

## Effect of Competence and Integrity of Organizational Performance through Organizational Commitment PT Kapsulindo Nusantara

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### Abstract

### Original Research Article

This study aimed to determine the effect of the competence and integrity to the organizational performance, the effect of competence and integrity to organizational commitment, the effect of organizational commitment on organizational performance, and the effect of competence and integrity to organizational performance through organizational commitment. The study was conducted on the organization of PT. Kapsulindo Nusantara. Sampling using random samples involving 70 employees in all parts of the organization and the analysis of data using path analysis. Based on data analysis known that the competence and integrity of variables affect the organizational performance. Competence and integrity influential variables on organizational commitment. Competence variables affect the organizational performance. Organizational commitment variable capable of providing between competence and integrity influence on the organizational performance.

**Keywords:** competence, integrity, organizational commitment, organizational performance.

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## INTRODUCTION

Each organization both for-profit and non-profit organizations trying to better their performance. Organizational performance is an overview of the achievements of an organization in the implementation of activities, programs, policies in order to realize the vision, mission, and goals of the organization that has been designated.

The organization's performance is influenced by various factors such as organizational commitment, integrity and commitment to the organization. Competence can be described as the ability to carry out the tasks, roles or tasks, the ability to integrate knowledge, skills, attitudes and personal values, and the ability to build knowledge and skills based on experience and lessons.

Other factors that affect the performance of the organization are integrity. Integrity is a consistent attitude and behavior to uphold work ethics and professional ethics. Integration is acting consistent with the values and policies of the organization as well as the code of professional conduct, even in a state that is difficult to do so.

Organizational commitment also affects the performance of the organization. Organizational commitment is a condition in which an employee is favoring a particular organization as well as the goals and desires to retain membership in the organization. Thus, a high job involvement means favoring certain work of an individual, while a high organizational commitment means favoring organizations that recruit such individuals.

## LITERATURE REVIEW

### Competence

Competence according to Spencer and Spencer [1] are the basic characteristics that are owned by an individual related causally to meet the criteria necessary to occupy a position. Competence consists of five types of characteristics, namely the motive (consistent willingness as well as a cause of action), congenial (character and consistent response), the concept of self (self-image), knowledge (information in a particular field) and skills (the ability to carry out tasks).

This is in line with the opinion of the Becker and Ulrich [3] that the competency refers to an individual's knowledge, skills, abilities or personality characteristics that directly influence job performance. In contrast to Fogg [2] that divides the competence

competency into two categories: basic competence and distinguishes basic competencies and differentiating competencies according to the criteria used to predict the performance of a job. Core competencies are the main characteristics, which is usually in the form of knowledge or basic skills such as the ability to read, while the differentiating competencies are competencies that make a person different from another.

Competence is characteristic of the person related to effective or superior performance in a particular work situation. Competence is said to be the basic characteristics for the individual characteristics are part of deep and attached to the personality of a person that can be used to predict a variety of specific work situation. Then it was said on the association between the behavior and performance due to competence cause or can predict the behavior and performance.

In other words, competence is the mastery of a set of knowledge, skills, values and attitudes that lead to performance and reflected in the habit of thinking and acting in accordance with the profession. Furthermore, Wibowo [4], competence is defined as the ability to execute or perform a job or task that is based on work skills and knowledge demanded by the job. Thus the competence demonstrated the skills or knowledge that is characterized by professionalism in a particular field as a paramount. Competence as someone characteristics associated with effective performance in a job or situation.

From the definition of competence of the above, that the focus of competence is to utilize the knowledge and occupational skills in order to achieve optimal performance. Thus competence is everything that is owned by someone in the form of knowledge skills and internal factors other individuals to be able to do any work.

### **Integrity**

Integrity comes from the Latin "integrate" which means complete or flawless, perfect, without a visor. The point is what is in the hearts of the same with what we think, say and do [5].

So we can say that integrity is a consistent attitude and behavior to uphold work ethics and professional ethics. Integration is acting consistent with the values and policies of the organization as well as the code of professional conduct, even in a state that is difficult to do so. Simply put, motivation showed firmness attitude, merging deeds and moral values embraced by someone.

