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The Role of Organizational Commitment in Mediating Core Capabilities on Employee Performance in Multifinance Companies in Serang City

Nindya Jeni Prastika¹, Furtasan Ali Yusuf², Uli Wildan Nuryanto³

¹ Universitas Bina Bangsa, Indonesia

² Universitas Bina Bangsa, Indonesia

³ Universitas Bina Bangsa, Indonesia

ABSTRACT

The purpose of this research is to analyze the role of organizational commitment in mediating core capabilities on employee performance in Multifinance Companies in Serang City. The research method used is a quantitative method. Population in this study are 209 employees of Multifinance Companies in Serang City. Sample used is 105 people. This study uses inductive data analysis technique. The results of this study show that core capabilities has a significant effect on organizational commitment in Multifinance Companies in Serang City. Core capabilities has a significant effect on employee performance in Multifinance Companies in Serang City. Organizational commitment has a significant effect on employee performance in Multifinance Companies in Serang City. There is a significant effect between core capabilities on employee performance through organizational commitment.

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Nindyajp93@gmail.com

INTRODUCTION

Human resources are one of the most important factors in an organization or company, where the human element plays an important role in carrying out activities to achieve goals. Organizational goals will be achieved if all employees are able to work together and carry out their respective duties and responsibilities properly, each employee is expected to have good performance in order to have a positive impact on the company or organization.

Each organization or company has its own performance standards, similar to the definition of performance expressed by Esthi and Savhira (2020) performance is the result of work achieved by a person in carrying out the tasks

assigned to him according to established criteria. Employees who have a low level of satisfaction such as dissatisfaction with the value of remuneration, co-workers and working conditions will have an impact on their performance. Satuf et al. (2018) define job satisfaction as a positive feeling about one's work which is the result of an evaluation of its characteristics. Employee job satisfaction can be increased with high commitment from each employee. Organizational commitment is strong to remain as members of a particular organization, the desire to work hard according to the wishes of the organization, as well as certain beliefs and acceptance of organizational values and goals (Bahat, 2021). In other words, it is an attitude that reflects employee loyalty to the organization and is an ongoing process in which organizational members express their concern for the organization and its success and sustainable progress (Maurya and Agarwal, 2018). If employees have a high commitment to the company or organization, it will affect employee performance. This is in line with research revealed by Al Kurdi et al. (2020), if an employee is satisfied with the salary received, has good relationships with co-workers and feels comfortable with the environment, employee performance will increase. The better job satisfaction felt by employees will foster a sense of loyalty to the company or organization. Employees will be satisfied with their jobs if they get equal promotion opportunities among employees, employees get promotion opportunities if superiors see good performance from an employee, but promotions carried out by multi-finance companies are not transparent.

The role of humans in the company is a big capital where employee performance determines the progress of an organization. So that guidance and development is needed in encouraging effective employee performance improvement for the smooth process of activities in a company in the future. It should be realized that the importance of the role of humans as described above, then every behavior of employees in a company must be directed. For this reason, employee performance should be considered properly and fairly, so that they can carry out their duties seriously and responsibly (Riyanto and Mardi, 2021).

The business world is now required to create high employee performance for company development. Companies must be able to build and improve performance in their environment. The success of the company is influenced by several factors, one of the important factors is human resources, because human resources are actors from all levels of planning to evaluation that are able to utilize other resources owned by the organization or company.

The existence of human resources in a company plays a very important role. The workforce has great potential to carry out company activities. The potential of every human resource in the company must be utilized as well as possible so as to be able to provide optimal output. The achievement of company goals does not only depend on modern equipment, complete facilities and infrastructure, but even more depends on the people who carry out the work. The success of an organization is strongly influenced by the individual performance of its employees. Every organization or company will always try to improve employee performance, with the hope that the company's goals will be achieved (Pramudianto et al., 2022).

The purpose of this research is to analyze the role of organizational commitment in mediating core capabilities on employee performance in Multifinance Companies in Serang City.

RESEARCH METHODE

The research method used is a quantitative method. Quantitative method used in this research. It is a systematic, planned and well-structured research method that includes quantitative elements from the conception of the research to its implementation (Asyraini et al., 2022; Octiva, 2018; Pandiangan, 2015; Sutagana et al., 2022). Quantitative research method as a method based on the philosophy of positivism which uses research instruments to collect and analyze quantitative or statistical data to test hypotheses. This method is used to test a particular population or sample and test hypotheses. Descriptive approach is used in this research. Data or samples collected in their natural state without analysis or general conclusions are used in descriptive research to describe or provide an overview of the object under study (Octiva et al., 2018; Pandiangan, 2018; Pandiangan, 2022).

