

**DETERMINANT OF ORGANIZATIONAL PERFORMANCE :STUDY IN ACEH
REGIONAL SECRETARIAT**

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ABSTRACT

This study aims to find out the determinant of organizational performance in Aceh Regional Secretariat. From the previous theories found that the variables appropriate in this study are bureaucratic reform, work culture, employee performance in affecting performance in this organization. This is the verification research that test the model and analyze the Data using Structural Equation Model (SEM), assisted by the AMOS software. The result concludes that : 1. bureaucratic reform doesn't effect employee performance significantly; 2. work culture effects employee performance significantly; 3. bureaucratic reform doesn't effect organizational performance significantly; 4. work culture effects organizational performance significantly; 5. employee performance effects on organizational performance significantly; 6. employee performance doesn't mediate the influence of bureaucratic reform on organizational performance; 7. employee performance doesn't mediate the influence of work culture on organizational performance. The originality of this study lies in verifying the model by SEM technique as a new from the previous model, with causality model developed, with a new time and a new object. The limitation lies in the number of variables and object. The result contributes to science development in updating the causality theories, and this also can be useful for further researcher to develop another new models. This is also as a reference for the practical leader to pay more attention related to the variables, to develop the right policies in their organization, especially for the Aceh Regional Secretariat

Keyword: bureaucratic reform, work culture, employee performance, organizational performance

INTRODUCTION

Organization that has outstanding human resources can contribute a lot to the performance. Regional Secretariat (SEKDA) is a government organization that plays a role as a command of all government department in the province level. Aceh is the one province in Indonesia that also lead by this organization. In achieving high performance, it is not just about an input or output but an orientation towards results and benefits. (Mahmudi, 2013) says that organizational performance is the results of achieving the goals contribute to economic progress, community satisfaction, and agency strategy. According to (Bastian, 2010) the performance of agencies is related to the achievement of the implementation of programs or activities while realizing the agency's vision, mission, goals and objectives so that they can be outlined in the formulation of strategic planning

at the agency.

Various steps were taken by the Regional Secretariat to improve the performance of civil servants. However, based on various indicators that measure HR performance, not all Aceh Regional Secretariat employees have performance that is in line with their existing functions, tasks and subjects. Even when viewed more closely the performance of employees tends to change from time to time. This means that there are still a number of employees who work below the capacity expected by the leadership without any good work effort. Even if we look closely, there are still a number of employees who have bad work behavior, such as stalling work hours. Whereas, according to (Kurniawan, 2005) the performance is a quality of manager or measurement and the quality of the implementation of agency or task operations. Where the performance according to the experts stated by (Sutrisno, 2014) is: 1. (Bernardin & Russell, 1998) figures that the performance is where the record of the results obtained from the function of certain activities or certain jobs within a specified period of time. 2. (Byars & Rue, 2006) describes the performance is the level of individual skills to the tasks that have been covered against the work.

This condition is influenced by various factors including work culture. work culture has formed a routine behavior in work system. A good work culture always provides direction for employees to be honest, like to work hard, not waste the time at work, not to do acts that are not useful, the desire when giving more than what is required, can work together, and be respectful to superiors and coworkers. This spirit of work culture can be seen in general where the spirit of the leadership of the organization can influence personal enthusiasm and drive it, so that it can unite to the same rhythm of work. According to the Regulation of the Minister of Administrative Reform and bureaucratic reform of the Republic of Indonesia Number 39 of 2012 concerning Guidelines for the Development of work culture in the work environment, the government can explain that work culture is as a linkage of important elements in agencies so that it can be implemented for employees in their environment. work culture does not include an element which stands alone.

