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Model of Improving Employee Performance through Organizational Commitment to Pulp Industry in Sumatera

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Abstract: This study aims to describe and analyze Model of improving employee through organizational commitment to Pulp Industry in Sumatera. The research method used descriptive quantitative. The sample of this study used probability sampling technique. The sample selection criteria was employees of the pulp industry in Jambi, Pekanbaru and Palembang. Beverage Development with a total of 240 samples obtained from Sumatera (Jambi, Pekanbaru and Palembang). Data analysis was performed by using descriptive statistical analysis and inferential statistical analysis. The data obtained was processed using a component-based or variance-based Structural Equation Modeling (SEM) analysis which is known as Partial Least Square (PLS). It has been found that the direct influence of competence, career development and extrinsic motivation and organizational commitment had a positive and significant effect on employee performance in pulp industry, then the indirect effect of competence, career development and extrinsic motivation had a positive and significant effect on employee performance mediated by organizational commitment.

Keywords: Competency, Career Development, Employee Performance, Extrinsic Motivation, Organizational Commitment.

INTRODUCTION

Employee performance has a very important role in a company. One of the improvements in employee performance is through training program, both soft competency and hard competency. Dermol and Cater (2013) stated that the acquisition of new knowledge and skills through training can improve employee performance. The improvement of employee

performance can be realized with the support of the management so that all training programs can run smoothly, both soft competency and hard competency. High employee performance will affect the products produced both quality and quantity.

Employee performance can influence and determine elements in organizational performance and improve organizational reputation (Anesukanjanakul et al., 2019; Jermisittiparsert et al., 2019). The importance of employee performance has increased and taken over the past few years, and it has become an important variable in some organizations. They have taken the best priority in all aspects of the work and in the administrative context (Gridwichai et al., 2020).

Optimal employee performance can only occur if leaders in a company are able to manage their human resources into reliable human resources (Mosadeghrad, 2003). Employee performance becomes very important due to the decrease in the performance of both individuals and groups within an enterprise can have a great impact on a company in the achievement of organizational goals. Good performance is the optimal performance that must be possessed by every employee who is able to complete the tasks and responsibilities that have been given by the company. Employees who have good performance can make many contributions in carrying out the activities of a company and can achieve the company's goals that have been set.

The improvement of employee performance can be influenced by the work environment. According to Crant (2000), employees who work in a dynamic work environment by increasing work-related demands tend to develop behaviors that lead to performance improvement. Therefore, a dynamic work environment is a challenge for students to further develop themselves either by self-study or attending training organized by the company. Meanwhile, Panayotopoulou et al. (2003) stated that dynamic environment is a factor that affects the ability of employees to adapt. This means that employees must be able to adapt quickly if there are changes in the workplace such as: job rotation, changing work locations and adding jobs from superiors. They need to learn a lot both self-study and take part in predetermined training programs from the company.

The improvement of employee performance can not be separated from the improvement of competency, therefore, the development of employee competency has an important role to support employee performance. Furthermore, according to Bartram, Robertson, and Callinan (2002), competence is a collection of behaviors that play an important role in the delivery of desired results.

After looking at previous research, there are many supporting studies to empirically prove the issue of competency, career development, extrinsic motivation, organizational commitment and employee performance, the debate of new researchers are limited the definition and measurement of competency, career development, extrinsic motivation, organizational commitment and employee performance. Therefore the aims of this study to examine how competency affects organizational commitment, how career development affects organizational commitment, how extrinsic motivation affect the organizational commitment, how organizational commitment affects employee performance, how competency affects employee

performance, how career development affects employee performance, how extrinsic motivation affects employee performance, how competency affects employee performance mediated by organizational commitments, how career development affects employee performance mediated by organizational performance, how the influence of extrinsic motivation on employee performance mediated by organizational commitment in the Pulp Industry.

LITERATUREREVIEW

Competency

According to Spencer and Spencer (1993), competency is skills & abilities that can be acquired through work experience, life experience, study or training. Competency is knowledge, skills, abilities, and other characteristics needed for effective performance in doing work (Rodriguez et al., 2002, Schippmann et al., 2000).

Gaspar (2012) found that the competency-based selection method was healthy, structured and comprehensive. Candidates are evaluated based on the competency, they need to demonstrate, when inducted into the organization. Bartram, Robertson, and Callinan (2002) stated that competency is a collection of behaviors that play an important role in delivering the desired outcome.

The five types of competency characteristics include; Motives, Traits, Self-Concept, Knowledge and Skills (Spencer & Spencer, 1993). Zwell, (2000) divided competencies into five categories; Task Achievement Competency, Relationship Competency, Personal Attribute Competency, Managerial Competency and Leadership Competency.

