



## **INFLUENCE OF LEADERSHIP AND INTEGRITY ON ORGANIZATIONAL PERFORMANCE THROUGH ORGANIZATIONAL COMMITMENT VARIABLES PT. MENARA TERUS MAKMUR**

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### **ABSTRACT**

*This study aims to determine the effect of leadership and integrity on organizational performance simultaneously, determine the effect of leadership on organizational performance partially, know the effect of integrity on organizational performance partially, determine the effect of organizational commitment partially on organizational performance, determine the effect of leadership on organizational performance through organizational commitment and determine the effect of integrity on organizational performance through organizational commitment. The study was conducted at PT. Menara Keep Forward Jakarta. Sampling using saturated samples involving 267 employees in all parts of the organization. Data analysis uses path analysis. Based on data analysis, it is known that leadership and integrity variables influence simultaneously organizational performance. Leadership variables affect organizational performance partially. Integrity variables affect organizational performance partially. Variable organizational commitment partially affects organizational performance. Organizational commitment can have an increasing impact between leadership and integrity on organizational performance.*

**Key words: leadership, integrity, organizational commitment, organizational performance**

### **INTRODUCTION**

Organizational performance is a picture of the achievement by an organization in the implementation of activities, programs, policies to realize the vision, mission, and goals of the organization that have been previously determined. This also explains that the concept of performance is closely related to the concept of organization.



Organizational performance is influenced by various factors such as leadership, integrity and organizational commitment. Fiedler in Hanafi (2002) explained that leadership is leadership giving direction and coordination to subordinates in achieving organizational goals, as well as willingness to be the main responsibility of the group activities they lead. leadership broadly includes the process of influencing in setting organizational goals, motivating followers' behavior to achieve goals, influencing the interpretation of the events of followers, organizing and activities to achieve goals, maintaining cooperative relations and group work, gaining support and work the same from people outside the group or organization.

Another factor influencing organizational performance is integrity. Integrity is a consistent attitude and behavior to uphold work ethics and professional ethics. Integration requires the temptation or opportunity to commit despicable acts. However, motivated people do not commit such despicable acts because they have confidence in the importance of upholding noble values in their environment. Integration is acting consistently following organizational values and policies as well as a professional code of ethics, even in difficult circumstances to do so. Simply put, motivation shows the determination of attitude, unity of actions and moral values professed by someone.

People who have integration will not be swayed by the temptation to betray moral values that are believed. A motivated person is a person who maintains a high level of honesty and ethics in his daily words and actions. They are people who are competent, conscientious and reliable in their behavior, can be trusted by their colleagues, subordinates and superiors and outsiders. They also treat others fairly.

Organizational commitment also affects organizational performance. organizational commitment is a condition in which employee sides with a particular organization and its goals and desires to maintain membership in that organization. Thus, high job involvement means taking sides in the particular work of an individual, while high organizational commitment means taking sides with the organization that recruits the individual.

Meanwhile, according to Moorhead and Griffin (2013:73) organizational commitment is an attitude that reflects the extent to which an individual knows and is bound to his organization. A highly committed individual is likely to see himself as a true member of the organization. Meanwhile, according to Kreitner and Kinicki (2014:165) that organizational commitment reflects the degree to which a person recognizes an organization.

## **LITERATURE REVIEW**

### ***Leadership***

Fiedler in Hanafi (2002) explained that leadership is leadership giving direction and coordination to subordinates in achieving organizational goals, as well as willingness to be the main responsibility of the group activities they lead.

According to Rivai (2005:2), states that the broad definition of leadership, includes the process of influencing in determining organizational goals, motivating followers' behavior to achieve goals, influencing interpretation of the events of their followers, organizing and activities to achieve goals, maintaining cooperative relationships and group work; obtaining support and cooperation from people outside the group or organization.

