



The effect of employee commitment, culture, and leadership style on good governance performance of Jombang District government (Indonesia)

El efecto del compromiso de los empleados, la cultura y el estilo de liderazgo en el buen gobierno del gobierno del distrito de Jombang (Indonesia)

SUSILO, Dwi Ermayanti [1](#); SOETJIPTO, Noer [2](#); TRIWULAN B., Anasthasia [3](#); RATNANINGTYAS Djuwitawati [4](#); RISWANTO, Ari [5](#); WASIS, Wasis [6](#) & JAYA, Fanlia Prima [7](#)

Received:22/04/2019 • Approved: 01/08/2019 • Published 05/08/2019

Contents

- [1. Introduction](#)
 - [2. Literature Review](#)
 - [3. Hypotheses](#)
 - [4. Method](#)
 - [5. Results and Discussions](#)
 - [6. Conclusion](#)
- [References](#)

ABSTRACT:

Good governance is organizational governance that provides the public by the good management. Every organization either public or private wants this good governance system can be implemented appropriately, given today many public and private organizations are experiencing collapse due to the ineffectiveness in conducting the task. This research aims to explore all factors that affect the successful implementation of good governance, with the sample in Jombang district government office in East Java, Indonesia. By using Multiple Linear Regression, the results show that organizational commitment, bureaucratic culture and leadership style have positive and significant influences on the implementation of good governance.

Keywords: Culture, employee commitment, leadership style, Good Governance Performance

RESUMEN:

La buena gobernanza es la gobernanza organizacional que proporciona al público mediante la buena gestión. Toda organización, ya sea pública o privada, quiere tener un buen sistema de gobierno que tenga un colapso debido a la ineficacia en la realización de la tarea. Esta investigación tiene como objetivo implementar la buena gobernanza, con la muestra en la oficina gubernamental del distrito en Java Oriental, Indonesia. Al utilizar la regresión lineal múltiple, los resultados muestran que el compromiso y la cultura burocrática influyen en la implementación de la buena gobernanza gubernamental.

Palabras clave: Cultura, compromiso de los empleados, estilo de liderazgo, desempeño de buen gobierno

1. Introduction

Good Governance is a motto that is being intensively promoted by the government, that slogan glance as something that is very coveted by all sectors, both public and private sectors given the domino effect that can be realized from the implementation of good governance. The needs response to establish governance system recently is very high. It is learned from experience due to the many organizations that have very in-encouraging performance, besides that, the ineffectiveness of laws and regulations relating to the organization have become the central point of attention of many academics and practitioners to rearrange the governance system. Along with this, many societies demand the implementation and the creation of institutions that are good public and corporate governance. It means that, in its management, an organization must also do the transparency and public accountability (Susilo, Chandrarin & Triatmanto, 2019). However, the management of those institutions has not met the society expectations. Society has not received optimal service of the institutions as well as transparency and accountability is still low (Waddock, 2008). This condition occurs because good governance has not been implemented optimally.

The implementation problems are very complicated when the guidance of good governance requires some changes in various related aspects of all systems of governance that have taken root. Moreover, if faced with a system that has been highly pathological, the desired changes include performance aspects of staffing up to the responsibilities of organizing the elite level of government. In order to be able to make a good governance, it takes the commitment and involvement of all parties, they are government and society (Grindle, 2004). An effective governance requires good coordination between work units. In addition, from the employee side, integrity, professionalism, work ethic and high morale are needed, so that the concept of good governance in the state and regional governments can be well implemented and has an influence in improving service to the community. However, the change of paradigm by promoting professionalism and service in Indonesia's local government is not applied optimally. The fact is the principles of good governance has not been conceived as part of a trust that must be implemented in the social life and the nation, so that in practice it often is only a jargon. This indication can be seen from the unbalance of interaction between government, communities, and private businesses. On the other hand, the pattern of patron-client is still strong and can be seen at every level of government that directly provide services to the public (Agere, 2000).

In addition to the extremely rapid advance of science, information and communication technology and the strategic environmental changes, the public are now demanding the bureaucratic institutions to be reformed and adapted to the dynamic demands of society. Therefore, it should be immediately taken steps that are fundamental, comprehensive, and systematic, so that the objectives and targets can be achieved effectively and efficiently. Hence, the purpose of this study is to analyse the effect of organizational commitment, organizational culture, and leadership style on good governance performance with the research object of Jombang Government district. In conducting the analysis, the partial and simultaneous impact of independent variables of commitment, culture, and leadership style on the dependent variable of Good Governance Performance was explored.

