Contribution of Organizational Commitment to Improving Employee Performance in Building Project

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Abstract. Organisational commitment has a significant role in enforcing the employee performance. Since 2014, Infrastructure Project Acceleration was declared by the Central Government. The study was conducted to provide an overview of organizational commitment and employee performance to see the relationship between the two more clearly. Analysis of the data used in this study is processing the results of the questionnaire with descriptive statistics, regression analysis, and correlation using SPSS. The results indicate that organizational commitment is included in both categories with a percentage of 72.63% while employee performance is in the good category with a percentage of 78.94%. A linear regression analysis obtained by the form of a linear line equation Y = 55,453 + 1,209X which states that the relationship between organizational commitment and employee performance is positive. Correlation calculation results show that organizational commitment has a strong relationship to employee performance that is equal to 0.610. While the coefficient of determination, organizational commitment affects the performance of employees by 37.2% the remaining is influenced by other factors. The results of this study can be used to help policymakers in a company to be able to support employee commitment to realize good employee performance to support sustainable infrastructure.

Keyword: Organizational Commitment, Employee Performance, Building Project

1. Introduction

Human resources aspect become a central consideration in the construction business, as the most project activities rely on workforces which predominantly has a significant contribution to the GDP per annum around 7 per cent. Developing skills and capacity of employee among construction project are organizational needs was inevitable. Since 2014, the Indonesian Government declares to accelerate the infrastructure development which implies the construction business players were enforced to improve their performance in participating in each project. Thus, the improvement of employee performance among stakeholders of the construction industry inevitable [1]. In a project-based organisation, most of them focus on work and problem-solving rather than innovating business as usual. Like project organisation facing the challenges to manage the right employee in the right position in every project execution. [2]. Some studies stated that engagement employee in their organisation influencing project delay [3].

In facts, a sense of belonging among employees of the organization was influencing their commitment along with the project. These situation can be seen from the company's participation in a company that shows a strong desire to increase employment for the company [4]. Therefore,
construction firms should consider how to handle the problems on the ground, i.e. social and environmental cases on the project activities [5]. Stakeholders must improve their abilities to achieve high levels of success in developing project-planning [6]. On the other hand, managing sustainability in the project management process is very important to ensure the sustainability of the project and its assets [7].

Many studies related to human resources have been carried out, one factor that was influencing employees to be loyal in the organization is commitment. [8]. Other studies also discuss a significant relationship between leadership and commitment to construction firms. The increasing level of leadership followed by the increasing commitment of their employees [9]. The commitment becomes an inseparable part of the human factors that exist in the project. Leadership factor also has a significant direct effect on job satisfaction and organizational commitment [10]. It also supports the results of research that explains job satisfaction and organizational commitment to employee performance [11].

Research in some countries also justifies the role of commitment in the organization. The US explains that an insecure work environment related to physical and mental health. This can lead to work with an effective organizational commitment [12]. In Spain, affective and ongoing commitment is one of the determinants in efforts to increase the significance of tasks among employees [13]. The focus of several studies in Egypt was also carried out to develop a sustainability index for construction projects [14]. Which will be the priority at this time. In this case, leaders need to integrate sustainability into the company’s activities and make a part of sustainable development as one of its business strategies [15].

From various studies justify that employee’s commitment contribute the organizational performance. This is an important part of a construction project, where employees are the main capital in the operational process. Therefore, this research will encourage stakeholders through facts in the construction industry to creating a sustainable environment in the project organizational context which inlines the goal of accelerating infrastructure development.

2. Literature Review

2.1 Organizational Commitment
Definition of Organizational Commitment is the level of employee involvement in the organization. It has the same identity as the organization and the desire of employees to become part and members of an organization [16].

Several factors influence organizational commitment. One of them is organizational culture and job satisfaction. Organizational culture and job satisfaction have a positive and significant effect on organizational commitment [17]. Other research also explains that work motivation and job satisfaction have a positive and significant impact on organizational commitment variables. Increased employee motivation is expected to help the company in increasing employee job satisfaction, which directly affects the organizational commitment of employees [18]. The results of the research also supported by the opinion that job satisfaction has a positive effect on organizational commitment, but job stress harmed organizational commitment [19]. In addition to organizational culture, motivation, and job satisfaction factors, leadership factors also influence organizational commitment. Transformational leadership has a significant direct effect on job satisfaction and organizational commitment [10].

There are three indicators of organizational commitment, i.e., 1) A strong belief in and acceptance of the organization’s goals and values (Acceptance). It means that there is a match between the values shared by employees and the organization. If employees feel the purposes of the organization can meet their wishes, then employees will give full commitment to the organization. 2) A willingness to exert considerable effort on behalf of the organization (Williness). Concerning the desire to make a serious effort on behalf of the organization. Employees can feel responsible for building the organization and feel happy with the organization. 3) A strong desire to maintain membership in the organization (Maintain). Employees are willing to be involved in the organization and strengthen their position so that they feel they are needed and valued. It will provide a high work commitment in employees [16].
In organizational commitment, there are several dimensions, including affective commitment that refers to the emotional connection of members to the organization, continuance commitment that refers to the desire of employees to remain in the organization because of the calculation or analysis of profit and loss, and normative commitment which refers to the feelings of employees who require them to remain in the organization due to pressure from others [20].