According to Hasibuan (2003:170) "Leadership is a way a leader influences the behavior of subordinates to want to work together and work effectively and efficiently to achieve organizational goals". According to Hanafi (2002), there are five essential leadership functions namely:

1. *The function of determining the direction, namely how the leader in managing the organization effectively by determining the strategies and tactics prepared by the leadership to achieve the objectives to be achieved and by optimizing the utilization of all available means.*



2. *Function as a spokesperson, this function requires a leader to act as a liaison between the organization and outside stakeholders such as shareholders, suppliers, distributors, financial institutions and related government agencies.*
3. *Function as a communicator, which is a function as a communicator that is more emphasized on leadership to communicate goals.*
4. *Function as a mediator to tackle and resolve problems in the organization.*
5. *The function as an integrator is the attitude to prevent boxed actions.*

Leadership as leadership to influence groups towards achieving goals. The source of this influence is formal, as presented by managerial rank ownership in an organization because management positions appear together with several levels of formally designed authority, one can assume a leadership role solely because of his position in the organization.

But not all leaders are managers; and conversely, not all managers are leaders. Just because an organization gives its managers certain formal rights does not guarantee that they will be able to lead effectively.

We often find that leadership that does not contain sanctions that is, leadership to influence that arises outside the formal structure of the organization often has the same or more important importance than formal influence. In other words, the leader can emerge from the group at the same time through a formal appointment to lead the group.

### ***Integrity***

Integrity comes from the Latin "integrate" which means complete or flawless, perfect, without a front. The point is that what is in the heart is the same as what we think, say, and do (Bertens, 1994).

So it can be said that Integrity is a consistent attitude and behavior to uphold work ethics and professional ethics. Integration requires the temptation or opportunity to commit despicable acts. However, motivated people do not commit such despicable acts because they have confidence in the importance of upholding noble values in their environment.

People who become leaders or who are truly successful tend to have three qualities. The quality referred to according to Cloud (2007), which has certain leadership devices, build mutually beneficial relationships (more than just networking), and has character. At the very least, the character referred to her includes ethics and motivation. The success of a leader is not only seen from how much leadership in a particular field, but more important is how much motivation he has in managing and using his leadership following the moral values he believes.

Integration remains firm on certain values even though it feels more popular to dump it. Integration, living with confidence, rather than what you like. Integration is the foundation of life, if the motivation is good, then life is good, and vice versa. Integration is formed through habits.

### ***Organizational Commitment***

According to Robbins and Judge (2008:100) organizational commitment is a condition in which employee sides with a particular organization and its goals and desires to maintain membership in the organization. Thus, high job involvement means taking sides in the particular work of an individual, while high organizational commitment means taking sides with the organization that recruits the individual.

Meanwhile, according to Moorhead and Griffin (2013:73) organizational commitment is an attitude that reflects the extent to which an individual knows and is bound to his organization. A highly committed individual is likely to see himself as a true member of the organization. Meanwhile, according to Kreitner and Kinicki (2014:165) that organizational commitment reflects the degree to which a person recognizes an organization and is bound to its goals.



It can be concluded that organizational commitment is the psychological state of an individual that is associated with strong beliefs, beliefs, and acceptance of organizational goals and values, a strong willingness to work for the organization and the degree to which it still wants to become a member of the organization.

### ***Organizational Performance***

The term performance can be interpreted as a raw assessment to find out the final goal to be achieved by individuals, groups, and organizations. In this sense performance is a tool that can be used to measure the level of achievement or group or individual policies. Some opinions regarding performance are also expressed by several experts as follows:

According to Keban (2004) performance is a translation of performance which is often interpreted as "appearance", "demonstration" or "achievement". It also agrees with what Mangkunegara said (2008:67) that the term performance comes from the word job performance or actual performance, namely work performance or achievements to be achieved.