Other than that, we can see that bureaucratic reform is the part of major strategies now in government institutions. Reforms will reshape the identity of the government management in the framework of governance policies, such as promotion, appointment and rewards policies that is only given to the qualified ones, competent, integrity and high-performing ASNs without differentiating gender, ethnicity, and religion. Especially, for promotional activities carried out more openly. bureaucratic reform is a renewal of *mind-set* (mindset) and culture set (work culture) and also a reform in the government management system (Sedarmayanti, 2009). Where according to (Hayat, 2016) bureaucratic reform is a fundamental effort at the time of making the change for the better, where it can be seen these changes in the existing bureaucratic systems and structures. The system is a link between elements that have influence among one another. While the structure deals with records on a regular basis, which includes agencies, the environment, infrastructure, and human resources. According to (Mayahayati, Wildan, Lia, Sartika, & Hidayah, 2014) bureaucratic reform is in which the binding system and structure contained in the bureaucracy in implementing changes in a comprehensive and dynamic way where according to the needs in order to get a better order.

From discussion above, the research model and the hypothesis that can be formulate as follows.

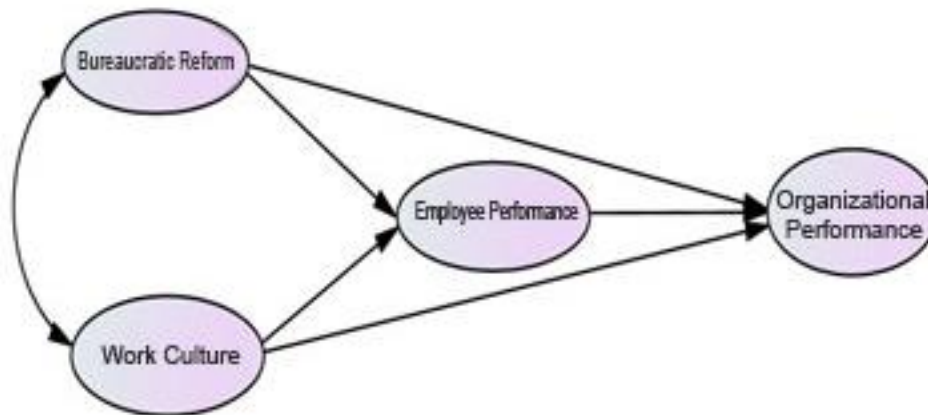


Figure 1. Research Paradigm

- H1 : Bureaucratic reform effects employee performance significantly
- H2 : Work Culture effects employee performance significantly
- H3 : Bureaucratic reform effects organizational performance significantly
- H4 : Work Culture effects organizational performance significantly
- H5 : Employee performance effects on organizational performance significantly
- H6 : Employee performance mediates the influence of bureaucratic reform on organizational performance significantly
- H7 : Employee performance mediates the influence of work culture on organizational performance significantly.

METHOD

This is a verification research that test the causalities of the previous theories. In obtaining accurate and appropriate research data needed, a series of direct research is conducted at the Aceh Regional Secretariat Environment. While this research uses the variables that are bureaucratic reform, work culture, employee performance and organizational performance. This research builds constructs from several theories to measure each variables, that are : 1) bureaucratic reform : institutional arrangement, management arrangements, hr management, accountability, and service quality; 2) work culture : understanding of the meaning of work, attitudes toward work or what is done, attitudes towards work environment, attitude to time, attitudes towards the tools used for work, work ethic and behavior when working or making decisions; 3) employee performance : work, job knowledge, initiative, mental dexterity, attitude, and discipline of time; 4) organizational performance : 1. input aspects, aspects of the process (process), output aspects, aspects of the results (outcome), aspects of benefits (benefits), and impact aspects.

The population is as much as 590 people. The sampling technique used in this study is the probability sampling method. The type of probability sampling chosen is proportionate stratified random sampling which is a systematic random sampling. Number of sample provides by Slovin formula, that is 122 respondents. The likerd scale is used to measure the indicators. For testing the model and hypotheses, this research uses Structural equation modeling (SEM)

with a statistic AMOS software. SEM is a statistical technique that allows researchers to test a very complex set of relationships but can be tested simultaneously (Ferdinand, 2006). SEM can combine latent variables to analysis. Latent variable is a member of a variables or also called the concept of maximization of measured observable variables and can be obtained through respondents with the method manifest variable or often called data collection (Ghozali, 2017). To test the indirect effect this research uses Sobel test (Baron & Kenny, 1986).