2.2 Employee Performance

Performance is the result of work that has a relationship with the strategic objectives of the organization, customer satisfaction, and contribute to the economy [21]. Performance is a comparison between work performance, which is a comparison between work results and expected standards, so that performance focuses on work results. Performance is also a universal concept, which is the operational effectiveness of employees, parts of the organization, and parts based on established standards and criteria [16].

Employee performance is influenced by several factors, one of which is the leader, where a leader has a significant role in influencing employee performance in a company. Job satisfaction, work culture, and organizational commitment also has positive and significant effects on employee performance [17]. There are seven performance evaluation indicators, i.e., 1) Quality of work includes accuracy, neatness, carrying out work, using and maintaining work tools, skills, and skills in carrying out tasks. 2) Work Quantity includes the outputs and targets of the work. 3) Knowledge includes the ability of an employee concerning matters relating to work duties and procedures, the use of work tools as well as technical or work capabilities. 4) Adjustment of work about employee's ability to carry out their duties outside as well as the existence of new tasks and speed of thinking and acting in work. 5) Reliability includes the employee's ability to carry out tasks, for example, when carrying out procedures, work rules, initiatives, discipline, and others. 6) Work relations include the attitude of employees towards others, employee attitudes towards rules, and willingness to accept work changes. 7) Work safety concerns how employees pay attention to work safety [16].

In improving employee performance, management must always look for, develop, and retain employees under needs. There are three strategies in employee planning, i.e., [22]

a. Employee Planning and Strategic Orientation
b. Tactical planning stages of employees
c. Employee Operational Planning

In an effort to improve employee performance can be done through the following series of activities [23]:

a. the company's proactivity in employee development,
b. updating the context for learning,
c. think differently about how human capital is valued.

3. Research Method

Quantitative research was carried out by thirty questionnaires from construction workers. The questions on the survey consist of two central focus, organizational commitment and employee performance. The questionnaire was breaking down into 48 questions with a Likert scale 1 to 5. There are two variables in the questionnaire, Variable 1 (X) enacted as the independent variable and Variable 2 (Y) enacted as the dependent variable. Variable 1 regarding organizational commitment consists of 16 questions. Variable 2 regarding employee performance consists of 32 questions. Variable 1 (X) is developed by three factors: affective commitment (X1), sustainable commitment (X2) and normative commitment (X3). Sub variables X1 and X2 consist of six questions of each and X3 consists of four questions. Meanwhile, Variable 2 (Y) is developed by seven sub-variables. Variable Y1 (quantity of works) consists of two questions, Y2 (quality of works) and Y7 (personal quality) consists of four questions, Y3 (job knowledge) and Y4 (cooperative) consists of 5 questions, Y5 (dependability) and Y6 (initiative) consists of 6 questions.
Furthermore, the analysis of a questionnaire survey was conducted by weighting through a total score. Each response of question in sub-variables representing the normalized value to draw the regression function. Correlation of organizational commitment (X) towards employee performance (Y) is figured out of linear regression function. Also, the two variables are developed in the form of concepts that can be measured as follows:

a. **Organizational commitment** here is a psychological state to find out the characteristics of employee relations with the organization. It can determine how employees’ attitudes towards the organization, willingness, and level of employee involvement following their role in trying to achieve organizational goals, as well as a strong desire to be loyal and continue to maintain their membership in organizations measured by dimensions: affective, normative and sustainable. Then this variable is developed into 16 questions.

b. **The performance** here is the result of work achieved by employees in carrying out each of their tasks by the responsibilities that they have given. The indicators include Employee Planning & Strategic Orientation, Tactical Employee Planning, and Employee Operational Planning. Then this variable is developed into 32 questions.

The validation data prior to the regression analysis were tested through the validity and reliability test and normality test by statistical approaches. The method of data analysis is based on questionnaire responses; then the assessment criteria are based on percentages with the following steps:

1. The number of respondents is 30 people with the largest measurement scale is 5 and the smallest measurement scale is 1, so the maximum index value is the largest measurement scale value x number of questions x number of respondents. While the minimum index value is obtained from the smallest measurement scale value x number of questions x number of respondents
2. The percentage value is obtained from the total score divided by the maximum index value multiplied by 100%.

The largest percentage value is the maximum index value divided by the maximum index value multiplied by 100%. While the smallest percentage value is the minimum index value divided by the maximum index value multiplied by 100%. The percentage range value is 100% - 20% = 80%. If the range value is divided by 5 measurement scales, a percentage interval value of 16% will be obtained. So that obtained percentage rating classification that can be seen in Table 1 below.

| No | Percentage | Score Category |
|----|------------|----------------|
| 1  | 20%-36%    | Very Less      |
| 2  | >36%-52%   | Less           |
| 3  | >52%-68%   | Enough Good    |
| 4  | >68%-84%   | Good           |
| 5  | >84%-100%  | Very Good      |

Data analysis was then performed using regression analysis and using SPSS tools, to determine the relationship between existing variables. Then the results of the analysis are compared with data in the field by conducting observations and direct interviews with some randomly selected people. Based on the conclusions between the data analysis results with the results of observation and interviews will be able to draw conclusions that provide an overview of the commitment to employee performance.

