THE RELATIONSHIP BETWEEN ORGANIZATIONAL CULTURE AND COMPETENCE WITH ORGANIZATIONAL COMMITMENT IN EMPLOYEES OF BUMD BINJAI, NORTH SUMATRA

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Abstract

This study aimed to examine the influence of organizational culture and competence on organizational commitment in BUMD Binjai. The purpose of this study was to determine, assess, and analyze the partial and simultaneous influence of organizational culture and competence on organizational commitment. This study used a quantitative method with data collection techniques through distributing questionnaires to 124 respondents using random sampling technique. Data analysis was carried out using descriptive and verification analysis. The results of the study descriptively showed that organizational culture was considered strong to very strong, competence was considered good to very good, and organizational commitment was considered good to very good. Meanwhile, the results of the study verifiably showed that organizational culture had a positive and significant influence on organizational commitment, competence had a positive and significant influence on organizational commitment, and organizational culture and competence simultaneously had a positive and significant influence on organizational commitment.

Keywords: organizational culture; organizational commitment; employee

INTRODUCTION

BUMD Binjai plays an important role in improving the economy and welfare of the people of North Sumatra. To achieve these goals, adequate budgets are needed for the acceleration of development and to realize the vision of North Sumatra, which is progressive, safe, prosperous, and dignified. One way to increase local revenue (PAD) is by maximizing the potential of BUMD Binjai's revenue. The Provincial Government of North Sumatra encourages all Regional Device Organizations (OPDs) and BUMDs in North Sumatra to be more creative and innovative in facilitating revenue procurement. However, the realization of BUMD Binjai's revenue in 2019 was still below the target, reaching only 81% of the target set at Rp 1,023,407,509,912, even with maximum provided capital. Therefore, BUMD Binjai needs to make strategic adjustments to improve its performance.

One way to increase PAD is through human resource development that focuses on improving employee performance. Organizational culture, competency, and organizational commitment are important in improving employee and overall BUMD performance. The organizational culture in a company must be values, norms,
and rules that apply to the entire company and are upheld by all members of the organization. This includes the company's way of working, work ethics, attitudes, policies, and values. Organizational culture must be directed towards achieving organizational goals, increasing productivity and employee performance, and creating a positive and collaborative work environment. Additionally, a strong organizational culture should focus on employee participation in decision-making and company strategy formulation. This makes employees feel responsible and directly involved in the company's success. A good organizational culture must be continually developed and improved through employee performance assessments, open and transparent communication, recognition and appreciation for employee performance and contributions. A strong organizational culture is the key to the long-term success of an organization. The right culture helps shape the organization's identity, guide its members' actions, and achieve shared goals.

According to Cameron, KS, & Quinn, RE (2011), a strong organizational culture plays a key role in guiding decision-making and actions in an organization. Schein (2017) argues that by having a strong culture, organizations can ensure that every member of the organization moves in the same direction and acts according to shared values and goals. Field observations on organizational culture are largely consistent, namely that a strong organizational culture can help organizations achieve their goals, increase productivity and employee performance, and create a positive and collaborative work environment. However, field observations also show that several factors contribute to weak organizational culture, such as lack of effective communication, lack of planning, poor leadership, inadequate employee involvement, and lack of clear values for the organization.

When faced with weak organizational culture, companies can adopt the method proposed by Schein (2017), namely "humble inquiry" or the art of gentle inquiry, to encourage open communication and employee participation and create a strong organizational culture. Additionally, businesses can focus on the values held by their employees and strive to align those values with those held by the organization so that employees feel responsible and directly involved in the company's success. In addition to organizational culture factors, every employee must have the necessary skills to perform their duties or perform their job well, and organizational commitment is also crucial in improving employee and overall BUMD performance.

The competencies expected of employees in a BUMD Binjai company can be tailored to the demands of the job at hand as well as the company's vision and mission. Some common competencies that BUMD Binjai employees may possess include: adaptability, communication skills, critical thinking skills, collaboration skills, innovation skills, and a high level of cultural knowledge. Harvey and Allard (2015) identified several key competencies that employees must possess to manage diversity in the workplace, including self-awareness, cultural knowledge, interpersonal skills, decision-making skills, and conflict management skills.

