Practices of Human Resources and Organizational Performance on Secretariat of Government of Pidie Jaya District in Aceh Province

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Abstract
Research on human resource practices have been widely used as a document in the literature. A significant environmental change is as a result of external and internal influences in the region, so that everything might change in this region. This study aims to examine some of the constructs in the context of the implementation of human resource management that impact on employee performance and also has implications for organizational performance. The study sample as many as 136 employees at the secretariat office of Pidie Jaya district in Aceh province. The primary data obtained by distributing questionnaires. Data analysis using Structural Equation Modelling (SEM), using the application tool Analyses Moment of Structures (AMOS). The results found that the construct of competence, organizational culture has a significant effect on employee performance while construct the leadership does not have a significant effect. Construct of employee performance no significant effect on organizational performance. Competence, organizational culture, and leadership construct a direct effect on the performance of the organization. In addition, the construct of employee performance has a role in the relationship between competence and organizational culture on organizational performance, while for the relationship constructs leadership to organizational performance, employee performance does not act as a mediating variable.
Keywords: Leadership, Organizational culture, Competence, Employee performance and Organizational performance.

1. Introduction

As a result of economic globalization is felt around the world are now making organizations are in a different environment with the previous era (Ibrahim, 2015). Human resources (HR) are a valuable asset in an organization (Anwar et al., 2017). Something valuable in the organization if it can move, control and develop the organization in accordance with the vision and mission. Ibrahim (2010) says that the success of a company will be achieved if the people who work in it are able to meet the requirements made by the company.

Furthermore, Takahashi (2006) explains that develop skills and special abilities enterprise is very important from the perspective of an organization that aims to retain long-term employees and promoting them in accordance with their skills and special abilities.

Achievement of the performance of employees in accordance with the performance indicators set by the leadership as the quality of work produced, quantity of work that can be completed, then the awards granted to employees and the level of employee discipline (Ibrahim, 2012). While the achievement of the organization's performance can be seen from any input or feedback given by the employees to the leadership, work output produced by an employee, the work produced by an employee, then the benefits provided by the employee to the public (Ibrahim, 2015).

The leadership style in Pidie Jaya District Secretariat offices tends to be transactional style. Supposedly style that needs to be highlighted is the democratic or a participatory leadership style. This can be noticed if the forum will discuss legislation about the budget, then they are very enthusiastic to implement because there is the element of financing which can be divided to be used by the management for personal and group interests. In essence, that leadership style is more likely to practice the style proposed by Northouse (2013: 239) that they run the task well, if the potential flow of transaction, whether the transaction in the form of financial and in the form of their career. This study tried to look at the practice of human resources at the government secretariat office in Pidie Jaya district of Aceh province, as a public service centre.

2. Literature Review

Performance is the process of assessing whether someone is doing a good job. Job performance, academic study as part of industrial and organizational psychology (the branch of psychology dealing with workplace), also part of the human resource management (Ibrahim et al., 2012). Performance is an important criterion for the success of an organization (Mahdani, 2013). Performance is an important matter discussed in any activities on the organization (Anwar et al., 2017). According Mangkunagara (2011: 67) performance is the result of the quality and quantity of work one achieves employees in carrying out their duties in accordance with the responsibilities given to him. Wibowo (2010: 7), argues that the performance has a broader meaning, not only the work, but including how the work progresses. Performance is a concept that describes how one can use the actual or potential knowledge, skills and abilities to be able to achieve their own goals or expectations (Ibrahim, et al, 2012). This is the percentage using a person's capacity to complete the work successfully within a specified period (Altındağ & Kösedağıa, 2015).

Organizational culture includes the values and behaviours that "contribute to the social and psychological environment that is unique from an organization (The Business Dictionary. Organizational culture., Accessed April 11, 2017). According to the Needle (2010: 1-2) organizational culture is a collective values, beliefs and principles of the organization's members and is a product of factors such as history, products, markets, technologies, strategies, types of employees, management style, and the national culture; culture including the organization's vision, values, norms, system, symbols. Business executives Bernard L. Rosier (2013) developed what he described as the actionable definition of organizational culture: "The culture of the organization is the emergence - a country that countless highly complex resulting from the combination of simple ingredients". Ravasi and Schultz (2006) wrote that organizational culture is a set of shared assumptions that guide what is happening in the organization by defining appropriate behaviour for different situations. It is also the collective behaviour patterns and assumptions that are taught to the members of the new organization as a way of perceiving and, in fact, think and feel. Thus, organizational culture affects how people and groups interact with each other, with clients and with stakeholders. In addition, organizational culture can affect how many employees identify with the organization (Schrodt, 2002).