RESULT

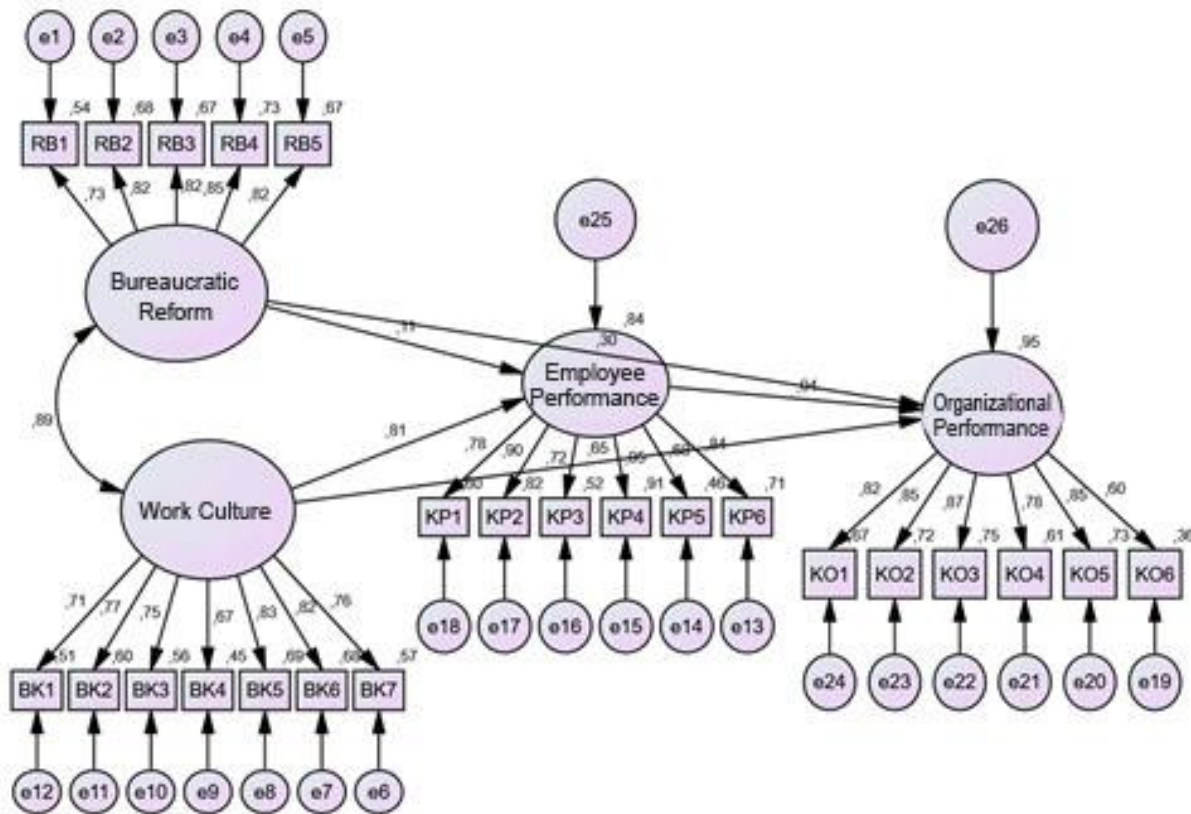


Figure 2. Structural Model

The figure 2 shows the structural model with the coefficient, that we can see in the table below.

Table 1. Result

Hypothesis	Coefficient	Critical Ratio (CR)	P Value	Result
employee Performance ← bureaucratic reform	0.114	0.695	0.487	H1 Rejected

employee Performance ← work culture	0.812	4.587	0.000	H2 Accepted
organizational performance ← employee performance	0.044	0.321	0.749	H3 Rejected
organizational performance ← bureaucratic reform	0.305	2.270	0.023	H4 Accepted
organizational performance ← work culture	0.654	3.128	0.002	H5 Accepted
organizational performance ← employee performance ← bureaucratic reform	0.005	0.291	0.771	H6 Rejected
organizational performance ← employee performance ← work culture	0.036	0.319	0.749	H7 Rejected

Hypothesis test refers to the structural model produced which is shown in table 1. For the direct effect, it uses the analysis of the Critical Ratio (CR) value and Probability (P) value as a result, compared with the statistically required limits, which are above 1.96 for CR value and below 0.05 for P value. Also, for the indirect effect, the sobel test requires the test value above 1.96 with P value below 0.05. So from the result can be concluded as follow.

