IMPROVING ORGANIZATIONAL PERFORMANCE WITH ORGANIZATIONAL CULTURE AND TRANSFORMATIONAL LEADERSHIP THROUGH INTERVENING ORGANIZATIONAL COMMITMENT VARIABLES

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Abstract: This study aims to examine and analyze the influence of organizational culture and transformational leadership on organizational performance through organizational commitment. This study uses a descriptive quantitative method with a causal approach. The object of this research is the regeneration of the Indonesian Democratic Party of Banten Province using a sample of 158 respondents. Questionnaire answers were measured using an interval scale of 1-10. Data were analyzed using the SmartPLS version 3.29 software. The results of this study stated that: 1). Organizational culture has a positive and significant effect on organizational performance. 2). Transformational leadership has a positive and significant effect on organizational performance. 3). Organizational culture has a positive and significant effect on organizational commitment. 4). Transformational leadership has a positive and significant effect on organizational commitment. 5). Organizational commitment has a positive and significant effect on organizational performance. Organizational commitment can mediate between organizational culture and transformational leadership in partial mediation.

Keywords: Organizational Culture, Transformational Leadership, Organizational Commitment, Organizational Performance.

INTRODUCTION

Membership in an organization is a very important matter in an organization and institutional formation, because the success and effectiveness in a political party or organization is highly dependent on the quality of membership it has in the system. Individuals are often the determinants of presence in the organization where they take refuge, so organizations should no longer see membership as a problem, but as a very significant institutional asset (Ahmad 2020;
In the context of organizational change, the behavior of their members plays an important role in managing organizational change effectively. Because of the uncertainty and complexity associated with organizational change, a member who is afraid of uncertainty shows the attitude to be involved in the organizational change process (Gilley et al., 2009; Parish et al., 2008; Brown & Cregan, 2008; Islam et al., 2021).

Organizational effectiveness depends on several factors, one of which is the human aspect. The success and setbacks of an organization cannot be separated from the human aspect so that it becomes the main concern of the management control system. The use of the term organizational culture refers to the prevailing culture within the organization because in general the institution is a form of organization, namely cooperation between several people who form separate groups or work units. Organizational culture is often defined as the values, symbols that are understood and shared by an organization so that its members feel one family and create conditions that are different from other organizations (Emita & Sugeng, 2021).

There are several ways to improve organizational performance, including diagnostics that can be done informally by everyone with an interest in increasing their ability to evaluate and improve performance, observing performance, listening to others comment on why something happened. Performance is basically to ensure objectivity based on their achievement system and career system. the assessment is carried out based on performance planning at the regeneration level and at the unit or organizational level, taking into account the targets, achievements, results and benefits achieved, as well as individual behaviors (Haerofiatna et al., 2021). Organizational performance is basically an effort made by them at work that can have a good or bad effect on the achievement of organizational goals and objectives (Ivancevich & Konopaske 2013: 265; (Linggiallo et al., 2021).

One of the factors that can improve organizational performance is by implementing a good organizational culture that can serve the community. Organizational culture can basically influence their individual attitudes and behavior and it can cause individuals to understand the basic values of the organization and be more involved in it. Previous research has attempted to find the aspects needed to improve innovation and organizational performance (Koc & Ceylan, 2007; Zeb et al., 2021).

Given the rapid development of organizations in today's politics, the increasing complexity of the political environment in all its aspects, the need for change at all levels of work, and the increasing effectiveness of the relationship between leaders and subordinates, it is necessary to think about creating a more appropriate leadership style, because transformational leadership is the most important of these patterns, which is one of the modern concepts in management thinking. Today's institutions need leaders who are able to form a clear vision of the future for the institution, strategic planning in developing and managing change, and avoiding crises, to keep up with modern developments and trends in information and communication technology (Guan & Frenkel, 2018; Alhashedi et al., 2021). Especially the transformational leadership approach is considered the most suitable style for maintaining member attitudes in the context of
effective organizational change (Sharma & Krishnan, 2012; Islam et al., 2020). Leaders who apply this type of transformational leadership will tend to trigger them to produce work that exceeds what is expected, namely by changing the vision, being an example, providing support, and stimulating the desire for change for the better. Followers have trust, admiration, loyalty, and respect for their leader, so they will easily do more work than expected. Leaders change and motivate followers using their charisma and intellect (Shofiyuddin et al., 2021).