According to Keban (2004:183), the achievement of the results can be assessed by the actors, namely:

1. *Individual performance that illustrates to what extent a person has carried out his main task so that it can provide the results set by the group or agency.*
2. *Group performance, i.e. depicts how far a person has carried out his main task so that he can deliver the results set by the group or agency.*
3. *Organizational performance, which describes the extent to which a group has carried out all the main activities to achieve the vision and mission of the institution.*
4. *Program performance, which is concerned with the extent of activities in the program that have been implemented to achieve the objectives of the program.*

Performance is a picture of the level of achievement of the implementation of activity in realizing the goals, objectives, mission, and vision of the organization contained in the strategic planning of an organization (Mahsun, 2006:25). Performance is a set of outputs produced by the implementation of certain functions over a certain period (Tangkilisan, 2003:109).

Organizational performance is a picture of the work of the organization in achieving its objectives which of course will be affected by the resources owned by the organization. The resources in question can be physical such as human or non-physical resources such as regulations, information, and policies, to better understand the factors that can affect an organization's performance. The concept of organizational performance also illustrates that every public organization provides services to the community and can measure its performance by using existing performance indicators to see whether the organization has carried out its duties properly and to find out its objectives have been achieved or not.

## **RESEARCH METHODS**

### ***Research Design***

This research uses the Explanatory analysis approach. This means that each variable presented in the hypothesis will be observed through testing the causal relationship of the independent variable to the dependent.

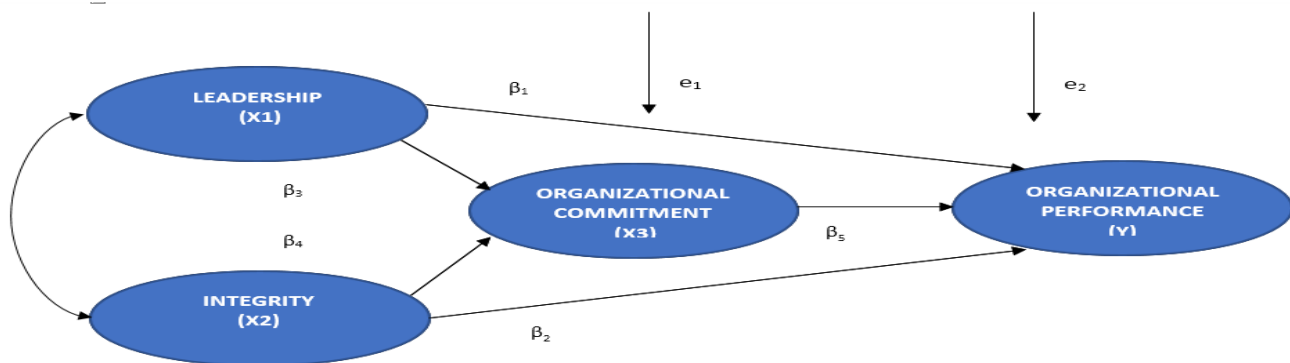


Figure 1. Design Research

### ***Object of Research***

The study was conducted in PT. Menara Terus Makmur.

### ***Population, Sample and Research Period***

The population is a generalization area that consists of objects/subjects that have certain quantities and characteristics determined by researchers to be studied and then conclusions drawn (Sugiyono,2008). The sample is pulling a portion of the population to represent the entire population (Surakhmad,1990).

The total number of employees is 800 people. The amount is the total number of employees in the company. This sampling technique uses simple random sampling using the Solving formula which is  $n = 800 / (1 + 0.052 * 800) = 267$ . In this sampling method, the entire population is involved in sampling.

## **RESULTS AND DISCUSSION**

### ***1. Effect of Leadership and Integrity on Organizational Performance***

Based on the results of the study note that the calculated f value of 238.948 and a significance of 0.00. This value is smaller than 0.05. This means that the variables of leadership and integrity simultaneously influence organizational performance. The value of r squared is 64.4%, which means that leadership and integrity variables affect the performance of the organization by 64.4%, while the rest is influenced by other variables not included in the equation model.