Based on observations, it was noted that 20% of BUMD Binjai employees have completed junior high school, 30% have completed senior high school/vocational school, and the rest have completed a bachelor's, master's, or doctoral degree, which may not fully meet the requirements of the available jobs as well as the company's vision and mission. The expected competencies of a BUMD Binjai employee, based on the observations and level of education of the employees, are: adaptability, communication, critical thinking, collaboration, innovation, level of cultural knowledge, interpersonal skills, decision-making skills, conflict management, and leadership skills. However, there is still a gap between the competencies that employees should possess and the observations made.

Organizational commitment is also crucial for improving employee performance and the performance of the BUMD as a whole. Organizational commitment is a key factor that affects employee and organizational performance overall. Saks (2018) defined organizational commitment as an employee's willingness to invest in the organization and desire to remain in the organization. Saks also found that organizational commitment has a positive impact on employee and organizational performance overall. Meyer and Allen (2017) considered organizational commitment to have three dimensions: emotional commitment, normative commitment, and continuance commitment. Emotional commitment is emotional loyalty to an organization, normative commitment is a sense of obligation to stay with the organization, and continuance commitment is attachment due to the lack of better alternatives. Meyer and Allen also found that high levels of organizational commitment increase employee and organizational performance.

Field observations have shown that trust and understanding among employees can lead to poor organizational commitment performance due to inadequate incentives and recognition for high-performing employees who demonstrate a high level of commitment to the organization. Lack of motivation to motivate employees to work harder and be more involved. Failure to build a healthy and positive organizational culture that encourages employees to work together and contribute to the company's success, providing continuous training and development for employees to continue to improve their skills and knowledge, creating fair and transparent policies and procedures, making employees feel valued and recognized for their contributions, and developing good leadership skills will motivate employees and lead by example.
Culture is an essential element in an organization that helps to shape and guide the behavior of its members. Schein (2017), Denison (2018), and Deal and Kennedy (2019) define organizational culture as a set of values, beliefs, attitudes, and behaviors that are applied consistently by organizational members to achieve the organization's goals. Culture involves three levels, namely artifacts, values, and underlying assumptions that underlie organizational principles and behavior. In this context, the dimensions of organizational culture that are used in this study are task orientation, people orientation, innovation, risk orientation, and outcome orientation.

Competence, on the other hand, refers to the ability or qualification required by an individual to perform a task or job effectively in a particular organizational or professional setting. Boyatzis (2018), Salas et al. (2020), Spencer and Spencer (2021), and Rezaee et al. (2021) define competence as a set of skills, knowledge, and attitudes that can be observed and evaluated to perform a specific task or job effectively.

Organizational commitment can be defined as an individual's desire to maintain membership in an organization and actively participate in achieving the organization's goals. Meyer and Herscovitch (2020) state that organizational commitment is a psychological state that indicates the extent to which an individual feels bound and involved in achieving the organization's goals and wants to maintain membership in the organization. The dimensions of organizational commitment are affective commitment, normative commitment, and continuance commitment, according to Allen and Meyer (2021) and Meyer, Becker, and Vandenberghe (2021).

There is a relationship between organizational culture and competence since a positive organizational culture can influence the development of employee competence. Therefore, it is essential for BUMD companies to pay attention to and develop a strong and positive organizational culture to enhance employee competence. Additionally, organizational commitment can affect employee well-being, productivity, and ability to handle job-related stress, which makes it an essential factor to consider in developing a positive organizational culture.

Organizational culture has an influence on organizational commitment, in line with the research conducted by Wahyuni and Darsono (2020). The results show a positive and significant influence of four dimensions of organizational culture, namely innovation, openness, participation, and result orientation on employees' organizational commitment. Employees who experience an organizational culture that encourages innovation, openness, participation, and result orientation tend to have higher levels of commitment to the organization where they work. Chen, Y., Liu, Y., Zhang, X., & Huang, J. (2021) found that organizational culture has a positive influence on organizational commitment through the mediation of job satisfaction. In addition, the research also shows that leadership factors moderate the relationship between organizational culture and job satisfaction, as well as moderate the relationship between job satisfaction and organizational commitment. Overall, this study states that positive organizational culture can enhance organizational commitment through job satisfaction, and leadership factors play an important role in the relationship.