Cameron & Quinn, (2006) stated that grouping competencies into twelve categories which include: Management teams, Managing interpersonal relationships, Managing the development of others, Managing innovation, Managing the future, Managing continuous improvement, Managing competitiveness, Managing employees, Managing customer services, Managing Acculturation, Managing the Control system, and Managing coordination.

Career Development

Career Development Theory by Donald E. Super focuses on how a career develops over a person's life span. Mathis and Jackson (2011) show that there are four stages of career development, namely; the early stages of career, mid-career, and late career. Career can be described as a series of positions occupied by a person throughout his life (Robbins & Coulter, 2002). This pattern of behavior consists of a combination of needs, instincts and helps people to choose among several related careers (Bayram, 2008).

Extrinsic Motivation.

Motivation is divided into two forms, namely intrinsic and extrinsic motivation (Ryan & Deci, 2000). Extrinsic motivation refers to the motivation to work primarily in response to something other than the work itself, such as rewards, recognition, and benefits. Although intrinsic and extrinsic motivation may live together for a given individual in relation to a given task, they separate dimensions of motivation, and a person's influence may predominate (Deci & Ryan, 2008; Gagné & Deci, 2005). Extrinsic motivation involves the perceived probabilities between certain behaviors and desired consequences such as: real incentives (Gagné & Deci, 2005). Extrinsicly

motivated employees act to avoid undesired outcomes and to get desired results, which tends to reduce their satisfaction, because of their need for autonomy, they will feel coerced or seduced by external contingencies (Gagné&Deci, 2005).

Organizational Commitment.

Robbins & Judge (2008), provides a definition that organizational commitment is a condition in which an employee with a particular organization and its goals and desires to maintain membership in the organization. Meanwhile, Luthans (2006) defines organizational commitment as the degree to which employees identify with the organization and their involvement in a particular organization.

Robbins (2006) defines organizational commitment as the stage in which employees recognize a particular group with a purpose, and expect to maintain status as a member of the group. In addition, Luthans (2002) defines as: 1. A strength will remain a member of the group, 2. Willingness works hard as the ideals of the organization, 3. A certain willingness accepts the values and goals of the organization.

In general, organizational commitment refers to employees' commitment to the organization and their willingness to remain there (Doğan&Kılıç, 2007). Organizational commitment is the extent to which an employee identifies with a particular organization and its goals and willingness to maintain membership in that organization (Robbins & Coulter, 2009, p. 303). Bartlett (2001, p. 336) defines organizational commitment as the level of employee involvement to the organization.

Robbins (2005) defines organizational commitment as the extent to which an employee identifies his goals and willingness to maintain membership in the organization. Organizational commitment is a person's involvement to the organization which is indicated by (1) acceptance of organizational goals; (2) willingness works hard for the organization; and (3) the desire remains in the organization (Spector, 2008).

Allen and Meyer (1991) defined organizational commitment as reflecting three items : Affective commitment, Continuance commitment, and Normative commitment. Thus commitment is viewed as reflecting an affective orientation toward the organization, recognition of the costs associated with leaving the organization, and a moral obligation remains with the organization.

Employee Performance

According to Pulokos, (2004), Armstrong (2012), Marison, Phelps Darker et al (2006) stated that management support is very important to improve employee's performance and has a positive relationship with commitment. According to Ivancevich, Konopaske, and Matteson (2008) stated that performance is "the result of desired behavior". Performance is the expected behavioral outcome. Thus, as a result of behavior, performance can be a function of the capacity to perform activities related to the level of relationship in the relevant individual between tasks with skills, abilities, knowledge and experience, ability to perform related to the availability of equipment and technology, and willingness to perform something related to the desire and willingness to use effort to achieve performance

According to Colquitt, (2009) performance is divided into three types, namely: (1) task performance, (2) citizen behavior as a contribution to positive behavior, and (3) counter productive behavior as a contribution to negative behavior. Employee performance is one of the most important influencing and determining elements in organizational performance and the organization can improve its reputation (Anesukanjanakul et al., 2019; Jermisittiparsert et al., 2019).

According to Nguyen et al., (2015) stated that although there are many studies examining the impact of various factors on employee performance, very few have examined more than three factors at a time. Boxall and Purcell, (2011) showed that the implementation of a well defined process to evaluate employee performance plays an important role to run the company well. Rynes et al. (2000) argued that the main challenge for companies are evaluating employee performance and considering how it could be more efficient and more "valid."

According to Mathis and Jackson (2011) and Armstrong (2012) factors related to the company come from the internal company and external environment, such as management support, training culture, organizational climate and dynamic environmental related to work-related factors, such as communication, autonomy and environment as well as employee related factors, such as intrinsic motivation, proactiveness, adaptability, skill flexibility, commitment and skill level, and employee performance.