### ***2. Effect of Leadership on Organizational Performance***

Based on the analysis above it is known that the leadership coefficient is 0.572. T value of 11.360. The significance value is 0.00. This significance value is smaller than 0.05. This means that the leadership variable partially influences organizational performance. The value of r squared is 0.327. This means that the influence of leadership variables on performance by 32.7% and the rest is influenced by other variables not included in the equation model.

### ***3. Effect of Integrity on Organizational Performance***

Based on the results of the analysis above it is known that the Integrity coefficient is 0.635. T value of 13.392. The significance value is 0.00. This significance value is smaller than 0.05. This means that the variable of integrity affects partially organizational performance. The value of r squared is 0.404. This means that the influence of the Integrity variable on organizational performance is 40.4% and the rest is influenced by other variables not included in the equation model.



**4. Effect of Organizational Commitment on Organizational Performance**

Based on the results of the analysis above it is known that the coefficient of organizational commitment is 0.875. T value of 29.370. The significance value is 0.00. This significance value is smaller than 0.05. This means that organizational commitment variables partially affect organizational performance. The value of r squared is 0.765. This means that the influence of organizational commitment variables on organizational performance by 76.5% and the rest is influenced by other variables not included in the equation model.

**5. Effect of Leadership on Organizational Performance Through Organizational Commitment Variables**

Based on the partial path analysis above, it can be described as follows. The analysis is an analysis of the pathway with the following sub-structural images.

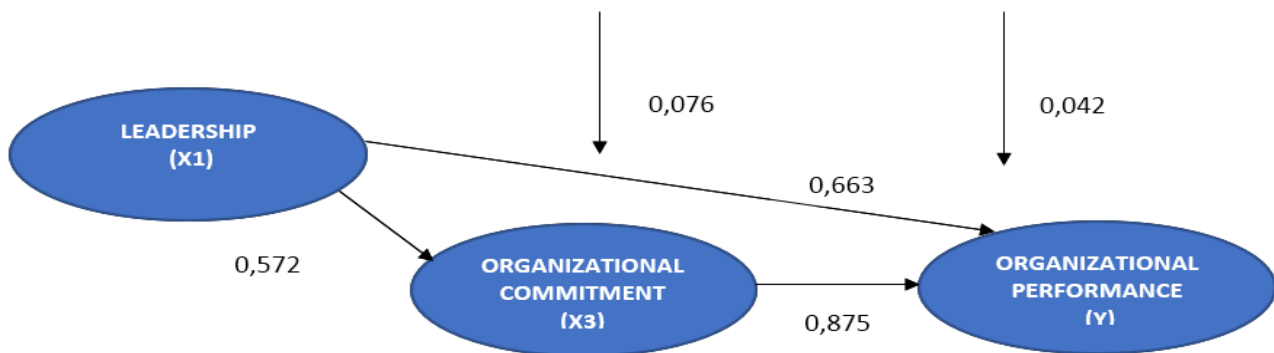


Figure 2. Analysis of the influence lines X1 to Y via X3

Based on the picture above it can be seen that the influence of leadership on organizational performance is 0.572. The influence of leadership on performance through organizational commitment is  $0.663 \times 0.875 = 0.580$ . In this case, the indirect effect is greater than the direct effect so it can be said that the work organization's commitment variable is intervening.

**6. Effect of Integrity on Organizational Performance Through Work Organizational Commitment Variables**

Based on the partial path analysis above, it can be described as follows. The analysis is an analysis of the pathway with the following sub-structural images.