Competence has an influence on organizational commitment, in line with the opinion of Yulianto and Azzahro (2021). Employee competence has a positive and significant influence on organizational commitment. This research was conducted in a manufacturing company in Indonesia. Park and Lee's (2020) research found that employee competence has a positive and significant influence on organizational commitment in South Korean companies. In addition, this research also shows that job involvement can mediate the relationship between employee competence and organizational commitment. Singh and Rastogi's (2021) research shows that employee competence has a positive and significant influence on organizational commitment in Indian companies. This research also found that job involvement mediates the relationship between employee competence and organizational commitment. The results of Oyewummi, A. E., & Adeniji, A. A. (2021), Huang, C. Y., & Lee, Y. C. (2021), and Nandeshwar, A. (2021) state that competence has a positive influence on organizational commitment. The higher the level of employee competence, the higher the level of commitment to the organization. In addition, several factors such as empowerment and job satisfaction can also mediate the relationship between competence and organizational commitment.

The simultaneous influence of organizational culture and competence on organizational commitment has been found in several studies. Kusdi, Hapsari, and Hidayah (2021) found that both organizational culture and competence have a significant influence on organizational commitment. Djati and Sari (2020) discovered that organizational culture and competence have a positive simultaneous effect on employee commitment to the organization. Jia and Lu (2021) also found that organizational culture and competence simultaneously have a positive effect on employee commitment to the organization. Similarly, Junaidi and Akhtar (2021) found that organizational culture and competence simultaneously have a positive effect on employee commitment to the organization. Therefore, organizations need to pay attention to and improve both organizational culture and employee competence to enhance their commitment to the organization. In the context of intense business competition, increasing employee commitment can become a competitive advantage for organizations in the long run.
METHOD

The methodology used in this study is a quantitative research method using a survey through a questionnaire. A quantitative research method is used because this study aims to obtain numerical data and information that can be processed using statistical analysis methods. The population in this study is all 180 employees of BUMD Binjai. A sample of 124 respondents was taken using the Slovin formula and a 5% margin of error. The sampling technique used is simple random sampling, which is a method of taking samples randomly without considering the specific characteristics of each population.

The research instrument used is a questionnaire. The questionnaire was developed based on the results of previous research and literature relevant to the variables under study, namely organizational culture, competence, and organizational commitment. The validity and reliability of the questionnaire were tested using validity and reliability tests by collecting data through questionnaires distributed to the selected respondents as samples. The questionnaire was distributed online and offline to the scheduled respondents. Data was collected over a period of time, and then data processing was carried out using statistical software.

Data analysis was performed using statistical analysis techniques, namely path analysis, which is a multivariate statistical technique used to evaluate the cause-effect relationships between variables in a model. In the context of this study, path analysis can be used to test the influence of organizational culture and competence on organizational commitment simultaneously, as well as to see whether there is a direct or indirect influence through a mediator variable.

RESULTS

Quantitative data analysis was conducted using a questionnaire distributed randomly to 124 respondents. The number of indicators used for organizational culture, competence, and organizational commitment variables are 16, 16, and 18, respectively.

In this study, validity test was used to determine the extent to which the variables of organizational culture, competency, and organizational commitment can be measured using the questionnaire distributed to the respondents. The validity test results showed that all indicators of organizational culture, competency, and organizational commitment are valid as the t-value is greater than 0.300.

Based on the results of reliability test for organizational culture, competency, and organizational commitment, all variables are considered reliable as the Cronbach's alpha value is greater than 0.700.