One way that can improve individual performance is with individuals who have high organizational commitment. Attachment members who have high organizational commitment feel attached and identify with their organization therefore, are willing to exert effort on behalf of the organization (Jaramillo et al., 2005; Mathieu & Zajac, 1990; Wright & Bonett, 2002; Sungu et al., 2019). Those who have high organizational commitment will be more motivated to follow the organization and strive to achieve organizational goals (Mowday et al., 1979; Heriyanto, 2021).

The writer's assumption is that the low organizational performance is caused by the leadership style. The low intensity of the leader towards motivation and lack of attention to the wishes of cadres who support them in carrying out community approach activities, the low sense of responsibility of cadres in completing the obligations carried out, then the cadres do not uphold the values of organizational culture, the low commitment of a cadre in this case, the vision and mission of the organization of the Indonesian Democratic Party of Struggle of Banten Province cannot be achieved.

LITERATURE REVIEW
Organizational Performance

Organizational performance is the achievement of a goal depending on the organization's performance, namely the ability of an organization to implement strategically and effectively manage the goals of an organization (Randeree & Al-Youha 2009; Salim & Rajput, 2021). Organizational performance is the actual result or output of an organization as measured against the organization's intended output (Tomal & Jones, 2015; Sun & Henderson, 2017). Organizational performance is the ability to achieve organizational tasks by using resources effectively and efficiently (Wanasida et al., 2021; Uljanati et al., 2021). Organizational performance is part of the organization's strategy that serves as a guide to determine how the organization will develop over time in an effort to achieve the goals that have been set and measured (Irwanati & Prasetyo, 2020; Adhi & Aima, 2021). Organizational performance can be defined as the ability to exploit the organization's environment in the acquisition of scarce and valuable resources to maintain its function (Seashore & Yuchtman 1967: 393; Alrowwad et al., 2020). Organizational performance considered as a description of the success or failure of the organization during the implementation of the main tasks and functions, in order to realize the goals, objectives, vision and mission. It is also associated as achievement within a certain period (Effiyanti et al., 2021).
Organizational Culture

Organizational culture is a basic organizational philosophy that contains shared beliefs, norms, and values that are the core characteristics of how to do things in organizations. These beliefs, norms, and values become the grip of all human resources in the organization in carrying out their performance (Dewi & Sukarno, 2021). Organizational culture is the values, assumptions, assumptions, attitudes, and behavioral norms that have been institutionalized and then manifest in appearance, attitudes, and actions, so that they become the identity of a particular organization (Imran et al., 2021). Organizational culture are the standards and values that guide the behavior of organizational members. Because, of course, every member of the organization has his own personality that sets him apart. The factor that differentiates an organization from other organizations is culture. These things are important and therefore must be understood and recognized. However, universal things must be applied by management with an approach that takes into account the situational factors, depending on conditions, time and space (Sapta et al., 2021).

Transformational Leadership

Transformational leadership provide the basis for long-term team changes which, in turn, will provide a meaningful basis for achieving the larger goals of the group system (Jain et al., 2019). Transformational leadership Focused on helping followers achieve greater abilities by being excellent role models (perfect impact), communicating dreams and goals, inspirational encouragement, increasing intellect and rationality, intellectual excitement and sharing individual care, personal estimation (Bass, 1990, Bass & Avolio 1993; Kim & Park, 2019). According (Avolio et al., 2004; Sule & Priansah, 2018: 76) Describes, transformational leadership is observed when leaders encourage followers to improve their morals, provide enthusiasm, belief, assumptions and together for group goals. Leadership transformational strengthens followers' persistence and action and inspires subordinates in their own needs at a level with industry development (Burns, 1978; Titisari, 2019: 59). With transformational leadership influencing followers to finally feel confidence, incongruity, obedience and respect for superiors and they are motivated to do more than previously expected of them (Yukl, 2017: 316).

