

## Research Article

## Determinant of Organizational Performance with Work Productivity as A Mediation: Case of PT. Bank Tabungan Negara (BTN) Banda Aceh

Kenny Mariska<sup>1\*</sup>, Said Musnadi<sup>1</sup> and Faisal<sup>1</sup><sup>1</sup>Department of Management, Universitas Syiah Kuala, 23111, Indonesia

\*Corresponding Author

Kenny Mariska

**Abstract:** This research aims to analyze the determinant of Organizational Performance with its work productivity as a mediation. The exogen variables identified are work culture and organizational commitment. The effects seen directly and indirectly through work productivity. The object is PT. Bank Tabungan Negara (BTN) in Banda Aceh Branch, with the respondent is its employees. The sampling technique uses a census method with the amount as many as 80 employees. Data is analyzed using Structural Equation Model (SEM). The result shows that work culture and organizational commitment have a significant effect on work productivity; work productivity has a significant effect on organizational performance; work culture and organizational commitment have a significant effect on organizational performance indirectly through work productivity. This findings strengthen the previous ones and being the right contribution to academic and practical area. The limitation is in its object scope and amount of variables, which means that this can be more expanded in the further research.

**Keywords:** Work Culture, Organizational Commitment, Work Productivity, Organizational Performance.

### I. INTRODUCTION

The increasing competition for third party funds, private banks and government banks compete to gain competitive advantage in order to become the best bank in terms of services and facilities. The performance of a bank generally is measured in two aspects, namely financial and non-financial. PT. Bank Tabungan Negara (BTN) as a state owned enterprise bank absolutely needs to achieve its high performance. Organizational performance is a picture of the implementation achievement of an activity, program, or policy in realizing the goals, objectives, mission and vision of the organization stated in the strategic planning of an organization (Mahsun, 2013). Organizational performance can also be defined as description of the level of achievement of tasks in an organization in its effort to realize the goals, objectives, mission, and vision of the organization (Bastian, 2014). Organizational performance can be measured by leadership, strategy, customers, size and analysis, labor, operations, result.

**Table 1. Amount of BTN customers**

Year	Deposit	Saving	Current Account
2017	197	124,841	405
2018	207	114,358	454

Source : BTN, 2019 (Processed)

Based on the data shown in Table 1, it is known that the number of deposit and current account in BTN increased from 2017 to 2018 while the number of savings decreased from 2017 to 2018. Nonetheless, the increase of deposit and current account was not too significant when compared to the decrease of savings. This condition indicates that this organizational performance needs an improvement, and the employees as an important factor in an organization should be more encourage the organizational performance. This research idea focuses on the non-financial variables. The performance of an organization can be influenced by several factors, including: work productivity, organizational commitment, and work culture.

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Work productivity is a comparison between output and input, the comparison is considered through quality and quantity, direction and guidance, and work goals that must be achieved. Work productivity can also be defined as comparison of the effectiveness of output (achieving maximum performance) with the efficiency of one input (labor) which includes quantity and quality in a certain unit of time (Sedarmayanti & Pd, 2001). Work productivity is very important for an organization, with high work productivity, work will be carried out efficiently and effectively so that the goals set by the company can be achieved (Kimsean, 2004). Then, employees who have a high commitment to their organization will provide their maximum effort voluntarily for organizational progress, such as trying to achieve organizational goals and safeguarding organizational values, so that it will have an impact on organizational performance (Yuwono, Suhariadi, Handoyo, Fajrianti, & Septarini, 2005). Furthermore, employees who already understand the overall values of the organization will make these values become their daily behavior at work so that they will become individual performance. With the support of systems, technology and logistics, each of the individual's performance will lead to good organizational performance (Moeljono, 2003). Research by (Patmarina & Erisna, 2012) and (Abdurrauf, Lubis, & Chan, 2015) show that the higher the work productivity of employees in an organization, the higher the performance of the organization. Work productivity indicators consist of : achievement of work, increase in quantity of work, improvement of quality of work, adequate work time, accuracy in work, utilization of company facilities and infrastructure, utilization of time for work purposes.

Organizational commitment is an attitude of employee loyalty to the organization and is also a process of expressing attention and participation in the organization (Sutrisno, 2009). Organizational commitment can also be defined as the characteristic of the relationship between an individual and an organization which has implications for the individual's decision to remain in the organization (Wilson & Ssempebwa, 2016). A research by (Khan, Hafeez.M.H., Rizvi, Hasnain, & Mariam, 2012), (Safrizal, Said, & Syafruddin, 2014), (Syawalid, Darsono, & Putra, 2015), (Farida & Arman, 2015), and (Wirnipin *et al.*, 2015) ) explain that the higher the commitment of an employee to an organization, the performance of the organization will also increase. (Septadi & Zunaidah, 2014), (Umboh, Rorong, & Londa, 2015), and (Luturmas, 2017) reveal that the better the work culture in an organization, the work productivity of employees in the organization will also increase. (Nengsih, Indarti, & Rifqi, 2015) and (Abdullah, 2017) describe that the higher the commitment of an employee to an organization, the work productivity of the employee will also increase. Organizational commitment is

measured with: hard work, communication, willingness, equal value, pride, inspiration, pleasure, trust, caring.

