did not significantly influence Work Engagement
4. Organizational Culture did not significantly influence Work Engagement
5. Leadership significantly influenced Work Engagement
6. Organizational Culture and Leadership did not significantly influence Work Engagement through Organizational Commitment.

This is evidenced by the absence of significant influence between Organizational Culture on Organizational Commitment and Leadership on Work Engagement. For a variable that became an intervening variable, then in testing with SEM, it is necessary to have a significant influence from all independent variables and intervene on the dependent variable and the independent variables on the intervening variables. In this research, it was proven that there was no influence of Organizational Culture on Organizational Commitment and Leadership on Work Engagement.

This research provides a novelty in terms of knowing whether there is an influence from Organizational Culture and Leadership on Work Engagement through Organizational Commitment. This research shows that Organizational Commitment could not be an intervening variable in increasing Work Engagement using Organizational Culture and Leadership. This research also gave results that based on the diagram structure evaluation model, there were several dimensions that were not in accordance with the variable. Therefore, for further research, it is recommended to use a variable which is proven to be related to the relevant variables and ignore the dimensions that are not related.

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