Many researchers (Pulakos, 2004; Armstrong, 2012) stated that management support is an important requirement to improve employee performance. Furthermore, Parker et al. (2006) found that management support has positive commitment and proactive. Dermol and Cater (2013) stated that the acquisition of new knowledge and skills through training lead to increase employee performance. In addition, Hale (2002) and Armstrong (2012) argued that training increases employees' knowledge and skills, so that they can successfully face new challenges related to daily work and, thereby, improve their job performance. Song et al. (2011) found that training culture was related to job autonomy and Winterton (2008) reported that companies' training policies were closely related to increase skills and job-related flexibility of their employees (employee related factors).

Armstrong (2012) argued that work communication is a crucial factor relates to overall employee performance. In addition to the flexibility of skills Noe et al. (2006) and Boxall and Purcell (2011) reported that skill level directly relates to employee performance.

Many researchers (Crant, 2000; Thompson, 2005; Grant and Ashford, 2008; Parker and Collins, 2010) argued that the proactive level of employees relate to their performance. Thompson (2005) stated that proactive employees work more efficiently than those who have low proactive level.

Another important factor influencing employee performance is adaptability (Pulakos et al., 2002; Griffin et al., 2007). Pulakos et al. (2002) stated that if employees easily adapt to new workplaces and disorganized situations, there may be a positive effect on their performance. Dimensions of measuring individual employee performance include quality, quantity, timeliness, and effectiveness. (Robbins, 2008)

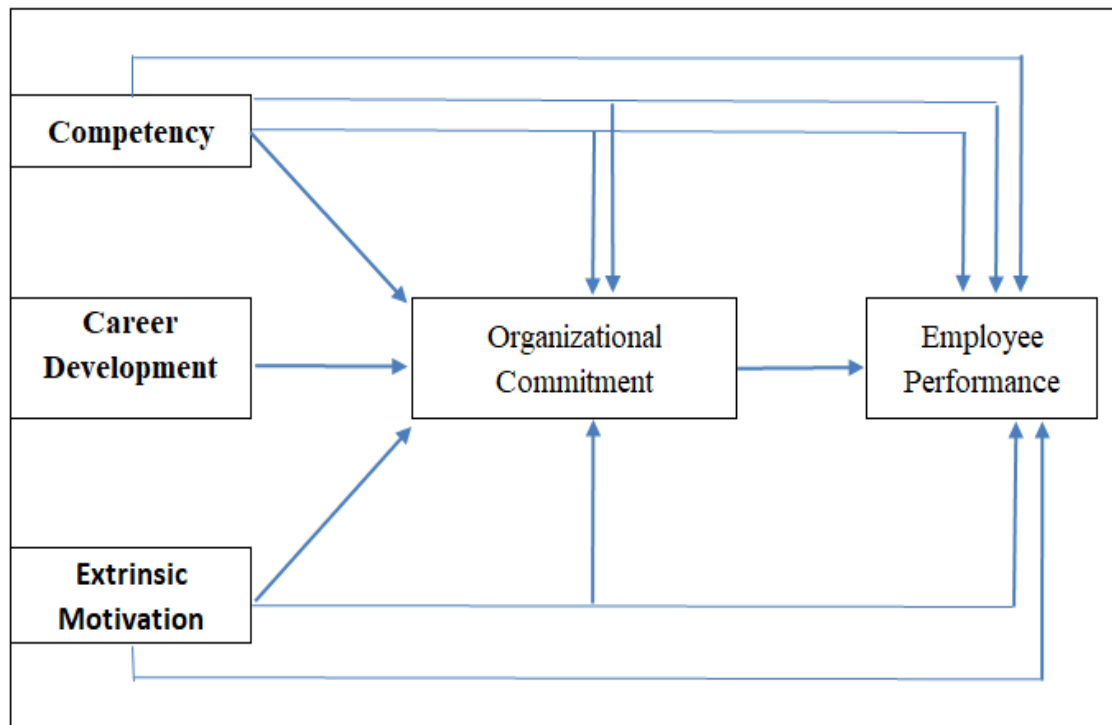


Figure 1. Reserch Model

RESEARCH METHODS

The research method used descriptive quantitative. The sample of this study used probability sampling technique. The sample selection criteria was employees of the pulp industry and beverage development with a total of 240 samples obtained from Sumatera (Jambi, Pekanbaru and Palembang). Data analysis was performed using descriptive statistical analysis and inferential statistical analysis. The data obtained was processed using a component-based or variance-based Structural Equation Modeling (SEM) analysis which is known as Partial Least Square (PLS).