Work culture is a set of behaviors, feelings and psychological frameworks that are internalized are very deep and shared by members of the organization. Work culture can also be defined as belief and values that develop in an organization that leads to the behavior of members of the organization. Work culture indicators consist of: excellent service, innovation, exemplary, professionalism, integrity, cooperation. (Safrizal *et al.*, 2014) and (Syawalid *et al.*, 2015) state that the better the work culture contained in an organization, the performance of the organization will also increase.

Based on the theoretical framework, the research hypothesis is determined as follows:

- Hypothesis 1:** Work culture has an effect on organizational performance
- Hypothesis 2:** Organizational commitment has an effect on organizational performance
- Hypothesis 3:** Work culture has an effect on work productivity
- Hypothesis 4:** Organizational commitment has an effect on work productivity
- Hypothesis 5:** Work productivity has an effect on organizational performance
- Hypothesis 6:** Work culture has an effect on organizational performance through work productivity
- Hypothesis 7:** Organizational commitment has an effect on organizational performance through work productivity

## II. METHOD

The population in this research is the employees of BTN Banda Aceh, while the respondent is amount 80 employees determined using a census technique. The research data is obtained through the dissemination of questionnaires and analyzed by structural equation model (SEM) techniques using SmartPLS software. SEM is a multivariate data analysis technique that combines the outer model which aims to determine the specification of the relationship between latent variables and the indicators and inner model which aims to determine the effect specifications between latent variables (F. Hair Jr, Sarstedt, Hopkins, & G. Kuppelwieser, 2014).

### III. RESULT

The results of this research can be seen in the following figure:

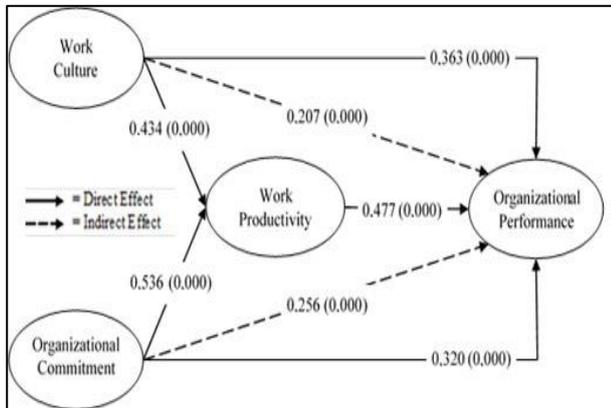


Figure 1. Result

The figure 1 shows numbers of path coefficient among variables, that is explained as follows.

**Hypothesis1(accepted):** the effect of work culture on organizational performance. Based on the result shows the work culture has a positive and significant effect on organizational performance. This is revealed with its path coefficient = 0.363 and its significant value 0.000. This indicates that the right work culture can increase the organizational performance.

**Hypothesis2(accepted):** the effect of organizational commitment on organizational performance. Organizational commitment has a positive and significant effect on organizational performance. This result is showed in its path coefficient amount 0.320 and its significant value 0.000. This explains that the high organizational commitment will escalate the organizational performance.

**Hypothesis3(accepted):** the effect of work culture on work productivity

Work culture has a positive and significant effect on work productivity with path coefficient 0.434 and significant value 0.000. The concludes that the right work culture has a significant contribution in increasing work productivity.

**Hypothesis4(accepted):** the effect of organizational commitment on work productivity

Organizational commitment has a positive and significant effect on work productivity, marked by its path coefficient amount 0.477 and its significant value 0.000. This means that the high organizational commitment can increase the work productivity.

**Hypothesis5(accepted):** the effect of work productivity on organizational performance Work productivity has a positive and significant effect on organizational performance. This is shown in its path coefficient amount 0.320 and its significant value 0.000.

This result explains that the high work productivity can upgrade the organizational performance.

**Hypothesis 6 (accepted):** the effect of work culture on organizational performance through work productivity .

Work culture has a positive and significant effect on organizational performance indirectly through work productivity, marked by its path coefficient 0.207 and its significant value 0.002, These describes that with the existence of high work productivity, this will strengthen the influence of the work culture in improving organizational performance. It is also known that work productivity in this research acts as a mediation variable in a partial role described by work culture has a significant influence on organizational performance both direct and indirect through work productivity.

**Hypothesis7(accepted):** the effect of organizational commitment on organizational performance through work productivity

Organizational commitment has a positive and significant effect on organizational performance indirectly through work productivity with its path coefficient 0.256 and its significant value 0.002. These numbers conclude that high work productivity contributes to the influence of the organizational commitment on organizational performance. The work productivity acts as a mediation variable in a partial role explained by organizational commitment has a significant influence on organizational performance both direct and indirect through work productivity.

### IV. CONCLUSION

This research finds the several premises that strengthen the previous theories, that are : work culture has a significant effect on organizational performance; organizational commitment has a significant effect on organizational performance; work culture has a significant n effect on work productivity; organizational commitment has a significant effect on work productivity; work productivity has a significant effect on organizational performance; work culture has a significant effect on organizational performance through work productivity; and organizational commitment has a significant effect on organizational performance through work productivity.

This research is conducted in new location from the others, with the model that is developed from the old theories. The findings contribute to the academic and practical area. For academic, this model and method can be a basic for the development of further research model, while for the practical this has an implication for the managers that they are should be more have an attention to the variables related. The

limitation is in its one object scope and amount of variables.

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