<table>
<thead>
<tr>
<th>No</th>
<th>Variable</th>
<th>Cronbach's alpha</th>
<th>t table</th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Organizational Culture ($X_1$)</td>
<td>0.930</td>
<td>0.700</td>
<td>Reliabel</td>
</tr>
<tr>
<td>2</td>
<td>Competence ($X_2$)</td>
<td>0.920</td>
<td>0.700</td>
<td>Reliabel</td>
</tr>
<tr>
<td>3</td>
<td>Organizational Commitment ($Y$)</td>
<td>0.959</td>
<td>0.700</td>
<td>Reliabel</td>
</tr>
</tbody>
</table>

Source: Results processed by researchers in 2022

Based on research conducted by Kim and Park (2017), Denison and Spreitzer (2017), and Yilmaz and Ergun (2021), organizational culture can be formed by five dimensions including task orientation, people orientation, innovation, risk orientation, and outcome orientation. Descriptive research findings also indicate that the organizational culture formed in the studied company tends to have a high tendency towards task orientation and outcome orientation, a moderate tendency towards people orientation and innovation, and a low tendency towards risk orientation. The descriptive analysis results are as follows:

<table>
<thead>
<tr>
<th>NO</th>
<th>Dimension</th>
<th>Number of Indicators</th>
<th>Average</th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Task Orientation</td>
<td>3</td>
<td>3.80</td>
<td>Strong</td>
</tr>
<tr>
<td>2</td>
<td>Orientation to humans</td>
<td>3</td>
<td>3.43</td>
<td>Strong</td>
</tr>
<tr>
<td>3</td>
<td>Innovation</td>
<td>3</td>
<td>3.39</td>
<td>Strong Enough</td>
</tr>
<tr>
<td>4</td>
<td>Risk Orientation</td>
<td>3</td>
<td>3.37</td>
<td>Strong Enough</td>
</tr>
<tr>
<td>5</td>
<td>Result Orientation</td>
<td>4</td>
<td>3.47</td>
<td>Strong</td>
</tr>
</tbody>
</table>

Total 16 3.49 Strong
Competence dimensions encompass the aspects of knowledge, skills, abilities, and attitudes. These dimensions are concepts used in the context of human resource development and career advancement. They are important for individuals to achieve effective job performance. Descriptive research findings indicate that the competencies formed in the studied company tend to have a high tendency in the attitude and ability dimensions, a moderate tendency in the knowledge dimension, and a low tendency in the skill dimension. The descriptive analysis results are as follows:

<table>
<thead>
<tr>
<th>No</th>
<th>Dimension</th>
<th>Number of Indicators</th>
<th>Average</th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Knowledge</td>
<td>4</td>
<td>3.35</td>
<td>Good Enough</td>
</tr>
<tr>
<td>2</td>
<td>Skills</td>
<td>4</td>
<td>3.39</td>
<td>Good Enough</td>
</tr>
<tr>
<td>3</td>
<td>Ability</td>
<td>4</td>
<td>3.47</td>
<td>Good</td>
</tr>
<tr>
<td>4</td>
<td>Attitude</td>
<td>4</td>
<td>3.58</td>
<td>Good</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>16</td>
<td>3.45</td>
<td>Good</td>
</tr>
</tbody>
</table>

Source: Results processed by researchers in 2022

Organizational commitment dimensions include affective commitment, normative commitment, and continuance commitment. According to Allen and Meyer (2021) and Meyer et al. (2021), descriptive analysis results indicate that affective commitment is the most important dimension of the three organizational commitment dimensions because it has a positive relationship with job satisfaction, job performance, and intention to stay in the organization. However, normative and continuance commitment also influence job satisfaction and intention to stay in the organization, although to a lesser extent than affective commitment. The descriptive analysis results are as follows:

<table>
<thead>
<tr>
<th>No</th>
<th>Dimension</th>
<th>Number of Indicators</th>
<th>Average</th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Effective Commitment</td>
<td>6</td>
<td>3.58</td>
<td>Good</td>
</tr>
<tr>
<td>2</td>
<td>Continuance Commitment</td>
<td>5</td>
<td>3.39</td>
<td>Good Enough</td>
</tr>
<tr>
<td>3</td>
<td>Normative Commitment</td>
<td>7</td>
<td>3.42</td>
<td>Good</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>18</td>
<td>3.46</td>
<td>Good</td>
</tr>
</tbody>
</table>