There were 240 respondents who participated in answering the questionnaire in this study. In this study. There were 233 men with the percentage 97.1 % and 7 women with the percentage 2.9%. Overall, respondents are dominated by those in the age range of 46-50 years, which is 30.4%. In the second place that dominates are those in the age group > 50 years reaching 27.1%. When these two age groups are combined, the amount of dominance reaches 57.5%. This means that the majority of respondents are a productive age. This means that at the age of 46-50 years and >50 years (maximum 55 years) they still have high enthusiasm and motivation in working and are able to achieve the targets given by them. The age category with the smallest number is under 25 years old only 5%, this means young people who have worked for 2-7 years. Most of them have just graduated from school or college.

FINDINGS AND DISCUSSION

Construct Reliability and Validity value PLS algorithm

Table 1 Construct Reliability and Validity value PLS algorithm

	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)	Remarks
Employee Performance (Y)	0,953	0,959	0,662	Valid
Organizational Commitment (Z)	0,978	0,980	0,678	Valid
Competency (X1)	0,949	0,959	0,795	Valid
Extrinsic Motivation (X3)	0,937	0,947	0,665	Valid
Career Development (X2)	0,941	0,948	0,605	Valid

Source: SmartPLS 3.3.9 Output Data Processed (2022)

Based on table 1.Cronbach's Alpha value has a value above 0.7 in the reliable category illustrates that the reliability test has qualified or in the reliable category and the Average Variance Extracted value has a value above 0.5, which means the data is valid. As for the relationship between latent variables with their constructs and also relationships between latent variables as seen in figure 2 below;

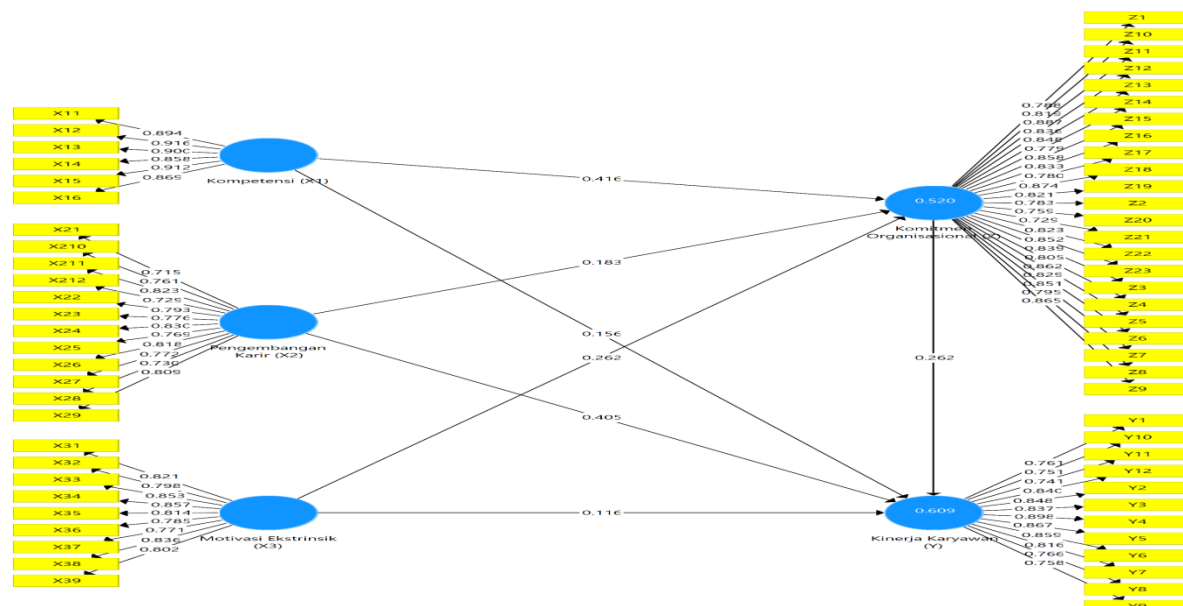


Figure 2. Structural Model

Source : Output SmartPLS 3.3.9 (2022)

R Square (R2)

The value of R Square is the coefficient of determination on the endogenous construct which shows how much the endogenous construct is explained by the exogenous construct.

Table 2 R-Square Value

	R Square	R Square Adjusted
Employee Performance (Y)	0,609	0,602
Organizational Performance (Z)	0,520	0,514

Source: SmartPLS 3.3.9 Output Data Processed (2022)

Structural Model or Table 2 R-Square, it is known that the value of R-Square on Employee Performance (Y) is 0.609. This shows that 60.9% of Employee Performance is explained by Competency, Career Development, and Extrinsic Motivation and Organizational Commitment. As for the rest, $100\% - 60.9\% = 39.1\%$ explained by other latent exogenous constructs which were not considered in this study.