People who have integration will not be deterred by the temptation to betray the moral values that are believed. Personal motivation is the person who maintains the level of honesty and high ethics in words

and actions every day. They are the ones who are competent, conscientious and reliable in the act, it can be trusted by his co-workers, subordinates and superiors as well as outsiders.

People who become leaders or a really successful tend to have three qualities. The quality is according to the Cloud [6], which have the specific ability, to build mutually beneficial relationships (more than just networking), and character. At least, the character in question here is includes ethics and motivation. The success of a leader is not only seen from how much ability in a particular field, but more important is how motivated him to manage and use these capabilities in accordance with the moral values he believed.

Integration is the ability to be patient when life does not go smoothly. Integration is a test stand that requires predictable behavior. Integration is a force that remains firm even though no one noticed. Integration is keeping promises, even when harm you. Integration, remain faithful to the commitments, even when it is inconvenient.

So integration is very important and is one of the keys to achieving good results for the company and to the employees so as to give satisfaction to all parties.

### **Organizational Commitment**

According to Robbins and Judge [7] organizational commitment is a condition in which an employee is favoring a particular organization as well as the goals and desires to retain membership in the organization. Thus, a high job involvement means favoring certain work of an individual, while a high organizational commitment means favoring organizations that recruit such individuals.

Meanwhile, according to Moorhead and Griffin [8] organizational commitment is an attitude that reflects the extent to which an individual to know and adhere to the organization. An individual who has committed is likely to see himself as a true member of the organization. Meanwhile, according Kreitner and Kinicki [9] that reflects the organization's commitment to recognize the degree to which someone tied to an organization and its goals.

It can be concluded that organizational commitment is a psychological state of individuals associated with faith, trust and a strong reception to the goals and values of the organization, a strong willingness to work for the organization and the degree to which it still wants to be a member of the organization.

### **Organizational Performance**

Mangkunegara [10] that the term is derived from the performance of job performance or the actual performance of the job performance or achievements to

be achieved. According Keban [11] performance is the translation of performance that is often interpreted as "appearance", "protest" or "achievement". According to Keban [11] the achievement of results (performance) can be judged by the actors, namely:

- Individual performance that illustrates how far a person has been carrying out a duty that can give results that have been set by the group or agency.
- Performance groups, which illustrate how far someone was carrying out a duty that can give results that, have been set by the group or agency.
- Performance of the organization, which illustrates how far the group has carried out all the basic activities so as to achieve the vision and mission of the institution.
- Program performance, namely with regard to how far the activities in the program that has been implemented so as to achieve the objectives of the program.

Performance is an overview of the level of achievement of the implementation of an activity / program / policy in achieving the goals, objectives, mission and vision of the organization as stated in the strategic planning of an organization [12]. Performance is a set of output produced by the execution of a particular function for a certain period [13].

According to Prawirosentono [14] argues that the performance is the result of work that can be achieved by an employee or group of employees in an organization, in accordance with the authority and responsibilities of each in order to achieve the objectives of the organization in question legally, do not break the law and in accordance with moral and ethics.

Based on some opinions on the above, it can be said that the concept of performance is an overview of the accomplishments of the employees or groups within an organization in the implementation of activities, programs, policies in order to realize the vision, mission, and goals of the organization that has been designated. It is also explained that the concept of performance is closely linked to the concept of the organization.

## RESEARCH METHODS

### Object of Research

The study was conducted in PT. Kapsulindo Nusantara. Companies that manufacture the capsule shell on a national scale in Indonesia.

### Population and Sample Research

Population is a generalization region consisting of the object / subject that has a certain quantity and characteristics defined by the researchers to learn and then drawn conclusions [15]. The population in this study was employees of PT Kapsulindo Nusantara as many as 232 people. Samples were towing the majority of the population to represent the entire population [16]. The total number of employees as many as 232 people. The sampling technique using random sampling techniques with Slovin formula is  $n = 232 / (1 + 0.12 * 232) = 70$  employees.

