

# The effect of high organizational commitment on increasing employee performance

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## Abstract

This study aimed to examine the influence of organizational commitment on enhancing employee performance at PT. XXX. The population and sample comprised 52 employees of the company. Since the sample size matched the total population, a census (or saturated) sampling method was employed, in which all population members become part of the sample. This research is categorized as causal associative, seeking to identify the relationship between variables. The data processing and analysis involved descriptive statistics, research instrument testing (validity, reliability, and classical assumption tests), multiple regression analysis, and hypothesis testing (t-tests and F-tests), all conducted using SPSS version 23.0. The findings indicate that organizational commitment significantly affects employee performance at PT. XXX. In other words, the more committed individuals are to the organization, the greater their contributions toward boosting overall performance.

**Keywords:** *performance, employee performance, organizational commitment*

## Introduction

One could argue that having human resources—particularly workers who can perform well at their jobs—is one of the most crucial elements for any business or company, whether they are public or commercial organisations. This is because the presence of human resources is viewed as a critical component in the development of organisations (Tarlis et al., 2017). Therefore, human resources owned by an organization or company need to be managed properly and professionally in order to be able to produce the best possible performance in order to achieve organizational goals effectively and efficiently.

PT XXX is a company engaged in the property sector which was established in 2012. Until now, the company has become a real estate pioneer in the East Bandung area by building the Duta Family Estate mega project, as well as running several other business wheels, such as a water supply business. clean raw materials through pipelines which become raw materials to support industrial production in the East Bandung and West Sumedang areas. Naturally, this corporation requires highly productive people resources to sustain the continuity of its operations, as seen by their consistently improving work output.

The data in Table 1 suggests that the actual performance of personnel in this organization indicates subpar results, potentially reflecting a downward trend. This is evidenced by work indicators showing that the percentage of realized performance achievements consistently falls short of predetermined targets. Contributing factors include low employee commitment, demonstrated by a lack of trust and acceptance of organizational values, insufficient motivation to work towards company goals, declining productivity, and an overall reduced ability to perform assigned duties. These issues collectively affect the company's overall performance.

**Table 1. Target and Realization of Employee Performance at PT. XXX Year 2014 - 2018**

Performance Indicators	Target (%)	Realization (%)				
		2014	2015	2016	2017	2018
Strong belief in and acceptance of the goals and values of the organization	95	80	78	79	77	77
Ability to strive for the realization of organizational interests	80	75	77	75	70	70
Have a very strong will to maintain organizational membership	90	79	79	77	80	75
Improving the ability of employees in carrying out their duties	95	80	80	78	75	70
Increased employee work productivity	95	85	79	80	80	78
Increasing the capacity or ability of employees with the demands of work that must be faced	90	85	80	80	75	77
Employees can report the perceived workload in a task	95	77	79	85	80	80

According to Mangkunegara (2017), employee performance refers to the quality and quantity of work an individual achieves while fulfilling assigned duties and responsibilities. Performance measurement is often based on several dimensions, including: Work Quality – how effectively an employee completes assigned tasks; Work Quantity – the output produced within a specific timeframe; Task Implementation – the accuracy and precision with which employees perform tasks; Work Responsibility – understanding and fulfilling assigned duties with diligence.

Organizational commitment, as outlined by Luthans (2012), is an ongoing process that reflects an individual's dedication to the organization's success and long-term development. It signifies the loyalty employees have toward their organization. According to Allen and Meyer (1997), organizational commitment comprises three dimensions: Affective Commitment, which involves emotional attachment, identification, and engagement with the organization; Continuance Commitment, which reflects an awareness of the costs associated with leaving; and Normative Commitment, which represents a sense of moral obligation to stay.

Organizations need highly committed and loyal employees to succeed in competitive environments. Research consistently highlights a strong link between organizational commitment and employee performance. For instance, Rahmawati et al. (2019) demonstrated that employees with high organizational commitment are more motivated to perform at their best, while Frimayasa et al. (2020) observed that such employees frequently exceed expectations, fostering a culture of excellence and inspiring others to pursue organizational objectives. However, some studies have reported contrasting findings. For example, Marsoit et al. (2017), Huey Yiing and Zaman Bin Ahmad (2009), Goetz and Wald (2022), and Mekta (2017) suggested that organizational commitment can negatively impact performance. This indicates that a strong commitment to the organization does not always translate into optimal employee performance. Despite these divergent views, the majority of studies have established

a positive correlation between organizational commitment and employee performance (Abdul Rashid et al., 2003; Rotenberry & Moberg, 2007; Fu & Deshpande, 2014; Nadapdap, 2017; Pane & Fatmawati, 2017; Fitri & Endratno, 2021; Turek, Klein, & Wojtczuk-Turek, 2023; Jaramillo, Mulki, & Marshall, 2005; Thao et al., 2024; Yousef, 2000; Hosen et al., 2024; Rubel, Kee, & Rimi, 2021; Swalhi, Zgoulli, & Hofaidhllaoui, 2017; Hendri, 2019; Mihardjo et al., 2020).