Based on Figure 2 Structural Model or Table 2 R-Square, it is also known that the R-Square value on Organizational Commitment (Z) is 0.520. It shows that 52.0% Organizational Commitment is described by Competency, Career Development. As for the rest, $100\% - 52.0\% = 48.0\%$ is explained by other latent constructs which were not considered in this study.

Effect Size (f2)

In addition to examining the R-Square, an examination was also carried out regarding the effect of endogenous variables on known exogenous variables based on the value of effect size (f2) which is presented in the following table.

Table 3 Effect Size Value (f2)

	Employee Performance (Y)	Organizational Commitment (Z)
Employee Performance (Y)		
Organizational Performance (Z)	0,084	
Competency (X1)	0,033	0,240
Extrinsic Motivation (X3)	0,019	0,086
Career Development(X2)	0,249	0,043

Source: SmartPLS 3.3.9 Output Data Processed (2022)

According to Hair et al.2014, the Effect Size criteria: if the f2 value of 0.02 is categorized as a weak influence of the latent predictor variable (exogenous latent variable) at the structural level, if the f2 value of 0.15 is categorized as sufficient influence of the predictor latent variable (exogenous latent variable) at the structural level, and if f2 value of 0.35 is categorized as a strong influence of the predictor latent variable (exogenous latent variable) at the structural level.

Q Square (Q2)

The following testing for Inner model can be done by looking at the value of Q2 (predictive relevance). To calculate Q2 can be used the formula:

$$Q2 = 1 - (1 - R1^2) - (1 - R2^2) - \dots - (1 - Rn^2)$$

Because there is only one value of R2, then the value of Q2 is the same as the value of R2:

$$Q2 = 1 - (1 - 0,609)(1 - 0,520) = 1 - (0,391)(0,480) = 1 - 0,188 = 0,812$$

As R2, it also shows that 81.2% of Employee Performance is mediated by Organizational Commitment is explained by Competence, Career Development and Motivation.

Hypothesis testing.

Table 4 Path Coefficient Estimation and T-Statistics Total Effect

	Original Sample (O)	T Statistics (O/STDEV)	P Values	Summary
Competency (X1) -> Organizational Commitment (Z)	0,416	6,618	0,000	Significant
Career Development (X2) -> Organizational Commitment (Z)	0,183	2,814	0,005	Significant
Extrinsic Motivation (X3) -> Organizational Commitment (Z)	0,262	3,888	0,000	Significant
Organizational Commitment (Z) -> Employee Performance (Y)	0,262	3,550	0,000	Significant
Competency (X1) -> Employee Performance (Y)	0,156	2,817	0,005	Significant
Career Development (X2) -> Employee Performance (Y)	0,405	6,031	0,000	Significant
Extrinsic Motivation (X3) -> Employee Performance (Y)	0,116	2,029	0,043	Significant

Source: SmartPLS 3.3.9 Output Data Processed (2022)

The previous Structural Model, it is known that the coefficient of the competency path to organizational committee is 0.416; while the path coefficient of Career Development towards Organizational Commitment is 0.183; and the path coefficient of Extrinsic Motivation to the construct of Organizational Commitment is 0.262. So the first structural equation formed is:

$$Z = 0.416X_1 + 0.183X_2 + 0.262X_3 + \zeta,$$

Where Z is Organizational Commitment, X1 is Competence X2 is Career Development, X3 is Extrinsic Motivation, and error term.

Based on the results above, it can be explained the results of this study based on hypothesis tests among others:

First Hypothesis Testing H1

Based on the structural equations formed, it is known that the coefficient of the Competency path is positive at 0.416 units. This shows that competency has a positive effect on organizational commitment, where the higher competency, the higher organizational

commitment. The increase in each competency unit will increase organizational commitment by 0.416 units. The t-statistics value of the Competency Path coefficient towards Organizational Commitment is $6.618 > 1.96$ (normal Z-score value for $\alpha = 0.05$) and the P-value is $0.000 < 0.05$. This shows that commitment has a positive and significant effect on organizational commitment. So that the first hypothesis of the study (H1) which states that "Competency has a Positive and Significant Effect on Organizational Commitment" is accepted.

Second Hypothesis Testing (H2)

Based on the structural equation formed, it is known that the coefficient of the Career Development path is positive at 0.183 units. It shows that Career Development has a positive effect on organizational commitment, where the higher career development, the higher organizational commitment. The increase in each unit of Career Development will increase organizational commitment by 0.416 units. The t-statistics value of the path coefficient of Career Development towards Organizational Commitment is $2.814 > 1.96$ (normal Z-score value for $\alpha = 0.05$) and P-value is $0.005 < 0.05$. This shows that Career Development has a positive and significant effect on Organizational Commitment. So that the second research hypothesis (H2) which states that "Career Development has a Positive and Significant Effect on Organizational Commitment" is accepted.