Organizational Commitment

Commitment is a central value in realizing organizational solidity (Ricardianto, 2018: 175). Organizational commitment can be interpreted as part of the personal bond of employees looking at themselves in their profession, their work in special agencies/institutions, of course (Jewell & Siegall 1998; Sutrisno, 2015: 292). Organizational commitment very meaningful because the institution wants employees who have a great organizational commitment so that the institution can continue to survive and improve the services and products it produces (Kanwal & Shar, 2021). Organizational commitment can mean employee loyalty to the institution as well as the process in achieving goals in a sustainable way (Kurniasari et al., 2018). According (Ivancevich et al., 2008: 184; Wibowo, 2016: 429) expressed his opinion that organizational
commitment is a feeling of recognition, involvement and loyalty of employees claimed by workers to agencies/institutions. Organizational commitment is a strong will to remain as a member of a special institution, a willingness to work hard according to the wishes of the institution, special trust and recognition of the goals and objectives of the institution (Luthan, 2006: 249). Organizational commitment is very meaningful, good goals, the right strategy, and the encouragement of areas that support it will all be in vain if employee commitment to improving the organization is not present (Sinambela, 2019: 81).

Research Model Framework

Based on the literature review and previous research as well as the relationship between the variables, the framework of thought is a description of the presence or absence of a direct influence from one variable to another and the relationship between each variable. Based on the literature review and previous research as well as the relationship between variables, the framework for improving organizational performance is, among others, the variables of organizational culture, transformational leadership, organizational commitment on organizational commitment as an intervening variable, can be seen in Figure 2.5 as follows:

![Research Model Framework](https://dinastipub.org/DIJDBM)

Hypothesis

H₁: organizational culture has a positive and significant effect on organizational performance.
H₂: transformational leadership has a positive and significant effect on organizational performance.
H₃: organizational culture has a positive and significant effect on organizational commitment.
H₄: organizational culture has a positive and significant effect on organizational commitment.
H₅: Organizational commitment has a positive and significant effect on organizational performance.

**RESEARCH METHODS**

This study uses a descriptive quantitative method with a causal approach (cause and effect), namely information that presents in the form of values or numbers, which is used to explain various reflections and incidents in connection with the application of impacts, relationships, influences and effects between independent variables on the dependent variable (Ferdinand. A, 2014). This study uses a descriptive approach. Descriptive analysis is an analysis that describes the collection, processing, and presentation and understanding of information in a quantitative or percentage way that can be presented in the form of charts or diagrams (Sugiono, 2019). The population in this study were cadres of the Indonesian Democratic Party of Struggle at the Regional Leadership Council in Banten Province, amounting to 158 respondents. Then the sample in this study was the cadres of the Indonesian Democratic Party of Struggle at the Regional Leadership Council in Banten Province, a population of 158 respondents was drawn as a sample. The sampling technique used in this study is total/saturated sampling. The author uses primary data and secondary data. Primary data is data obtained directly from the source, namely the cadres of the Indonesian Democratic Party of Struggle at the Regional Leadership Council in Banten Province by filling out a questionnaire with an interval scale of 1 strongly disagree - 10 strongly agree using the Agre Disagree scale technique. Secondary data is data obtained from the Regional Leadership Council of the Indonesian Democratic Party of Struggle, Banten Province. The author uses data analysis with SmartPLS. PLS is a procedure for replacing analysis with Structural Equation Modeling (SEM) with a variance platform (Ghozali. I & Latan. H, 2015).