According Sutrisno (2010: 202) etymologically, competence is defined as the behavioral dimension of expertise or excellence of a leader or staff have the skills, knowledge, and good manners. The definition of competence by Mc Clelland (Sedarmayanti, 2007: 126) states that the competency is a fundamental characteristic of a person who directly influence or can predict a very good performance. Competence is said to be one of the factors that affect performance (Anwar et al, 2017). Competence is required to help organizations to create a culture of high performance (Mahdani, 2013). The number of competencies used by human resources will improve performance (Wibowo, 2010: 323). Sriwidodo and Haryanto (2010) expressed his opinion that the performance and effectiveness of the employee in performing the tasks determined by the competencies required by occupations. Lay, et al. (2007) said that if an individual's competence in line with the organizational competence, organizational goals can effectively be achieved. Several previous studies found that the competence affects the performance (Winanti 2011; Qamariah & Fadli, 2011; and Suprapto (2009).

3. Methodology

A sample of 136 employees at the Secretariat of the Office of Pidie Jaya district, which is taken using a random sampling method. This method is used because the population is relatively large, so not all of the population is taken for analysis.

3.1. Method of collecting data

This study uses two sources of data, namely, primary data and secondary data. Primary data were collected by distributing questionnaires to the respondents that amount has been determined by a random method sampling. While the secondary data collected by studying the documents related to the unit of analysis provided by the Secretariat offices Pidie Jaya district government, or the library sharing.

Method of analysis

Primary data were analyzed using Structural Equation Modeling (SEM) with the application Analyses Moment of Structures (AMOS). SEM was used to test the validity and reliability of the instrument, test the effect of independent variables on the dependent variable, and examine the direct and indirect influence of exogenous variables on endogenous variables (Ghozali, 2011: 77).
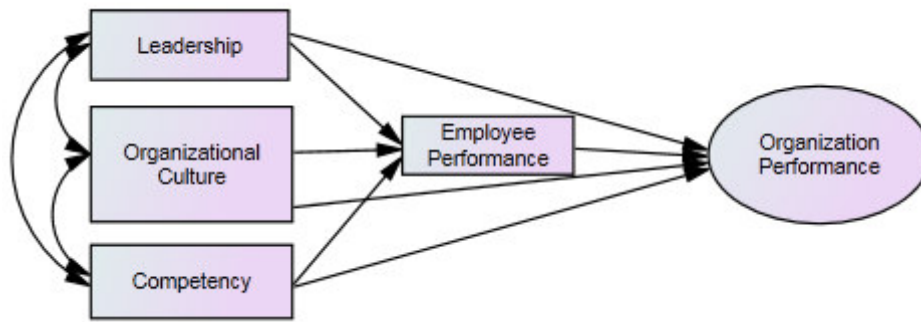
Figure 1: Research Model

4. Results

Figure 1 is the result of the analysis of the influence between variables through a full model of SEM. Pursuant to the results of the analysis shows the model is fit. because it fulfilled the requirements as shown in Table 1 (Ghozali, 2011: 67-69). Table 1 is an index criterion required to evaluate a fit model of SEM.

Gambar 1 adalah hasil analisis pengaruh antar variabel melalui full model of SEM. Berdasrkan hasil analisis menunjukkan model adalah fit. karena sudah terpenuhi persyaratan seperti diperlihatkan pada tabel 1 (Ghozali, 2011: 67-69). Tabel 1 merupakan kriteri indek yang dipersyaratkan untuk mengevaluasi sebuah fit model of SEM.
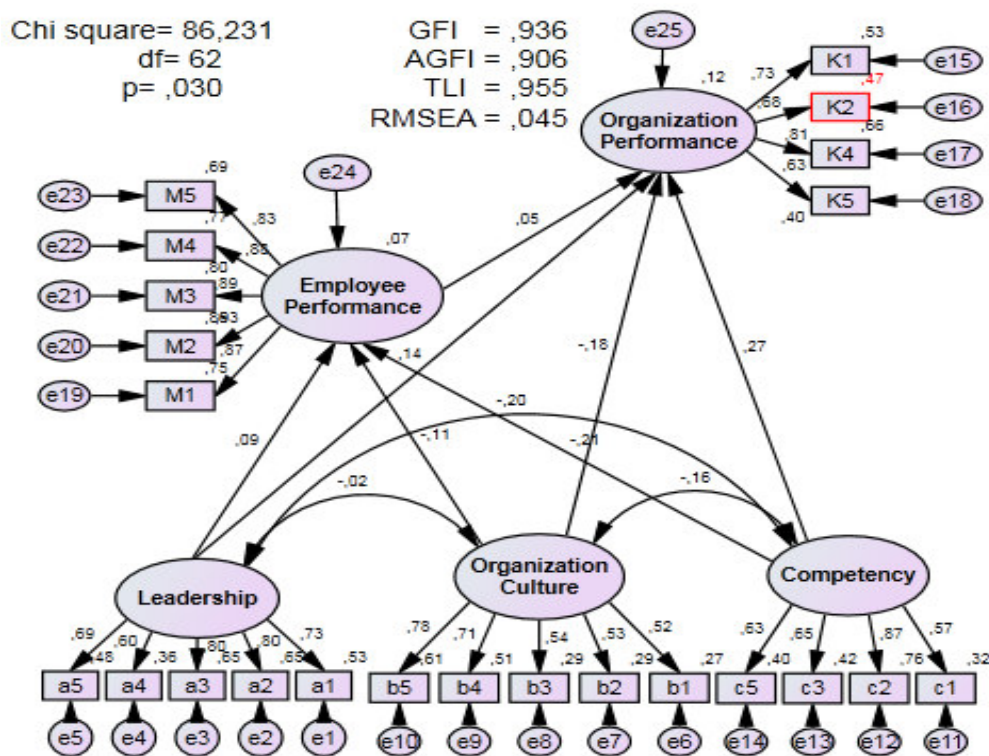