Third Hypothesis Testing (H3)

Based on the structural equation formed, it is known that the path coefficient of Extrinsic Motivation is positive at 0.262 units. It shows that Extrinsic Motivation has a positive effect on organizational commitment, where the higher Extrinsic Motivation, the higher organizational commitment. The increase in each unit of Extrinsic Motivation will increase the organizational commitment by 0.262 units. The t-statistics value of the path coefficient of Extrinsic Motivation to Organizational Commitment is $3.888 > 1.96$ (the Z-score is normal for $\alpha = 0.05$) and the P-value is $0.000 < 0.05$. It shows that Extrinsic Motivation has a positive and significant effect on Organizational Commitment. So that the third research hypothesis (H3) which states that "Extrinsic Motivation has a Positive and Significant Effect on Organizational Commitment" is accepted.

Fourth Hypothesis Testing (H4)

Based on Table 4 above, as well as in Figure 2 the previous Structural Model, it is also known that the path coefficient of Organizational Commitment to Employee Performance is 0.262; while the coefficient of competency path to employee performance is 0.156; and the coefficient of the Career Development path to the Employee Performance construct is 0.405, and the Extrinsic Motivation path coefficient to the Employee Performance construct is 0.116. So the second structural equation formed is:

$$Y = 0.262Z + 0.156X_2 + 0.405X_3 + 0.116X_4 + \zeta,$$

Where Y is Employee Performance, Z is Organizational Commitment, X1 is Competence, X2 is Career Development, X3 is Extrinsic Motivation and ζ is error term.

Based on the structural equation formed, it is known that the path coefficient of Organizational Commitment has a positive value of 0.262 units. This shows that organizational

commitment has a positive effect on employee performance, where the higher organizational commitment, the higher employee performance. The increase in each unit of Organizational Commitment will increase Employee Performance by 0.262 units. The t-statistics value of the path coefficient of organizational commitment to Employee Performance is $3.550 > 1.96$ (normal Z-score value for $\alpha = 0.05$) and P-value of $0.000 < 0.05$. It shows that organizational commitment has a positive and significant effect on Employee Performance. Thus, the fourth hypothesis of the study (H4) which states that "Organizational Commitment has a positive and significant effect on Employee Performance" is accepted.

Fifth Hypothesis Testing (H5)

Based on the structural equation formed, it is known that the coefficient of the Competency path is positive at 0.156 units. It shows that competency has a positive effect on employee performance, where the higher competency, the higher employee performance. The increase in each competency unit will increase employee performance by 0.156 units. The t-statistics value of the competency path coefficient to employee performance is $2.817 > 1.96$ (normal Z-score value for $\alpha = 0.05$) and P-value is $0.005 < 0.05$. This shows that competency has a positive and significant effect on employee performance. Thus, the fifth hypothesis of the study (H5) which states that "competency has a positive and significant effect on employee performance" is accepted.

Sixth Hypothesis Testing (H6)

Based on the structural equation formed, it is known that the coefficient of the Career Development path is positive at 0.405 units. This shows that Career Development has a positive effect on Employee Performance, where the higher Career Development, the higher Employee Performance. The increase in each Career Development unit will increase Employee Performance by 0.405 units. The t-statistics value of the career development path coefficient to employee performance is $6.031 > 1.96$ (normal Z-score value for $\alpha = 0.05$) and the P-value is $0.000 < 0.05$. This shows that Career Development has a positive and significant effect on Employee Performance. Thus, the sixth hypothesis of the study (H6) which states that "Career Development has a positive and significant effect on Employee Performance" is accepted.

Seventh Hypothesis Testing (H7)

Based on the structural equation formed, it is known that the coefficient of the Extrinsic Motivation path is positive at 0.116 units. It shows that Extrinsic Motivation has a positive effect on Employee Performance, where the higher Extrinsic Motivation, the higher Employee Performance. The increase in each unit of Extrinsic Motivation will increase Employee Performance by 0.116 units. The t-statistics value of the path coefficient of Extrinsic Motivation to Employee Performance is $2.029 > 1.96$ (normal Z-score value for $\alpha = 0.05$) and P-value is $0.043 < 0.05$. This shows that Extrinsic Motivation has a positive and significant effect on Employee Performance. Thus, the seventh hypothesis of research (H7) which states that "Extrinsic Motivation has a positive and significant effect on Employee Performance" is accepted.