4. Results and Discussion

The results of the questionnaire responses regarding the organizational commitment showed that a total value of the answers of 30 respondents from 16 questions has to value about 1,743. The detail of the Indexing Score as follows:

\[
\text{Maximum Index Score} = \text{Highest score} \times \text{amount of questions} \times \text{amount of respondents} \\
= 5 \times 16 \times 30
\]
Based on the above calculation, it can be seen that the maximum value obtained for 30 respondents' answers to 16 statements is 2,400 and the minimum value is 480. From the recapitulation of the questionnaire value, the value obtained is 72.63%. This shows that the Organizational Commitment in the infrastructure project employees is included in the good category because it is in the range between 68% - 84% (Table 1).

Questionnaire Data Results, regarding respondents' responses to Employee Performance, showed that the total value of the answers of 30 respondents to 32 questions showed a value of 3,789. Based on the total values, the interpretation of values is as follows:

Maximum Index Score = Highest score x amount of questions x amount of respondents
= 5 x 32 x 30
= 4,800

Minimum Index Score = Lowest score x amount of questions x amount of respondents
= 1 x 32 x 30
= 960

Score Percentage = [(Total score): Maximum Index Score] x 100%
= [3,789: 4,800] x 100%
= 78.94%

Based on the above calculation, it can be seen that the maximum value obtained for 30 respondents' answers to 32 statements is 4,800 and the minimum value is 960. From the recapitulation of the questionnaire value, the value obtained is 78.94%. This shows that Employee Performance on infrastructure projects is included in the good category because it is in the range between 68% - 84% (Table 1).

From the second description of the above results, further testing is carried out on the contribution of Organizational Commitment to Employee Performance by conducting observations and interviews directly in the field. The results obtained from calculations in accordance with the conditions in the field, where the performance of employees in the field both in terms of quantity, quality, work knowledge, cooperation, reliability, initiative, and attitude are in accordance with existing SOPs.

4.1 Linear Regression

The results of the linear regression analysis presented in Table 2.

| Model | Unstandardized Coefficients | Standardized Coefficients | t | Sig. |
|-------|-----------------------------|---------------------------|---|------|
|       | B   | Std. Error | Beta |     |       |
| 1     | (Constant) | 55.453 | 17.470 | 3.174 | .004 |
|       | Organizational Commitment | 1.209 | .297 | .610 | 4.069 | .000 |

Table 2, the simple linear regression equation obtained as follows:

\[ Y = 55.453 + 1.209X \]  

From the simple linear line equation above, a constant of 55.453 means that if there is no increase in the value of the organizational commitment variable, the employee's performance is worth 55.453 units. The regression coefficient of 1.209 states that each addition of one value to the variable organizational
commitment, the value of employee performance variables increases by 1.209. A positive coefficient means that there is a positive correlation between organizational commitment to employee performance. Increasing organizational commitment will also improve employee performance. The graph of normal probability plots can see in Figure 1.

Figure 1 shows the relationship between variable X and variable Y, which linearly has a positive and linear correlation. It can see from the distribution of data that is around the diagonal line.

4.2 Correlation
Pearson Product Moment Correlation Analysis (r) is a value used to measure the magnitude of the relationship between two or more variables. From Table 7, the correlation value (r) of 0.610 obtained. While the coefficient of determination (R Square) of 0.372. It can see the following Table 3.

| Model | r     | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------|----------|-------------------|---------------------------|
| 1     | 0.610 | 0.372    | 0.349             | 12.15665                  |

Table 3 shows that an R-value of 0.610 interpreted that there is a relationship between Organizational Commitment and Employee Performance because the value is closing to 1. While the Determination Coefficient (R2) value of 0.372 interpreted that Organizational Commitment has an effect of 37.2% on Employee Performance, the rest influenced by other factors.

The results of this study complement the results of previous studies which stated that job satisfaction and organizational commitment simultaneously influence employee performance [11]. Wherefrom this research obtained clearer information related to the magnitude of influence between Organizational Commitment and Employee Performance. The measurement standards used in this study can also be used to measure the condition of Organizational Commitment and Employee Performance on other construction projects. This study complements research related to resources in the field of construction which so far has rarely been used as an object of research.
5. Conclusions
Based on regression analysis, it concluded that organizational commitment in the project organization has a strong correlation to employee performance. Organizational commitment has a relationship with employee performance. It can see from the linear line equation $Y = 55.453 + 1.209X$, which means that there is a positive relationship between organizational commitment and employee performance. While the results of correlation testing show that organizational commitment affects improving employee performance, from the R2 value of 0.372, indicates that organizational commitment has an effect of 37.2% on employee performance, other factors influence the rest.

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