H1 (rejected) : The effect of bureaucratic reform on employee performance

Bureaucratic reform doesn't have a significant effect on employee performance. It is proven with CR 0.695(< 1.96) and P value of 0.487 (>0.05). So it figures that the better the performance of employees will not influence significantly and directly to the increase in employee bureaucracy.

H2 (accepted) : the effect of work culture on employee performance

Work culture effects employee performance significantly. It is proven with CR 4.587 (> 1.96) and P value of 0.000 (<0.05). So with the formula $Y = \gamma_3 X + e_1$ it says that the coefficient of work culture on employee performance is 0.812. So it concludes that the better the work culture will have a real and direct influence on the performance of employees.

H3 (rejected) : the effect of employee performance on organizational performance

Employee performance doesn't have a significant effect on organizational performance. It is proven with CR 0.321 (< 1.96) and P value of 0.749 (>0.05). So it indicates that the better the employee performance will not have a real and direct influence on the improvement of organizational performance.

H4 (accepted) : the effect of bureaucratic reform on organizational performance

Bureaucratic reform effects organizational performance significantly that is proven with CR 2.270 (>1.96) and P value of 0.023 (>0.05). So with the formula $Y = \gamma_3 X + e_1$ it says that the coefficient of bureaucratic reform on organizational performance is 0.305. It explains that the better the bureaucracy reform will have a real and direct influence on the improvement of organizational performance.

H5 (accepted) : the effect of work culture on organizational performance

Work culture effects organizational performance significantly with CR 3.128 (> 1.96) and P value of 0.002 (<0.05) . So with the formula $Y = \gamma_3 X + e_1$ it says that the coefficient of work culture on organizational performance is 0.654. It describes that the better the work culture will have a real and direct influence on improving organizational performance.

H6 (rejected) : Indirect effects of bureaucratic reform on organizational performance through employee performance

The result indicates the value of the indirect effect of bureaucratic reform on organizational performance through employee performance is not significant, with sobel statistic value 0.291 (< 1,96) and P Value 0.771 (> 0.05). So it figures that the organization doesn't need to consider the indirect effect between bureaucratic reform on organizational performance through employee performance. This employee performance is not a mediation variable.

H7 (rejected) : The Indirect effect of work culture on organizational performance through employee performance

The result indicates the indirect effect of work culture on organizational performance through employee performance is not significant, with sobel statistic value of 0.319 (< 1.96) and P value 0.749 (>0.05). So it figures that the organization does not need to consider the indirect effect between work culture on organizational performance through employee performance. This employee performance is not a mediation variabel.

From all findings we can see all tests are verified in line with the previous theories, that the causality tests in the variables of this research have causality relationships. This also can be a unique reference as this object is a government organization which has a bureaucratic type of organization . These all findings imply the variables that effect organizational performance are the important things in creating high performance in Aceh Regional Secretariat.

CONCLUSIONS

The result says that : 1. bureaucratic reform doesn't effect employee performance significantly; 2. work culture effects employee performance significantly; 3. bureaucratic reform doesn't effect organizational performance significantly; 4. work culture effects organizational performance significantly; 5. employee performance effects on organizational performance significantly; 6. employee performance doesn't mediate the influence of bureaucratic reform on organizational performance; 7. employee performance doesn't mediate the influence of work culture on organizational performance. This verification research integrates the causalities among variables based on the previous theories, and verify it to be new premise. The originality of this study lies in verifying the model by SEM technique as a new from the previous model,

with causality model developed, with a new time and a new object. The limitation lies in the number of variables and object. The result contributes to science development and this can update the causality theories for further researcher to develop another new models. This is also as a reference for the practical leader to pay more attention related to the variables, to develop the right policies in their organization, especially for the Aceh Regional Secretariat.

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