While the error term in both structural models is the level of inaccuracy in measuring the true path coefficient value due to the fallibility of the measurement instrument (for example, an

inappropriate Likert scale), data entry errors or respondent errors. According to Hair et al. (2014), the error term is the difference in the path coefficient value between using data from the population (true value or parameter) and using data from the sample (predicted value or statistics). At the indicator level, the following are the results of Bootstrapping for Estimating Path Coefficients and T-Statistics Total Effects from outer loading

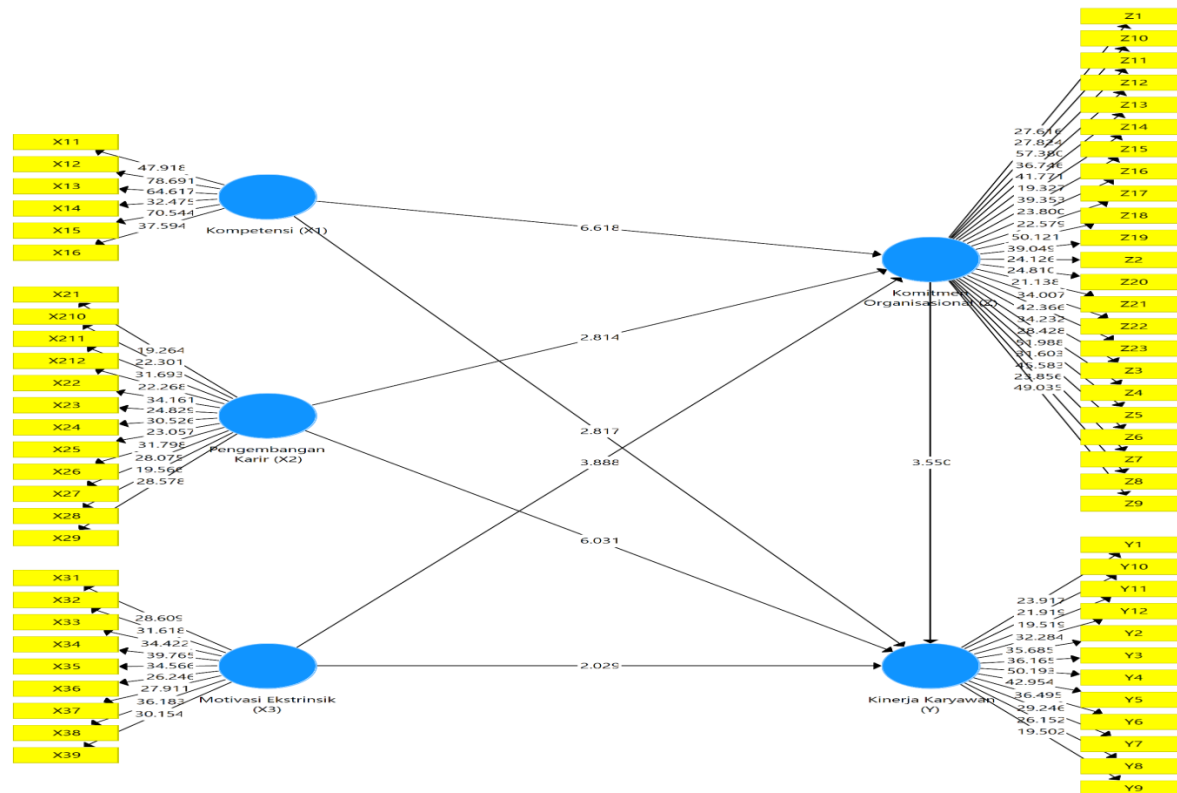


Figure 3 Bootstrapping Output

Source: SmartPLS 3.3.9 Output Data Processed (2022)

Table 5 Direct and Indirect Effect

	Indirect Effect	T Statistics	P Values	Summary
Competency (X1) -> Organizational Commitment (Z) -> Employee Performance (Y)	0,109	3,342	0,001	Significant
Extrinsic Motivation (X3) -> Organizational Commitment (Z) -> Employee Performance (Y)	0,069	2,441	0,015	Significant
Career Development (X2) -> Organizational Commitment (Z) -> Employee Performance (Y)	0,048	2,039	0,042	Significant

Source: SmartPLS 3.3.9 Output Data Processed (2022)

The path coefficient of Competency towards Employee Performance is mediated by Organizational Commitment is 0.109. It shows that the Competency towards Employee Performance is mediated by Organizational Commitment has a positive effect, where the higher Competency is mediated by Organizational Commitment, the higher Employee Performance. The increase in each competency unit which is mediated by Organizational Commitment will increase Employee Performance by 0.109 units. The t-statistics value of the Competency coefficient is mediated by Organizational Commitment to Employee Performance is $3.342 > 1.96$ (normal Z-score value for $\alpha = 0.05$) and P-value of $0.001 < 0.05$. This shows that Competency is mediated by Organizational Commitment has a positive effect on Employee Performance. So that the eighth hypothesis of the study (H8) which states that "Competency has a positive and significant influence on employee performance is mediated by organizational commitment" is accepted.