**FINDINGS AND DISCUSSION**

**Evaluation of the Measurement Model (Outer Model)**

Steps to test the form of measurement in the model include testing Convergent Validity, Discriminant Validity and Composite Reliability. Convergent Validity testing is tried by looking at the loading factor number of each indicator marker to the construct. For confirmatory research, the loading factor limit used is 0.70, on the other hand, for exploratory research, the loading factor limit used is 0.60. Therefore, this research is confirmatory research, so that the loading factor limit used to test the convergence validity of each indicator marker is 0.70. The results of the PLS construct model can be seen in the following picture:
Not only by looking at the loading factor number for each indicator, the convergent validity test is also done by looking at the AVE number for each construct, stating that it has met the required convergent validity if each construct already has an AVE number > 0.5.

Table 1. Value of Construct Reliability, Validity and AVE

<table>
<thead>
<tr>
<th>Variable</th>
<th>Construct Reliability and Validity</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Crownback’s Alpha</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Organizational Commitment</td>
<td>0.895</td>
<td>0.922</td>
<td>0.704</td>
<td></td>
</tr>
<tr>
<td>Organizational Culture</td>
<td>0.864</td>
<td>0.902</td>
<td>0.647</td>
<td></td>
</tr>
<tr>
<td>Organizational performance</td>
<td>0.942</td>
<td>0.956</td>
<td>0.814</td>
<td></td>
</tr>
<tr>
<td>Transformational Leadership</td>
<td>0.892</td>
<td>0.925</td>
<td>0.755</td>
<td></td>
</tr>
</tbody>
</table>

The results of the analysis in the tabulation above prove that all constructs already have an AVE number above 0.50 which means that all constructs have met positive convergent validity. Construct reliability can be estimated from the Crownbach’s Alpha number and the Composite Reliability number of each construct. The construct is considered to have high reliability if the Crownbach’s alpha number exceeds 0.70 and the composite reliability score is greater than 0.70.

Hypothesis Test

Hypothesis testing is used to determine the effect of the independent variable on the dependent variable. The assumptions used in this test can be seen in the following table:
Table 2. Hypothesis Test Direct Effect

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Variable Relationship</th>
<th>Original Sample</th>
<th>T Statistic</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>Organizational Culture → Organizational Performance</td>
<td>0.224</td>
<td>4.124</td>
<td>0.000</td>
</tr>
<tr>
<td>H2</td>
<td>Transformational Leadership → Organizational Performance</td>
<td>0.126</td>
<td>2.380</td>
<td>0.018</td>
</tr>
<tr>
<td>H3</td>
<td>Organizational Culture → Organizational Commitment</td>
<td>0.365</td>
<td>4.924</td>
<td>0.000</td>
</tr>
<tr>
<td>H4</td>
<td>Transformational Leadership → Organizational Commitment</td>
<td>0.338</td>
<td>4.164</td>
<td>0.000</td>
</tr>
<tr>
<td>H5</td>
<td>Organizational Commitment → Organizational Performance</td>
<td>0.634</td>
<td>11.267</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Source: Output SmartPLS 3.29 processed 2021

Based on the table above, the explanation can be presented in the welding below:

Hypothesis Testing and Discussion

Direct Influence

As explained in the previous chapter, in this study there were 5 (five) hypothesis on direct effect. Hypothesis testing analysis was carried out with a significance level of 5%, resulting in a critical t-value of ± 1.96. The hypothesis is accepted if the t-value obtained is 1.96, while the hypothesis is not supported if the t-value obtained is < 1.96. The following is a table of hypothesis testing to answer all research questions:

The Influence of Organizational Culture on Organizational Performance

The findings of this study, the first hypothesis of the results of this study shows, organizational culture has a significant influence on organizational performance. Based on the results of bootstrapping testing with SmartPLS 3.29, the influence of organizational culture on organizational performance obtained the T statistic value of 4.124 > from T table (1.960) and P values (0.000) < sig (0.05). Thus it can be concluded that the first hypothesis is accepted which states that organizational culture has a significant influence on organizational performance. The higher the application of organizational cultural values by cadres, the higher the organizational performance. Organizational culture is the standards and values that guide the behavior of organizational members. Because, of course, every member of the organization has his own personality that sets him apart. The factor that differentiates an organization from other organizations is culture. These things are important and therefore must be understood and recognized. However, universal things must be applied by management with an approach that takes into account the situational factors, depending on conditions, time and space (Sapta et al., 2021). This research supports research conducted by (Chandra et al., 2021; Kesek et al., 2021; Imran et al., 2021) which states that organizational culture has a positive and significant effect on organizational performance.
The Effect of Transformational Leadership on Organizational Performance

The findings of this study, the second hypothesis, the results of this study indicate, that transformational leadership has a significant influence on organizational performance. Based on the results of bootstrapping testing with SmartPLS 3.29, the effect of transformational leadership on organizational performance is the acquisition of a T statistic of 2.380 > from T table (1.960) and P values (0.018) < sig (0.05). Thus it can be concluded that the second hypothesis is accepted which states that transformational leadership has a significant influence on organizational performance. The more effective the leader who has a transformational leadership style, the more organizational performance will increase. Transformational leadership provides the basis for long-term team changes which, in turn, will provide a meaningful basis for achieving the larger goals of the group system (Jain et al., 2019). Transformational leadership is centered on helping followers achieve greater abilities by being excellent role models (perfect impact), communicating dreams and goals, inspirational drive, increasing intellect and rationality, excites intellectuals and shares individual care, personal estimation (Bass, 1990, Bass & Avolio 1993; Kim & Park, 2019). This research supports research conducted by (Alhashedi et al., 2021; Bui et al., 2021; Zeb. A et al., 2018) which states that transformational leadership has a significant positive effect on organizational performance.

The Influence of Organizational Culture on Organizational Commitment

The findings of this study, the third hypothesis, the results of this study indicate, organizational culture has a significant influence on organizational commitment. Based on the results of the bootstrapping test with SmartPLS 3.29, the influence of organizational culture on organizational commitment obtained a T statistic of 4.924 > from T table (1.960) and P values (0.000) < sig (0.05). Thus it can be concluded that the first hypothesis is accepted which states that organizational culture has a significant influence on organizational commitment. The higher the implementation of organizational cultural values by cadres, the higher the organizational commitment. Organizational culture is the standards and values that guide the behavior of organizational members. Because, of course, every member of the organization has his own personality that sets him apart. The factor that differentiates an organization from other organizations is culture. These things are important and therefore must be understood and recognized. However, universal things must be applied by management with an approach that takes into account the situational factors, depending on conditions, time and space (Sapta et al., 2021). This research supports previous research conducted by (Oupen & Yudana, 2020; Usmany et al., 2016; Ellys & Ie, 2020) which states that organizational culture has a significant positive effect on organizational commitment.

The Effect of Transformational Leadership on Organizational Commitment

The findings of this study, the second hypothesis, the results of this study indicate, that transformational leadership has a significant influence on organizational commitment. Based on the results of bootstrapping testing with SmartPLS 3.29, the effect of transformational leadership on organizational commitment is the acquisition of a T statistic of 4.164 > from T table (1.960)
and P values (0.000) < sig (0.05). Thus it can be concluded that the fourth hypothesis is accepted which states that transformational leadership has a significant influence on organizational commitment. The more effective the leader who has a transformational leadership style, the more organizational commitment will increase. Opinion (Avolio et al., 2004; Sule & Priansah, 2018: 76) Describes, transformational leadership is observed when leaders support followers to improve their morals, provide enthusiasm, belief, assumptions and together for group goals. Transformational leadership strengthens the persistence and action of followers and inspires followers in their own needs at a rate of industry development (Burns, 1978; Titisari, 2019: 59). With transformational leadership influencing followers to finally feel confidence, incongruity, obedience and respect for superiors and they are motivated to do more than previously expected of them (Yukl, 2017: 316). This research supports previous research conducted by (Nuryanti et al., 2020; Jumiran et al., 2020; Pratama et al., 2020) which states that transformational leadership has a significant positive effect on organizational commitment.