## **Research Method**

This study falls under the category of associative causal research, which seeks to identify how one variable influences or is influenced by another (Umar, 2015). Based on the type of data utilized, it is classified as quantitative research, which involves numerical or graphical data and uses surveys as the primary method of data collection. The objective of this study is to determine whether high organizational commitment can significantly enhance employee performance at PT. XXX.

The primary variables in this study are organizational commitment (X), the independent variable, and employee performance (Y), the dependent variable. The measurement of organizational commitment is based on the framework proposed by Allen and Meyer (1997) and comprises 11 questions across three dimensions: Affective Commitment (3 questions): Indicators include the desire to have a career within the organization, pride in the organization, and dedication to its goals; Continuance Commitment (5 questions): Indicators include attachment to the organization, willingness to stay in the current job, readiness to sacrifice personal interests, strong ties to work, and discomfort leaving the job; Normative Commitment (3 questions): Indicators include loyalty to the organization, happiness at work, and pride in being part of the organization. Employee performance is measured using the framework of Mangkunegara (2017) and consists of 13 questions divided into four dimensions: Work Quality (3 questions): Indicators include neatness and accuracy, understanding of assigned tasks, and adherence to company standards; Work Quantity (3 questions): Indicators include speed and accuracy in work, achieving predetermined targets, and working effectively and efficiently. Task Execution (4 questions): Indicators include providing excellent service, teamwork, completing tasks ahead of schedule, and avoiding delays; Work Responsibility (3 questions): Indicators include commitment to work, a sense of responsibility, and professionalism.

The study's population is the total group of individuals or objects possessing specific characteristics selected for analysis (Sugiyono, 2017). A sample, on the other hand, is a subset of the population (Sugiyono, 2015). The population and sample for this study consist of 52 employees from PT. XXX. Given the small population size (fewer than 100 individuals), the study employs the census method or saturated sampling, where all members of the population are included in the sample.

Primary data, collected directly from original sources through questionnaires and observations, serves as the primary data source. Data collection methods include: Literature Review: Gathering relevant theoretical insights by studying and reviewing existing literature related to the research topic. Field Studies: Conducting direct visits to PT. XXX to collect data through: Questionnaires: Distributed to all employees, containing structured questions regarding the studied variables. Interviews: Conducted with managers and employees to gain deeper insights and identify potential solutions to the research problem.

Data analysis involves several steps: 1. Descriptive Statistics: Summarizing the data to provide an overview of the study's findings; 2. Multiple Regression Analysis: Determining relationships between the independent and dependent variables; 3. Instrument Testing: Ensuring the validity, reliability, and adherence to classical assumptions of the research

instruments; 4. Hypothesis Testing: Using t-tests and F-tests to evaluate the significance of the relationships, processed with SPSS version 23.0 software. An illustration of the thinking framework notion from this study is shown below:



**Figure 1. Research Model**

## Result and Discussions

The coefficient of determination test ( $R^2$ ) evaluates how well changes in the independent variable can be explained by the model, with values ranging from 0 to 1 (Ghozali, 2017). A lower  $R^2$  value indicates that the independent variables provide minimal explanation for the variance in the dependent variable. In contrast, a value closer to 1 suggests that the independent variables account for nearly all the information needed to predict variations in the dependent variable. In this study, the adjusted coefficient of determination (adjusted  $R^2$ ) for the variable being analyzed is 0.400. This indicates that a 40% increase in employee performance may be attributed to an individual's high level of loyalty to the organization, which may be one of the causative factors. It is stated that if a person has a high level of loyalty to the job or organization where he works, then that person tends to have much better work performance compared to other co-workers because that person will try to complete his work as well as possible by not wanting to disappoint the organization. or his company. This demonstrates the relationship between the variables this study looked at, where the level of one's commitment to work can be one of the factors that influence the achievement of that person's performance.