Path coefficient of Extrinsic Motivation to Employee Performance is mediated by Organizational Commitment is 0.069. It shows that Extrinsic Motivation towards Employee Performance is mediated by Organizational Commitment has a positive effect, where the higher Extrinsic Motivation is mediated by Organizational Commitment, the higher Employee Performance. The increase in each unit of Extrinsic Motivation which is by Organizational Commitment will increase Employee Performance by 0.069 units. The t-statistics value of the coefficient of Extrinsic Motivation is mediated by Organizational Commitment to Employee Performance is $2.441 > 1.96$ (normal Z-score value for $\alpha = 0.05$) and P-value of $0.015 < 0.05$. It shows that Extrinsic Motivation is mediated by Organizational Commitment has a positive effect on Employee Performance. So that the ninth research hypothesis (H9) which states that "Extrinsic motivation has a positive and significant influence on employee performance which is mediated by organizational commitment" is accepted.

Path coefficient of career development towards employee performance is mediated by organizational commitment is 0.048. This shows that Career Development towards Employee Performance is mediated by Organizational Commitment has a positive effect, where the higher Career Development is mediated by Organizational Commitment, the higher Employee Performance. The increase in each unit of Career Development is mediated by Organizational Commitment will increase Employee Performance by 0.048 units. The t-statistics value of the coefficient of Career Development mediated by Organizational Commitment to Employee Performance is $2.039 > 1.96$ (normal Z-score value for $\alpha = 0.05$) and P-value of $0.042 < 0.05$. It shows that Career Development is mediated by Organizational Commitment has a positive effect on Employee Performance. So that the tenth research hypothesis (H10) which states that "Career development has a positive and significant influence on employee performance is mediated by organizational commitment" is accepted.

CONCLUSION AND RECOMMENDATION

This conclusion is divided into two, namely the conclusion on the results of descriptive analysis and conclusion on the results of hypothesis testing.

The Effect of Competency on Organizational Commitment in Pulp Industry

Competency has been applied in the Pulp Industry in Sumatra which shows that competency has an effect on organizational commitment and has a very important role. Competency has a positive and significant effect on organizational commitment where the higher competency, the higher organizational commitment

The Effect of Career Development on Organizational Commitment in Pulp Industry

The results of this study indicate that career development has a positive and significant effect on organizational commitment. It means that the higher career development which is carried out by the company, the higher organizational commitment.

The Effect of Extrinsic Motivation on Organizational Commitment in Pulp Industry

Extrinsic motivation has a positive and significant effect on organizational commitment. It means that the higher extrinsic motivation, the higher organizational commitment.

The Effect of Organizational Commitment on Employee Performance in Pulp Industry

The results of this study indicate that organizational commitment has a positive and significant effect on employee performance. It means that the higher organizational commitment, the higher employee performance

The Effect of Competency on Employee Performance in Pulp Industry.

The results of this study indicate that Competency has a positive and significant effect on employee performance where the higher competence, the higher employee performance.

The Effect of Career Development on Employee Performance in Pulp Industry

The results of this study indicates that career development has a positive and significant effect on employee performance. It means that higher the career development, the higher employee performance.

The Effect of Extrinsic Motivation on Employee Performance in Pulp Industry.

The results of this study indicate that extrinsic motivation has a positive and significant effect on employee performance. It means that the higher extrinsic motivation, the higher employee performance such as: salary, bonus, policy, work relations, work environment and supervision.

The Effect of Competency on Employee Performance is Mediated by Organizational Commitment in Pulp Industry

The results of this study show that competency is mediated by organizational commitment has a positive and significant effect on employee performance. It means that the higher competency mediated by organizational commitment, the higher employee performance

The Effect of Career Development on Employee Performance is Mediated By Organizational Commitment in Pulp Industry

This shows that career development is mediated by organizational commitment has a positive and significant effect on employee performance. It means that the higher career development is mediated by organizational commitment, the higher employee performance

The Effect of Extrinsic Motivation on Employee Performance is Mediated by Organizational Commitment in Pulp Industry

This shows that extrinsic motivation is mediated by organizational commitment has a positive and significant effect on employee performance. It means that the higher extrinsic motivation is mediated by organizational commitment, the higher employee performance.

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