2. Literature Review

Theoretical framework is very important to build understanding about the research. Some theoretical frameworks and hypothesis development must be understand before we discuss more the relation of commitment, culture, and leadership style, with good governance performance. The first is about organizational commitment. It is suggests that commitment is one of the most powerful and competitive weapons in the success of an organization beside the motivation. Meanwhile, the commitments can be seen through two approaches: exchange approach and psychological approach (Anggraeni, 2018; Yuniawan, Djastuti & Anggraeni, 2018). The commitment is the ability to perform the tasks as well as possible. Organizational commitment can be defined as a trust and receiving to achieve the values

and objectives of organization. Meanwhile, organizational commitment is the ability of the organization to carry out their duties properly (Wong et al., 2001). One form of the organizational commitment is to provide the best service to the community. Employees who have high organizational commitment will be responsible by being willing to give all of their abilities to improve organizational performance, and tend to have high organizational attachment (Meyer & Allen, 1991). Loyalty of all members within an organization depends on how big they are committed in the organization of work. Furthermore, the organization's commitment can reflect the strength of the engagement and the loyalty of employees to the organization. Commitment is usually influenced by how much work that is charged to the employee or subordinate is in line with their expectations. Therefore, organizational commitment is seen as a value orientation of the individual that demonstrate thought to prioritize the work and organization.

The second is about organizational culture. Organizational culture is expressed as an arranged pattern, both material and behavior that has been adopted by the public as a traditional way to solve the problems of its members (Gagliardi, 1986). Culture also includes all ways that have been organized, beliefs, norms, implicit cultural values, as well as premises based and containing command (Nadvi & bin Junaid, 2017). Additionally, cultural organization dimension purposes consist of conformity, responsibility, respect, clarity, leadership, and quality. Culture has become an important concept in understanding the people and groups of people for a long time. The sense of culture as a complex combination of assumptions, behaviors, stories, myths, metaphors, and a variety of other ideas to determine the meanings to be members of a particular community. Briefly, organizational culture can be defined as the evolving values in an organization, where these values are used to direct the behavior of organization members (Riswanto, Saribanon & Gaffar, 2018). An organizational culture that supports the strategy of the organization will be able to overcome environmental challenges by quickly making it easier to achieve the desired performance of the organization. Therefore, this organizational culture is formed by the organization in order to direct the behavior of member to achieve the vision and mission of the organization (Cameron & Quinn, 2011). Organizational culture will shape the work culture of the members in the organization. Employees who understand organizational values will make these values a personality at work. Furthermore, these values and beliefs will translate into their daily behavior at work, so that it will be able to improve individual performance. Productive culture is a culture that can make organizations stronger and corporate objectives can be accommodated.

The third term that we must understand 'Leadership Style'. It is a way of leaders to influence others or the subordinates such a way that the person is willing to do the willingness of the leaders to achieve organizational goals although personally it may be unpopular (Sy, Côté & Saavedra, 2005) The leadership style has a positive and significant impact on employee performance. This research was supported that the leadership style of significant positive effect on the performance of auditors. Leadership plays a very important in organization management. Leadership is needed for their specific limitations on human beings. This arises the need to lead and be led. Leadership defined in individual characteristics, habits, how to influence others, interactions, positions in organizations, and perceptions about the effect of the legitimate. Leadership style that is effective in managing human resources in a work unit will affect the work behavior is indicated by an increasing individual job satisfaction and unit performance itself, which in turn will affect the overall company's performance (Ridaryanto, Ghozali & Purwanto, 2018). The existence of a leader in an organization is very important. An organization will succeed or fail is determined by the leadership, in which the leader itself responsible for any execution of the work. So a leader should have a good leadership style and precise, because the style of leadership is a key factor in the public sector organization; and a leader is required to carry and maximize the organization they lead to provide quality service and achieve optimal satisfaction of society. The leadership styles determine how the leader directs employees to achieve the targets and also can create a work climate in organization and provide a psychological effect that can drive someone to show optimal performance (Goleman, 2000).