**The Effect of Organizational Commitment on Organizational Performance**

The findings of this study, the fifth hypothesis, the results of this study indicate, organizational commitment has a significant influence on organizational performance. Based on the results of bootstrapping testing with SmartPLS 3.29, the influence of organizational culture on organizational performance obtained a T statistic of 11.267 > from T table (1.960) and P values (0.000) < sig (0.05). Thus it can be concluded that the first hypothesis is accepted which states that organizational commitment has a significant influence on organizational performance. The higher the organizational commitment of the cadres, the higher the organizational performance. Organizational commitment is a strong will to remain as a member of a special institution, a willingness to work hard according to the wishes of the institution, special trust and recognition of the goals and objectives of the institution (Luthan, 2006:249). Organizational commitment is very meaningful, good goals, the right strategy, and the encouragement of areas that support it will all be in vain if employee commitment to improving the organization is not present (Sinambela, 2019:81). This finding is in line with research conducted by (Nawal et al., 2021; Macedo et al., 2016; Ramli & Yudhistira, 2018) which states that organizational commitment has a significant positive effect on organizational performance.

**Indirect Influence**

The following are the findings of the indirect effect of organizational commitment as a mediator between the influence of organizational culture on organizational performance and transformational leadership on organizational performance can be presented in the table below:
Table 3. Indirect Effect

<table>
<thead>
<tr>
<th>Variable Relationship</th>
<th>Path Coefficient</th>
<th>Indirect Effect</th>
<th>T Statistic</th>
<th>P Values</th>
</tr>
</thead>
<tbody>
<tr>
<td>Organizational Culture → Organizational Commitment → Organizational Performance</td>
<td></td>
<td></td>
<td>4.846</td>
<td>0.000</td>
</tr>
<tr>
<td>Transformational Leadership → Organizational Commitment → Organizational Performance</td>
<td></td>
<td></td>
<td>3.583</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Source: Output SmartPLS 3.29 processed 2021

Mediation 1: the indirect influence of organizational culture on organizational performance is mediated by organizational commitment. The T statistic value is 4.846 > T table 1.960 and P values 0.000 < 0.05. These results indicate that organizational commitment is able to mediate the influence of organizational culture on organizational performance.

Mediation 2: the indirect influence of transformational leadership on organizational performance is mediated by organizational commitment. The T statistic value is 3.583 > T table 1.960 and P values 0.000 < 0.05. These results indicate that organizational commitment is able to mediate the relationship of the influence of transformational leadership on organizational performance.

CONCLUSION AND RECOMMENDATION

Based on the results of testing the hypotheses proposed by the authors, conclusions are obtained including the first hypothesis which states that organizational commitment has a positive and significant effect on organizational performance, is accepted or supported, meaning that the higher the application of organizational values by cadres, the higher the organizational performance. The second hypothesis which states that transformational leadership has a positive and significant effect on organizational performance is accepted or supported, meaning that the more effective the leader who has a transformational leadership style is, the higher the organizational performance. The third hypothesis which states that organizational culture has a positive and significant effect on organizational commitment is accepted or supported, meaning that the higher the application of organizational cultural values by cadres, the higher the organizational commitment. The fourth hypothesis which states that transformational leadership has a positive and significant effect on organizational commitment is accepted or supported, meaning that the more effective the leader who has a transformational leadership style is, the more organizational commitment will be. The fifth hypothesis which states that organizational commitment has a positive and significant effect on organizational performance is accepted or supported, meaning that the higher the organizational commitment of a cadre, the higher the organizational performance.

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