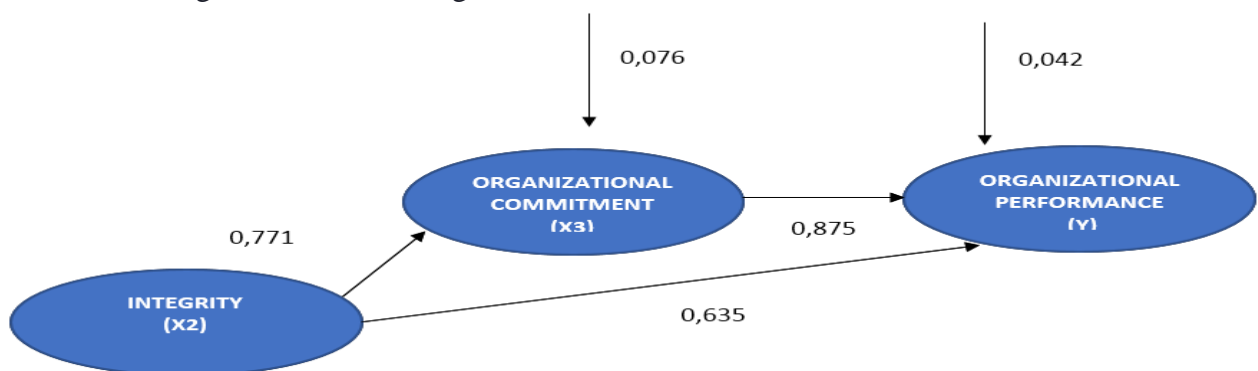


Figure 3. Analysis of the influence lines X2 to Y via X3



Based on the picture above it can be seen that the direct effect of integrity on organizational performance is 0.635. While the influence of integrity on organizational performance through organizational commitment is  $0.771 \times 0,875 = 0.674$ . In this case, the direct effect is smaller than the indirect effect so it can be said that the work organization's commitment variable is intervening.

## CONCLUSIONS AND SUGGESTIONS

### *Conclusion*

The variables of leadership and integrity simultaneously influence organizational performance. The calculated *f* value is 238,948 and the significance is 0.00. This value is smaller than 0.05. The value of *r* squared is 64.4%, which means that the leadership and integrity variables affect the performance of the organization by 64.4% while the rest is influenced by other variables that are not included in the equation model.

Leadership variables affect organizational performance partially. *T* value of 11.360. The significance value is 0.00. This significance value is smaller than 0.05. The value of *r* squared is 0.327. This means that the influence of leadership variables on performance by 32.7% and the rest is influenced by other variables not included in the equation model.

Integrity variables affect organizational performance partially. *T* value of 13.392. The significance value is 0.00. This significance value is smaller than 0.05. The value of *r* squared is 0.404. This means that the influence of the integrity variable on organizational performance is 40.4% and the rest is influenced by other variables not included in the equation model.

Variable organizational commitment partially affects organizational performance. *T* value of 29.370. The significance value is 0.00. This significance value is smaller than 0.05. The value of *r* squared is 0.765. This means that the influence of organizational commitment variables on organizational performance by 76.5% and the rest is influenced by other variables not included in the equation model.

The influence of leadership on organizational performance is 0.572. The influence of leadership on performance through organizational commitment is  $0.663 \times 0.875 = 0.580$ . In this case, the indirect effect is greater than the direct effect so it can be said that the work organization's commitment variable is intervening.

The direct effect of integrity on organizational performance is 0.635. While the influence of integrity on organizational performance through organizational commitment is  $0.771 \times 0.875 = 0.674$ . In this case, the direct effect is smaller than the indirect effect so it can be said that the work organization's commitment variable is intervening.

### *Suggestion*

Leaders provide direction and coordination to subordinates in achieving their goals and willingness to be the main responsibility of the organization's activities. This is enhanced by increasing fairness, always providing suggestions, always being able to increase the potential of resources and respecting other employees in carrying out their duties.

Integrity is a consistent attitude and behavior to uphold work ethics and professional ethics. Integrity can be enhanced by an attitude that is not selfish, patient and persistent towards certain values. is a situation where an employee side with a particular organization and its aims and desires to maintain membership in that organization.

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