The fourth term in this discussion is good governance. It is the good governance of an

organization that is based on professional ethics in business or work (Waddock, 2008). The understanding of good governance is a form to accept the importance of a set of rules to regulate relations, functions, and interests of the various parties in business or public service. An understanding of good governance is to create an excellence performance management, both in the good corporate governance and corporate services, as well and also public service agencies or governments (Wiratraman, 2013). Understanding of good governance is a form of respect to the system to manage the company with the aim of increasing business productivity. Good governance must be controlled well by the auditor in order to determine their attitude in conducting audits according to predetermined rules (Furqan et al., 2018). Generally, there are four main principles of organization rule: fairness, transparency, accountability, and responsibility. Rules that refers to the organization rule principle is not only to prevent the scandalous, but also can boost corporate performance. Organization rules is one of the important factors that affect the auditor's performance in carrying out the profession, because the auditor's understanding of good concept is expected to provide good work (Haniffa & Cooke, 2002).

3. Hypotheses

The hypothesis of this research are as below:

H1: There is a positive and significant influence of employee commitment on Good Governance performance

H2: There is a positive and significant influence of organizational culture on Good Governance performance

H3: There is a positive and significant influence of leadership style quality on Good Governance performance

H4: There is a simultaneous influence of commitment, organizational culture, and leadership style on good governance performance of Jombang District Government

4. Method

This research conducted by quantitative methods. The data obtained from the Jombang Regional Government. The data used is primary data and in the form of interviews and questionnaires completed or answered by the employees in Jombang District Government. It uses Multiple Linear Regression as a tool to analysis the SPSS. The first is organizational commitment defined as a self-ability to provide good service to the public in accordance with the professionalism demands exists. Second is organizational culture, defined as a values system that are believed by all government officials and learned, applied and developed continuously, functioning as adhesive systems and can be used as reference to behave in organization. The fourth is leadership styles. It is used by a leader's to influence in organizing and coordinating subordinates in order to achieve the effective company goals. It consisting of four indicators: the relationship between superiors and subordinates, trust each other, kinship, respect and communication. The fifth is good governance performance. It can be described as a process function of the individual response to the performance size expected by organization, which includes work design, empowerment process, and development, as well and also from the individuals themselves that include skills, abilities and knowledge. Performance measurement of good governance is an assessment progress of work process against the goals and objectives that have been defined previously, including information on the efficiency of resource use in producing goods and services, quality of goods and services, the results of activities compared with the intended meaning, and the effectiveness of measures in reaching the objectives. The population of this research is all of employee in government units Jombang District. Moreover, the choosing of sample is done by random sampling method by the total 115 people.

5. Results and Discussions

The results of validity of independent variables of organizational commitment, organizational culture, leadership style quality are shown in Table 1, Table 2, and Table 3, respectively.

Table 1
Validity Test Results on Organizational
Commitment Variable (X1)

Item Number	Correlation Coefficient	Probability (p)	Explanation
X1.1	0.783	0.000	Valid
X1.2	0.422	0.000	Valid
X1.3	0.432	0.000	Valid
X1.4	0.765	0.000	Valid

Table 2
Validity Test Result on organizational
culture Variable (X2)

Item Numbers	Correlation Coefficient	Probability (p)	Explanation
X2.1	0.443	0.000	Valid
X2.2	0.661	0.000	Valid
X2.3	0.448	0.000	Valid
X2.4	0.632	0.000	Valid
X2.5	0.436	0.000	Valid
X2.6	0.432	0.000	Valid
X2.7	0.586	0.000	Valid
X2.8	0.452	0.000	Valid
X2.9	0.421	0.000	Valid
X2.10	0.543	0.000	Valid

Table 3
Validity Test Result on Leadership
Style Quality Variable (X3)

Item Number	Correlation Coefficient	Probability (p)	Explanation
X3.1	0.771	0.000	Valid

X3.2	0.232	0.000	Valid
X3.3	0.438	0.000	Valid
X3.4	0.591	0.000	Valid
X3.5	0.546	0.000	Valid
X3.6	0.443	0.000	Valid

Table 4 show the results of validity test of dependent variable of Good Government. Moreover, the results of reliability test results are shown in Table 5.

Table 4
Validity Test Result on Good Government Variable (Y)

Item Number	Correlation Coefficient	Probability (p)	Explanation
Y1	0.421	0.000	Valid
Y2	0.268	0.000	Valid
Y3	0.741	0.000	Valid
Y4	0.538	0.000	Valid
Y5	0.730	0.000	Valid
Y6	0.888	0.000	Valid

Table 5
Reliability Test Result

No.	Variable	Cronbach Alpha		Expl
		Result	Standard	
1.	Org. Commitment (X-1)	.772	0.60	Reliable
2.	Org. Culture (X2)	.741	0.60	Reliable
3.	Leadership Style (X3)	.765	0.60	Reliable
4.	Good Government Performance (Y)	.666	0.60	Reliable

The partial effects of organizational commitment variable (X1), organizational cultures (X2) leadership style quality (X3) on the Implementation of Good Governance (Y) is shown in Table 6.