Population is all the data that interest us in a certain scope and period. The study is conducted on the general population to collect data (Octiva et al., 2021; Pandiangan et al., 2021; Pandia et al., 2018). Population in this study are 209 employees of Multifinance Companies in Serang City. Sample is part of the number and characteristics possessed by the population. What is learned from the sample, conclusions are made for the population. Therefore, samples taken from the population must be truly representative (Jibril et al., 2022; Pandiangan et al., 2018; Pandiangan, 2022). Sample used is 105 people.

This study uses inductive data analysis technique. Inductive data analysis technique is the analysis of data from the sample which is then used to forecast the population as a whole. The data obtained from the answers of the respondents in the research questionnaire will be grouped and tabulated and

then given an explanation (Pandiangan et al., 2022; Tobing et al., 2018; Sudirman et al., 2023).

RESULT AND DISCUSSION

Overview of Respondents

At the beginning of the questionnaire that is distributed there are fields that are used to obtain data about the characteristics of the respondents. There are four characteristic components that appear in the questionnaire, namely gender, age, education level, and length of work status.

The characteristics of respondents according to gender above, it can be seen that the number of male respondents is 88 people or 65.97%, this is more than female respondents, amounting to 46 people or 34.03%.

The age of the majority of respondents is between 41 to 50 years old with a total of 56 respondents or 41.85%, followed by respondents aged in the range of 30 to 40 with a total of 45 respondents or 33.71%, then those aged under 30 years 18 people (13.48%) and finally aged over 50 years, amounting to 15 respondents or 10.96%.

Most of the respondents with the last level of education are undergraduate with 51 respondents or 38.76%, followed by 47 high school graduates (35.21%), then diploma graduates with 31 people (23.31%), and only 4 respondents or 2.81% whose last level of education is a master's degree.

Most of the respondents had worked as employees in the range of 11 to 20 years with a total of 52 respondents or 39.04%, then those who had worked in the range of 5 to 10 years with a total of 48 respondents or 35.96%, then respondents who had worked less than 5 years amounted to 17 people (12.64%) and finally 17 or 12.36% of respondents who worked as employees for more than 5 years.

Hypothesis Testing

To measure the significance value of accepting a hypothesis, it is done by looking at the p values. The research hypothesis can be declared accepted if the p values < 0.05.

Table 1.
Path Coefficients

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistocs (/O/STDEV/)	P Values
Core Capabilities ->Employee Performance	0.256	0.250	0.127	2.017	0.044

Core Capabilities ->Organizational Commitment	0.425	0.421	0.122	3.481	0.001
Organizational Commitment ->Employee Performance	0.682	0.674	0.103	6.651	0.000

Source: Data Processed by SmartPLS

Table 2.
Total Indirect Effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistocs (/O/STDEV/)	P Values
Core Capabilities ->Employee Performance	0.290	0.285	0.095	3.043	0.002

Source: Data Processed by SmartPLS

The results of this study show that core capabilities has a significant effect on organizational commitment in Multifinance Companies in Serang City. Core capabilities has a significant effect on employee performance in Multifinance Companies in Serang City. Organizational commitment has a significant effect on employee performance in Multifinance Companies in Serang City. There is a significant effect between core capabilities on employee performance through organizational commitment.

CONCLUSION

The results of this study show that core capabilities has a significant effect on organizational commitment in Multifinance Companies in Serang City. Core capabilities has a significant effect on employee performance in Multifinance Companies in Serang City. Organizational commitment has a significant effect on employee performance in Multifinance Companies in Serang City. There is a significant effect between core capabilities on employee performance through organizational commitment.

Based on the results of the research that has been described, researchers can provide advice to interested parties as follows:

1. For companies, this research has proven theories that support and are believed to be scientifically correct about increasing employee performance, therefore these findings are expected to be used as one of the company's foundations in making policies to encourage the creation of employees who are able to increase sales.

2. For employees, core capability is a factor that must be improved because it is proven to be able to help them to maintain job satisfaction which has implications for employee performance.
3. For future researchers, this study uses a quantitative approach with limited variables, which only discusses the relationship between business ethics, work discipline, and work ethic on the performance of sales representatives in Banten Province, while there are many factors that can affect company performance, for this reason, it is suggested that future researchers can carry out developments by adding other variables that can also affect the performance of sales representatives such as human resource competence, managerial competence and business competitiveness, then the research object can be expanded not only in Banten Province but regional and even national scope.

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