Source: Results processed by researchers in 2022

The result of the correlation coefficient calculation between organizational culture and competency is 0.667 with a significant level, indicating a strong and positive relationship with a "strong" level of closeness criteria. The Influence of Organizational Culture and Competency on Organizational Commitment. Based on the calculation results, the path coefficient of the Organizational Culture variable ($X_1$) is 0.527 and the path coefficient of the Competency variable ($X_2$) is 0.330, as shown in Figure 1 below.

![Figure 1](image-url)
Table 6. Direct and Indirect Effects of Organizational Culture and Competency on Organizational Commitment

<table>
<thead>
<tr>
<th>Variable</th>
<th>Direct Effect</th>
<th>Indirect Effect</th>
<th>Total Effects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Culture</td>
<td>27.77%</td>
<td>11.60%</td>
<td>39.37%</td>
</tr>
<tr>
<td>Competence</td>
<td>10.89%</td>
<td>11.60%</td>
<td>22.49%</td>
</tr>
<tr>
<td>Total</td>
<td>38.66%</td>
<td>11.60%</td>
<td>61.86%</td>
</tr>
</tbody>
</table>

Source: Results processed by researchers in 2022

Table 7. Partial Test

<table>
<thead>
<tr>
<th>Structural Path Coefficient</th>
<th>t-value</th>
<th>t-table</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>$\rho_{yX_3}$</td>
<td>0.527</td>
<td>6,993</td>
<td>1.65</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Reject H0, there is a significant influence of organizational culture on organizational commitment.</td>
</tr>
<tr>
<td>$\rho_{yX_3}$</td>
<td>0.330</td>
<td>4,384</td>
<td>1.65</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Reject H0, there is a significant influence of competency on organizational commitment.</td>
</tr>
</tbody>
</table>

Source: Results processed by researchers in 2022

Table 8. Simultaneous Test

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Square</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regression</td>
<td>2065,945</td>
<td>2</td>
<td>1032,973</td>
<td>98,303</td>
<td>.000p</td>
</tr>
<tr>
<td>Residual</td>
<td>1271,474</td>
<td>121</td>
<td>10,208</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>3337,419</td>
<td>123</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Source: Results processed by researchers in 2022

DISCUSSION

The average value of the organizational culture variable is 3.49 with a standard deviation of 0.727. The answer categories range from 2.76-4.22 with criteria ranging from moderately strong to very strong. The largest dimension is task orientation and the smallest dimension is risk orientation. Based on the information obtained in the field, the research results differ from theory. However, this difference can be explained by several factors that influence the research results, including the research sample: the research conducted may use a different sample from the one used theoretically. This affects the research results and explains the difference from theory, organizational context, research methodology, and variable measurement. This affects the mean and standard deviation generated.

The competence variable has an average of 3.45, a standard deviation of 0.908, and answer categories ranging from 2.54-4.36 on a scale of "fairly good" to "very good." However, there is a difference between the findings and the theory that states that attitude dimensions are more important than skill dimensions in the competence variable. Several factors can explain this difference, including interpretation of results: interpretation of study results can vary from one researcher to another. Therefore, more in-depth analysis is needed to understand the measurement of the relationship between the variables studied: the measurement used in the study may be different from theory. Research may use inappropriate measurements to obtain accurate results. Research sample and background.

The average value of the organizational commitment variable is 3.46, and the standard deviation is 0.810. The answer categories range from 2.65-4.27, with criteria ranging from fairly good to very good. The largest dimension is affective commitment and the smallest dimension is continuous commitment. This shows that the findings are consistent with the theory that the most important of affective commitment is related to employee emotions, engagement, individual characteristics, and work experience, serving as a benchmark for company success. However, it should be understood that continuous commitment also plays an important role in the success of a company by motivating employees to stay with the company even when conditions are not ideal. Several things need to be considered when correcting this mismatch, including the measurement methods used in the study, the research setting, and the sample used.