### Quality Test Data

The questionnaire will be used in research, to produce a valid and reliable instrument first tested the validity and reliability of the instrument. According to Sugiyono [15] "Validity is a state that describes the level of the relevant instruments able to measure what should be measured". While reliability is a value indicating a measure of consistency in measuring the same symptoms [17]. By using a valid and reliable instrument, it is expected that the results will be valid and reliable.

## RESULTS AND DISCUSSION

Based on analysis using SPSS version 21, that all items show a valid question and all variables expressed reliable

### Hypothesis Testing

#### Influence of Competence and Integrity on Organizational Performance

Linear analysis model can be based on calculations using SPSS program as follows

**Table-1: Results of the analysis of the first equation**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	beta		
1	(Constant)	16.208	2,926		5.539	,000
	Competence	,719	,131	,438	5.466	,000
	Integrity	,578	,082	,562	7.019	,000

a. Dependent Variable: performance

Based on the table above, the simultaneous structural equation:  $Y = 0,438X1 + 0,562X2$

F-count value can be obtained from the following table

**Table-2: Calculate the F value equations simultaneously**

Model		Sum of Squares	df	mean Square	F	Sig.
1	Regression	1410.670	2	705.335	46.039	,000b
	residual	1026.473	67	15.320		
	Total	2437.143	69			
a. Dependent Variable: Performance						
b. Predictors: (Constant), Integrity, Competence						

Based on the above table it is known that the value of f-count equal to 46.039 and significance of 0.00. This value is less than 0.05. This means that the competence and integrity of variables affect the

performance of the organization. The magnitude of the effect of the independent variable on the dependent variable can be seen from the following values of r squared.

**Table-3: Values r squared regression model first**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,761a	,579	,566	3.91414	1.222
a. Predictors: (Constant), integrity, competence					
b. Dependent Variable: performance					

Based on the above table it is known that the value of r squared of 57.9% means that the competence and integrity of variables affect the performance of the organization by 57.9% while the rest influenced by other variables that are not incorporated into the model equations.

### **Influence of Competence to Organizational Performance**

The results of analysis of the effect of competence to organizational performance can be seen in the following table.

**Table-4: Results of the analysis of the second regression equation**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	beta		
1	(Constant)	26.044	3.359		7.753	,000
	Competence	,851	,170	,519	5.004	,000
a. Dependent Variable: performance						

Structural equation of the above data:  $Y = 0,419X1$

Based on the chart above analysis it is known that the coefficient of 0.519 competence. T value of 5.004. The significant value of 0.00. The significance value smaller than 0.05. This means that the

competence variables affect the performance of the organization. The amount of influence on the performance of organizational competence can be seen in the following table.

**Table-5: Values r squared second equation**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,519a	,269	,258	5.11811
a. Predictors: (Constant), competence				

Based on the above table it can be seen r squared value of 0.269. This means that the effect of variable competence on the performance of 26.9% and the rest influenced by other variables not included in the model equations.

### **Influence of Integrity to Organizational Performance**

The analysis results integrity of the performance can be seen in the following table.

**Table-5: Results of the analysis of the third regression equation**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	beta		
1	(Constant)	28.769	2,162		13.307	,000
	Integrity	,642	,097	,625	6,608	,000
a. Dependent Variable: Performance						

Structural equation of the above data:  $Y = 0,625X2$

Based on the chart above analysis it is known that the integrity coefficient of 0.625. T value of 6,608. The significant value of 0.00. The significance value smaller than 0.05. This means that the integrity of

variables affect the performance of the organization. The amount of influence the integrity of the organization's performance can be seen in the following table.

**Table-6: The third equation r squared**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,625a	,391	,382	4.67176

a. Predictors: (Constant), integrity

Based on the above table it can be seen r squared value of 0.391. This means that the integrity of the variables influence on organizational performance of 39.1% and the rest influenced by other variables not included in the model equations.

**Influence of Organizational Commitment to Organizational Performance**

The results of analysis of the effect of organizational commitment on organizational performance can be seen in the following table.

**Table-7: Results of the fourth regression equation analysis**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	beta		
1	(Constant)	8.884	2.469		3.599	.001
	Commitment	,807	,058	,858	13,800	,000

a. Dependent Variable: Performance

Structural equation of the above data:  $Y = 0,858X3$

Based on the chart above analysis it is known that the coefficient of organizational commitment at 0.858. T value of 13,800. The significant value of 0.00. The significance value smaller than 0.05. This means

that the organizational commitment variables affect the performance of the organization. The magnitude of the effect of organizational commitment on organizational performance can be seen in the following table.