Figure 2: The results of the analysis of a full model SEM

Table 1. Criteria Index Scale and Testing Results *Goodness of fit model*

No	Criteria Index Scale	Reference Values	Result	Appraisal
1	Chi- Square	≥ 0,05	86,231	good
2	df	≤ 5.00	62,00	good
3	p- value	≥ 0,05	0,030	good
4	GFI	≥ 0,90	0,936	good
5	AGFI	≥ 0,90	0,906	good
6	TLI	≥ 0,90	0,955	good
7	RMSEA	≤ 0,08	0,045	good

Source: Primary data (2015).

Table 2 is the results of the CFA which predict the effects of independent variables on the dependent variable. The results of the CFA indicate that organizational culture and competencies significantly influence employee performance. Leadership, organizational culture, and competence have a significant effect on the performance of the organization. The probability of getting a critical ratio as large as: 3,72; 3,00; and 3,97; 3,20; and 4,04 in absolute value is less than 0,001. In other words, the regression weight for organizational culture; competence in the prediction of employee performance and leadership, organization culture, and competency in the prediction of organizational performance is significantly different from zero at the 0,001 level (two-tailed). While the leadership variables do not significantly affect the variable employee performance, and employee performance variables did not significantly affect organizational performance variables in which the probability of getting a critical ratio as large as -0.71 and -0.41 in absolute value is 0.40 and 0.61. In other words, the regression weight for leadership in prediction of employee performance and organization performance is not significantly different from zero at the 0.05 level (two-tailed). Similarly, employee performance variables to predict the performance of the organization. In addition, in Table 2 also shows the manifest variables of code a1, until the code M5, supporting of each construct, with an adequate loading factor which is an average above 50%.

Tabel 2: Result of Confirmatory Factor Analysis (CFA)
Regression Weights: (Group number 1 - Default model)

Constructs			Estimate	S.E.	C.R.	P
Employee_Performance	<---	Leadership	-,09	,13	-,71	,40
Employee_Performance	<---	Organization_Culture	,57	,15	3,72	***
Employee_Performance	<---	Competency	,48	,16	3,00	,01
Organization_Performance	<---	Leadership	,61	,15	3,97	***
Organization_Performance	<---	Organization_Culture	,45	,13	3,20	,01
Organization_Performance	<---	Competency	,52	,13	4,04	***
Organization_Performance	<---	Employee_Performance	-,04	,11	-,41	,61
a1	<---	Leadership	1,000			
a2	<---	Leadership	1,039	,139	7,458	***
a3	<---	Leadership	1,080	,145	7,462	***
a4	<---	Leadership	,827	,146	5,678	***
a5	<---	Leadership	1,006	,155	6,503	***
b1	<---	Organization_Culture	1,000			
b2	<---	Organization_Culture	1,287	,336	3,832	***
b3	<---	Organization_Culture	1,081	,280	3,855	***
b4	<---	Organization_Culture	1,414	,317	4,458	***
b5	<---	Organization_Culture	1,781	,389	4,572	***
c1	<---	Competency	1,000			
c2	<---	Competency	1,538	,291	5,292	***
c3	<---	Competency	1,178	,244	4,823	***
c5	<---	Competency	,890	,188	4,740	***
K1	<---	Organization_Performance	1,000			
K2	<---	Organization_Performance	,895	,147	6,103	***
K4	<---	Organization_Performance	1,045	,153	6,809	***
K5	<---	Organization_Performance	,782	,138	5,666	***
M1	<---	Employee_Performance	1,000			
M2	<---	Employee_Performance	1,105	,080	13,870	***
M3	<---	Employee_Performance	1,026	,080	12,765	***
M4	<---	Employee_Performance	,945	,077	12,281	***
M5	<---	Employee_Performance	,910	,082	11,055	***