Strong organizational culture can have a positive and significant influence on organizational commitment. The five dimensions of organizational culture described are also very important in shaping a good organizational culture, including task orientation, human orientation, innovation orientation, risk orientation, and results orientation. The research results show that the task orientation dimension is the largest dimension in forming organizational culture, and the lowest dimension is the risk dimension, so it can provide input for companies to strengthen successful dimensions and improve dimensions that need to be improved. Increasing risk orientation
Employee competence can have a positive and significant influence on organizational commitment. The four dimensions of employee competence described, namely knowledge, skills, abilities, and attitude, are key factors in building good employee competence. The research results show that the attitude dimension is the largest dimension in building employee competence, while the skills dimension is the lowest. This indicates the importance of positive and constructive attitudes in improving employee competence, but also highlights the need for companies to pay more attention to developing employee skills. In developing employee competence, companies can maintain a good attitude dimension by giving recognition and rewards for achievements, as well as providing support and motivation in a positive work environment. Meanwhile, to improve the lowest skills dimension, companies can provide training and development relevant to employees' work, as well as opportunities to apply the skills they have learned in their daily work. This research, in line with Yulianto and Azzahro (2021), Singh and Rastogi (2021), Oyewunmi, A. E., & Adeniji, A. A. (2021), Huang, C. Y., & Lee, Y. C. (2021), and Nandeshwar, A. (2021), can provide broader information about the importance of employee competence in improving organizational commitment, as well as providing input for companies to develop better employee competence and improve overall company performance.

The research results show the importance of developing organizational culture and employee competence in improving organizational commitment and overall company performance. Organizational culture and competence variables together have a positive and significant influence on organizational commitment, with an R2 (R Square) value of 0.619 or 61.9% and a value outside the model of 0.301 or 30.1%. This indicates that a strong organizational culture and high employee competence have an influence on organizational commitment and will impact company performance. Companies need to pay attention to the development of organizational culture and employee competence through appropriate training and development programs, as well as creating a conducive work environment to achieve common goals. This will help improve employee commitment to the organization and overall company performance. These research findings are in line with previous research by Kusdi, Hapsari, and Hidayah (2021), Djati and Sari (2020), Jia and Lu (2021), and Junaidi and Akhtar (2021), which show that organizational culture and employee competence have a positive and significant influence on organizational commitment and company performance. This indicates the importance of the role of organizational culture and employee competence in achieving organizational goals and providing better added value for the company. Therefore, companies need to pay attention to the development of organizational culture and employee competence as a long-term investment in the success of the company.

**CONCLUSION**

A strong organizational culture can have a positive and significant impact on organizational commitment. The five dimensions of organizational culture, task-oriented, people-oriented, innovation-oriented, risk-oriented, and outcome-oriented, are crucial in shaping a good organizational culture. In this context, task orientation is considered the largest dimension in the formation of organizational culture, while the risk dimension is considered the lowest. Therefore, companies can strengthen dimensions that have proven to be successful and improve dimensions that need to be improved, such as reducing risk by providing risk orientation to employees and relevant training.

Employee competencies in increasing organizational commitment, where attitude becomes the largest dimension in forming employee competencies. However, there is a need for companies to pay more attention to developing employee skills, which are the lowest dimension in forming employee competencies. Therefore, companies can maintain good attitude dimensions by giving awards and recognition for achievements that have been achieved by employees, as well as providing support and motivation in a positive work environment. Additionally, companies can provide relevant training and skill development in employees' work and provide opportunities to apply learned skills in day-to-day work.

Organizational culture and employee competencies have a positive and significant impact on organizational commitment and overall company performance. Therefore, businesses need to value and develop a strong organizational culture to improve their employees' abilities through appropriate training and development programs. Additionally, companies need to create a conducive work environment for achieving common goals, thereby increasing employee commitment to organizational performance and the overall company. Long-term investments in organizational culture and employee competency development will provide better added value to the company.
REFERENCES