Table 6
The partial impact of
X1, X2, X3, and Y

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std. Error	Beta		
1 (Constant)	15.321	3.661		3.437	.000
Organizational Commitment	.320	.123	.223	2.854	.001
Organization Culture	.129	.112	.231	3.541	.022
Leadership Style	.432	.257	.315	6.086	.000

Multiple Linear Regression analysis shows the result of the simultaneous effect of organizational commitment variable (X1), organizational culture s (X2) and leadership style quality (X3) on the Good Governance (Y) as follows:

Table 7
The simultaneous effect of
ANOVA for X1, X2, X3, and Y

Model	Sum of Squares	df	Mean Square	F	Sig.
1					
Regression	1.437.702	3	479.234	29.214	.000
Residual	3.213.271	261	12.523		
Total	5.467.128	264			

Note: Predictors: (Constant), Leadership Style, Organizational commitment, Organizational culture (X)
Dependent Variable: Good Governance (Y)

The discussions of each analysis above are explained below. The first discussion is about the first hypothesis (H1) stating that organizational commitment (X1) has a positive and significant effect on Good Governance (Y). The results show that the organizational commitment (X1) has a positive and significant effect on Good Governance Performance (Y) with beta standardized coefficients of 0.223 and significant at $0.001 < 0.05$. This finding shows the importance of organizational commitment to district government in implementing good governance of Jombang district administration. This implies that the local government should always create and maintain the organizational commitment to be a better direction for achieving the vision and mission that has been set.

The second hypothesis (H2) states that organizational culture (X2) has a positive and significant effect on Good Governance (Y). The statistical analysis shows that organizational culture (X2) has a positive (beta=0.231) and significant (p-value= $0.022 < 0.05$) effect on Good Governance Performance (Y). The finding is consistent to some of the major organizational culture theories that have expanded well known among theoreticians and practitioners of the organization. The first is the advanced theory by Kluckhon-Strodbeck (1961) which suggested six basic dimensions of culture. Each of these dimensions has

variations that distinguish between one culture to another culture.

The result of this research note that the bureaucratic culture in Jombang District Government is good enough. It is reflected in the knowledge of employees about the vision, mission and strategy of the existing organization within the respective agencies, officials are also concerned about the code ethic that is applied, in addition, the employees behavior in appreciating and respecting other employees are also quite good, all of those used as a benchmark to measure the bureaucratic culture in this study. However, if it is felt need to revamp the bureaucratic culture then it is also needed to the better implementation to support the Good Governance in Jombang district government to be optimal. One of those bureaucratic culture changes can be seen from the work culture. Jombang district administration firstly must be able to understand the fundamental problems in the working culture implementation.

Furthermore, the statistical testing of third hypothesis stating that leadership Style has a positive and significant effect on the implementation of good governance (Y) shows that the hypothesis was accepted with the beta standardized coefficients of 0.315 and significant at $0.000 < 0.05$. This is similar to the statement that the regional government leadership style can be said to be qualified when they have ability to conduct their authority and responsibility. Those capabilities can only be achieved when they have provision of education, training, and experience that sufficient to carry out the duties and responsibilities given, because capability, basically is knowledge, experience and skills.

The testing results of fourth hypothesis stating the simultaneous influence of organizational commitment, culture and leadership style on good governance reveal these three independent variables together have effect on good governance with the F-value of 29.214 and significant at $0.000 < 0.05$.

6. Conclusion

The results show that organizational commitment (X1) has a significant influence on the implementation of good governance (Y). The testing of second hypothesis (H2) shows the influence of organizational culture (X2) on the implementation of Good Governance (Y). Furthermore, the statistical testing of third hypothesis (H3) reveals that there is a significant influence of leadership style quality (X3) on the implementation of Good Governance. Based on the results, there are some suggestions for some elements to Jombang district, that is that the government is suggested to pay more attention on maintaining and improving organizational commitment of the employees to a better way to achieve the vision and mission that has been set. One of them can be done through the provision of services to all of societies that require professional services. In terms of the bureaucratic culture, one of which can be implemented through the behavior employees in appreciating and respecting other employees. In terms of the leadership style quality (government officials), the results encourages the implementation of good governance through the provision of training in accordance with the institution so that the results can actually improve the human resource quality which in turn can help government officials in completing the good performance. In addition, Jombang District Government should also pay attention to other factors that have influence in implementing good governance.