**Table-8: The value r squared fourth equation**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,858a	,737	,733	3.07090

a. Predictors: (Constant), commitment

Based on the above table it can be seen r squared value of 0.737. This means that the effect of variable organizational commitment to organizational performance amounted to 73.7% and the rest influenced by other variables not included in the model equations.

**Influence of Competence Organizational Performance Through Organizational Commitment**

Coefficient of competence influence on organizational commitment of work can be seen in the following table

**Table-9: Effect of competence on organizational commitment**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	beta		
1	(Constant)	19.916	3.197		6.229	,000
	Competence	1,124	,162	,644	6.943	,000

a. Dependent Variable: Commitment

It is known that the effect of competence to organizational performance is 0.591. Influence of competence to organizational performance through organizational commitment is  $0.644 \times 0.858 = 0.552$ . In this case the indirect effect is greater than the direct effect so that it can be said that the variables of organizational commitment as an intervening variable.

**Influence of Integrity to Organizational Performance Through Organizational Commitment**

Coefficient of integrity of the work organizational commitment can be seen in the following table.



**Table-10: Coefficient of influence Integrity on organizational commitment**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	beta		
1	(Constant)	23.492	1,854		12.673	,000
	Integrity	,849	,083	,777	10.191	,000

a. Dependent Variable: Commitment

It is known that the direct effect on the performance of organizational integrity is 0.625. While the integrity Influence on organizational performance through organizational commitment is  $0.777 \times 0.858 = 0.67$ . In this case smaller than the direct influence indirect influence so we can say that the variables of organizational commitment as an intervening variable.

## CONCLUSION

Competence and integrity variables affect the performance of the organization. F value calculated at 46.039 and significance of 0.00. This value is less than 0.05. R squared value of 57.9% means that the competence and integrity of variables affect the performance of the organization by 57.9% while the rest influenced by other variables that are not incorporated into the model equations.

Competence variables affect the performance of the organization. T value of 5.004. The significant value of 0.00. The significance value smaller than 0.05. R squared value of 0.269. This means that the effect of variable competence on the performance of 26.9% and the rest influenced by other variables not included in the model equations.

Integrity variables affect the performance of the organization. T value of 6,608. The significant value of 0.00. The significance value smaller than 0.05. R squared value of 0.391. This means that the integrity of the variables influence on organizational performance of 39.1% and the rest influenced by other variables not included in the model equations.

Organizational commitment variables affect the performance of the organization. T value of 13,800. The significant value of 0.00. The significance value smaller than 0.05. R squared value of 0.737. This means that the effect of variable organizational commitment to organizational performance amounted to 73.7% and the rest influenced by other variables not included in the model equations.

Influence of competence to organizational performance is 0.591. Influence of competence on performance through organizational commitment is  $0.644 \times 0.858 = 0.552$ . In this case the indirect effect is greater than the direct effect so that it can be said that the work organization commitment variable as an intervening variable.

The direct effect on the integrity of the organization's performance is 0.625. While the influence of the integrity of the organization's performance through commitment to the organization of work is  $0.777 \times 0.858 = 0.67$ . In this case smaller than the direct influence indirect influence so we can say that the variables of organizational commitment as an intervening variable.

## Recommendations

Competence is basic characteristics possessed by an individual who is related causally to meet the criteria necessary to occupy a position. Competence should be increased in order to improve organizational performance. This can be done by improving the consistency of the employees in the organization and its work, improve employee character so loyal to the organization, enhance knowledge and skills of employees.

To improve the performance of the organization also needs to be improved integrity of the organization's employees. This needs to be done by improving the attitude of unselfishness, patience and firmly apply the values that run the company.

Organizational commitment can also be upgraded to improve organizational performance. Organizational commitment is a condition in which an employee is favoring a particular organization as well as the goals and desires to retain membership in the organization. This can be done by paying attention affective commitment, continuous commitment and normative commitment.

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