To ascertain whether or not there is a significant relationship between organizational commitment variables (X) and employee performance variables (Y), a simple linear regression analysis method was employed for data analysis. Meanwhile, the SPSS version 23.0 software was used to do statistical calculations. A simple linear regression equation model based on the data in Table 2. The main hypothesis of this study is that employee performance is significantly impacted by organisational commitment. The next step is to test the hypothesis to see if it is true. This is done to find out whether the research hypothesis should be accepted or rejected. The F test statistical formula is used to calculate the hypothesis and is helpful in determining the significance between the two variables that are being studied in this study.

**Table 2. Effects of Organizational Commitment on Increasing Employee Performance**

		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	Model	B	Std. Error	Beta		
1	(Constant)	9.205	4.407		2.089	.042
	Commitment	.640	.111	.632	5.711	.000

a. Dependent Variable: Performance

Table 3 data indicates that the  $p$  value is less than the  $\alpha$  level used, which is 0.05, or 0.000 < 0.05. Therefore,  $H_0$  is rejected, indicating that organizational commitment may be one of the factors that significantly influence the increase in employee performance.

**Table 3. Hypothesis Testing**

		ANOVA <sup>b</sup>				
	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1959.477	1	1959.477	33.304	.000 <sup>a</sup>
	Residual	2941.830	50	58.837		
	Total	4901.308	51			

Predictors: (Constant), Commitment; Dependent Variable: Performance

The findings of this study highlight that organizational commitment plays a critical role in determining the quality and caliber of work produced by employees. Employees who demonstrate strong loyalty and a desire to remain in their organization tend to achieve higher levels of performance. Improved employee performance reflects a sense of loyalty and a serious willingness to work optimally, aligning with organizational goals.

As noted by Fink in Kaswan (2012), organizational commitment is characterized by several traits:

1. Striving for the organization's success.
2. Actively seeking information about the organization.
3. Balancing organizational goals with personal objectives.
4. Maximizing contributions as part of the organization.
5. Maintaining good relationships between organizational units.
6. Responding positively to constructive criticism.
7. Prioritizing organizational goals over departmental interests.
8. Avoiding perceptions of external organizations as more attractive.
9. Having confidence in the organization's potential for growth.
10. Maintaining a positive view of the organization's leadership.

Similarly, Hunt and Morgan in Sopiah (2008) describe highly committed employees as those who a) Believe in and respect the organization's objectives and values, b) Actively work towards achieving organizational goals, and c) Possess a strong desire to remain part of the organization. The study's findings align with previous research emphasizing the significant impact of organizational commitment on employee performance. Rahmawati and Juwita (2019) found that strong organizational commitment enhances performance at PT. BPRS Lantabur. Their research suggests that greater employee involvement leads to higher motivation and contributions to the organization.

Latief, Syardiansah, and Safwan (2019) similarly concluded that organizational commitment positively influences employee performance at Langsa City Health BPJS. They identified three key indicators of commitment:

1. Strong dedication to the organization and its values.
2. Maintaining healthy relationships within the organization.
3. Willingness to make sacrifices for organizational success.

Committed employees tend to handle heavier workloads effectively and perform better than those with lower commitment levels. Loan (2020) supports this, highlighting that such employees consistently seek ways to complete their tasks efficiently. Astuti (2022) also found a significant relationship between commitment and performance, stating that highly committed employees prioritize organizational interests over personal ones and strive to

improve their organization. In conclusion, these findings underscore the importance of fostering organizational commitment to enhance employee performance and achieve long-term organizational goals.

## Conclusion

Based on the previously mentioned discussion and research results, it can be concluded that organisational commitment significantly affects the increase in work results that people demonstrate at work. In this way, it can be said that as employees become higher or stronger and remain in their organization, the performance shown by these employees can become increasingly better. This demonstrates that workers who are highly loyal to their company typically produce better work than their peers and make an effort to meet the goals the company has set for itself. On the other hand, if someone has a low level of work commitment, then the work performance shown by that person tends to be less good than that of other colleagues, and it is not impossible that the person will even want to leave his job and prefer to look for another job outside its current organization.

It should be acknowledged that there are still certain issues with this research that need to be fixed for it to improve even more in the future. As a result, it is advised that this research include more variables in the future since they may, if they are suspected, be among the factors influencing employees' performance at work. The several variables in question are leadership, work climate, work culture or organization, work environment, work motivation, discipline, and other elements.

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