References

- Agere, S. (2000). *Promoting good governance: Principles, practices and perspectives* (Vol. 11). Commonwealth secretariat.
- Anggraeni, A. I. (2018). The effect of psychological contract, perceived organizational support, and value congruence on organizational citizenship behavior: social exchange theory perspectives. *Calitatea*, 19(162), 67-72.
- Cameron, K. S., & Quinn, R. E. (2011). *Diagnosing and changing organizational culture: Based on the competing values framework*. John Wiley & Sons.
- Furqan, A. C., Abdullah, M. I., Iqbal, M., & Masdar, R. (2018). The Role of Corporate Governance on the Effect of State Ownership on Audit Findings at State-Owned Enterprises.

European Research Studies Journal, 21(3), 218-229.

Gagliardi, P. (1986). The creation and change of organizational cultures: A conceptual framework. *Organization studies*, 7(2), 117-134.

Goleman, D. (2000). Leadership that gets results. *Harvard business review*, 78(2), 4-17.

Grindle, M. S. (2004). Good enough governance: poverty reduction and reform in developing countries. *Governance*, 17(4), 525-548.

Haniffa, R. M., & Cooke, T. E. (2002). Culture, corporate governance and disclosure in Malaysian corporations. *Abacus*, 38(3), 317-349.

Kluckhohn, F. R., & Strodtbeck, F. L. (1961). Variations in value orientations.

Meyer, J. P., & Allen, N. J. (1991). A three-component conceptualization of organizational commitment. *Human resource management review*, 1(1), 61-89.

Nadvi, M. J., & bin Junaid, Z. (2017). Comparison of Modern and Islamic HRM: Impact Of Ihrm On Organizational Commitment (a Survey among Employess of Islamic BANK in Pakistan). *QIJIS (Qudus International Journal of Islamic Studies)*, 5(2), 63-84.

Ridaryanto, P., Ghozali, I., & Purwanto, A. (2018). Assessing Organizational Justice and Job Satisfaction in Public Accounting Firms in Indonesia. *Calitatea*, 19(166), 94-98.

Riswanto, A., Saribanon, E., & Gaffar, V. (2018). The importance of the cultural and gender outlook on consumer behavior studies: An Indonesian perspective. *Arthatama Journal of Business Management and Accounting*, 2(1).

Susilo, D. E., Chandrarin, G., & Triatmanto, B. (2019). The Importance of Corporate Social Responsibility and Financial Performance for the Value of Banking Companies in Indonesia. *International Journal of Economics & Business Administration (IJEBA)*, 7(2), 229-236.

Sy, T., Côté, S., & Saavedra, R. (2005). The contagious leader: impact of the leader's mood on the mood of group members, group affective tone, and group processes. *Journal of applied psychology*, 90(2), 295.

Waddock, S. (2008). Building a new institutional infrastructure for corporate responsibility. *Academy of Management perspectives*, 22(3), 87-108.

Wiratraman, H. P. (2013). Good Governance Dan Pembaruan Hukum Di Indonesia: Refleksi Dalam Penelitian Sosio-Legal. *Jurnal Hukum dan Peradilan*, 2(1), 21-34.

Wong, C. S., Wong, Y. T., Hui, C., & Law, K. S. (2001). The significant role of Chinese employees' organizational commitment: Implications for managing employees in Chinese societies. *Journal of World Business*, 36(3), 326-340.

Yuniawan, A., Djastuti, I., & Anggraeni, A. I. (2018). Exploring the Role of Psychological Contract to increase the Level of Employee Participation: A Study on Indonesian Regional-Owned Micro Banking. *Quality-Access to Success*, 19(166).

1. STIE PGRI Dewantara, Jombang, Indonesia. email: dwiermayani.stiedewantara@gmail.com

2. STIE YAPAN Surabaya, Indonesia

3. STIKEN Jaya Negara Malang, Indonesia

4. Universitas Merdeka, Madiun, Indonesia

5. Sekolah Tinggi Keguruan dan Ilmu Keguruan PGRI Sukabumi, Indonesia

6. STIE PGRI Dewantara, Jombang, Indonesia.

7. STIMI Banjarmasin, Indonesia