Table 3 shows the value of convergent validity or loading factor values obtained by each independent variable in predicting the dependent variable. This implies that, when the variable of organizational culture and competence variable goes up by one standard deviation, employee performance goes up by 0.60; 0.51 standard deviations, as well as the variety of leadership, organizational culture, and competence go up by one standard deviation, the organization's performance goes up by 0.64; 0.52; and 0.54 and all three of these variables is significantly affecting the organization's performance variables (see Table 2).

Tabel 3: Result of Standard Deviation Loading Factor
Standardized Regression Weights: (Group number 1 - Default model)

Constructs			Estimate
Employee_Performance	<---	Leadership	,092
Employee_Performance	<---	Organization_Culture	,601
Employee_Performance	<---	Competency	,511
Organization_Performance	<---	Leadership	,638
Organization_Performance	<---	Organization_Culture	,521
Organization_Performance	<---	Competency	,538
Organization_Performance	<---	Employee_Performance	,052
a1	<---	Leadership	,731
a2	<---	Leadership	,804
a3	<---	Leadership	,804
a4	<---	Leadership	,604
a5	<---	Leadership	,693
b1	<---	Organization_Culture	,517
b2	<---	Organization_Culture	,534
b3	<---	Organization_Culture	,539
b4	<---	Organization_Culture	,711
b5	<---	Organization_Culture	,781
c1	<---	Competency	,567
c2	<---	Competency	,870
c3	<---	Competency	,646
c5	<---	Competency	,629
K1	<---	Organization_Performance	,730
K2	<---	Organization_Performance	,685
K4	<---	Organization_Performance	,814
K5	<---	Organization_Performance	,631
M1	<---	Employee_Performance	,868
M2	<---	Employee_Performance	,930
M3	<---	Employee_Performance	,894
M4	<---	Employee_Performance	,877
M5	<---	Employee_Performance	,830

Table 4 the results of analysis of the effect of direct, indirect (mediation) and the value of the total effect. The analysis result table 4B shows the value of the direct influence (without mediating variable employee performance) variables competency, organization culture, and leadership to the organization performance 0,52; 0.45; and 0.61. The analysis result table 4C shows the magnitude of the indirect effect of variables competency, organization culture, and leadership to organizational performance of 0.01; 0.06; and -0.05, in other words the magnitude of the role of mediating variables in the relationship between employee performance competency, organization culture, and leadership to the organizational performance. Results of analysis table show the total number of effects 4A mediation and without mediation or directly, that is equal to 0.53; 0.51; and 0.56. From these results it can be concluded that the variable performance of employees as a mediating variable, taking a major role in the relationship between organizational culture and organizational performance than others.

Table 4: The direct effect, indirect and total effects

A

Total Effects (Group number 1 - Default model)

	Compete ncy	Organization_Cu lture	Leaders hip	Employee_Perfor mance	Organization_Perfor mance
Employee_Performa nce	,48	,57	-,09	,000	,000
Organization_Perfor mance	,53	,51	,56	-,04	,000

B

Direct Effects (Group number 1 - Default model)

	Compete ncy	Organization_Cu lture	Leaders hip	Employee_Perfor mance	Organization_Perfor mance
Employee_Performa nce	,48	,57	-,09	,000	,000
Organization_Perfor mance	,52	,45	,61	-,04	,000

C

Indirect Effects (Group number 1 - Default model)

	Compete ncy	Organization_Cu lture	Leaders hip	Employee_Perfor mance	Organization_Perfor mance
Employee_Performa nce	,00	,00	,00	,00	,00
Organization_Perfor mance	,01	,06	-,05	,00	,00

5. Conclusion

The results of the primary data analysis using SEM models, with the help of AMOS, as explained above, it can take several conclusions. First, the leadership variable has no effect on employee performance variables. Second, employee performance variables did not affect the organization's performance variables. Third, competence and organizational culture variables influence on employee performance. Fourth, the variable competence; organizational culture, and leadership direct effect on organizational performance. Fifth, employee performance variables mediate the relationship between competence and organizational culture on organizational performance and does not play a role in the relationship between leadership and organizational performance.

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