

Impact of Corporate Culture and Emotional Intelligence on Workforce Performance: Organizational Commitment as a Mediating Factor (A Study on XYZ Branches in East Java)

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Abstract

This study aims to analyze the determinants for employee performance in Yatim Mandiri Foundation based on the three factors that influence the employee performance. Main purpose of this study is to examine whether each of those factors has effect on the employee's performance or otherwise. Data is collected from 39 employees in four branches of Yatim Mandiri Foundation through the form of questionnaires with a Likert typed-scale. Path analysis is applied to find the effect of three factors to the employee performance. The results reveal that the value of validity model test is 74,5 percent, indicate that the employees' performance is explained by organizational culture, emotional intelligence, and organizational commitment while the remaining 25,5 percent are linked with other factors. This study concludes that: 1) There is a significant effect between organizational culture to the organizational commitment, 2) There is a significant effect between emotional intelligence to the organizational commitment, 3) There is a significant effect between organizational culture to the employee performance, 4) There is a significant effect between emotional intelligence to the employee performance, 5) There is effect and significant between organizational commitment and employee performance.

Keywords: Organizational Culture, Emotional Intelligence, Organizational Commitment, Employee Performance.

Introduction

Zakat is a form of willingness of a Muslim to spend part of his wealth for the benefit of the people. Zakat activities carried out in the daily lives of Muslims also have the potential to strengthen national economic empowerment but the awareness of the Indonesian is still low even though Indonesia is a country with the largest Muslim population in the World. The Muslim population is estimated to be around 70% of the total population (Kurniawansyah, 2016). The potential of zakat which is supposed to be very large is not comparable with the realization of zakat receipt by the amil zakat institution. The low level of understanding of various types of zakat in the Islamic religion is one factor that has not yet maximized the acceptance and management of zakat potential.

According to Sutomo et al. (2017) there is another cause of the low level of zakat collection is from the institutional aspect of zakat, where it is needed zakat management organizations that are able to work professionally and in accordance with Islamic law starting from the calculation, collection and distribution of zakat, which raises trust from the community. In fact the potential for national zakat reaches 217 trillion IDR, but the realization is only at 13,4 trillion IDR until December 2017 (Jundii, 2018). Therefore, amil zakat institution that is trustworthy, responsible, and has credibility can attract the community to trust and channel their zakat. Satisfying service will make the community more trusting and loyal in channeling their zakat through the institution.

The Yatim Mandiri Foundation is one of the Indonesian Amil Zakat Institutions (LAZNAS) which focuses on raising the social values of humanitarian orphans. The number of donors owned by Yatim Mandiri in January 2018 recorded 147,303 people, the number is still far compared to the number of Muslims who have the potential to issue zakat. For amil zakat institutions, the performance of a zisco (zakat, infaq, shodaqoh/ alms consultant) as a human resource that is directly related to the community is very important. A good and credible performance of a zisco can increase the trust of a muzakki (zakat donor) to entrust his property in the form of zakat, infaq, or shodaqoh to zakat management institutions.

The importance of employee performance has been put forward by Ahmed and Ramzan (2013) in his research which states that the performance of an employee in his workplace is a major concern for an institution regardless of all the factors and conditions that exist. Employee performance in carrying out tasks is certainly influenced by several factors such as organizational culture, emotional intelligence, and organizational

commitment. According to Apriliana et al. (2013) increasing employee commitment will create high performance. Organizational commitment can be a reflection of the individual's positive attitude towards the organization. Another factor that can affect the performance of human resources is organizational culture. This is in accordance with the results of the study of Usmany et al. (2016) which states that organizational culture has a significant effect on employee performance. Another factor that affects performance is emotional intelligence or often referred to as EQ (Emotional Intelligence Quotient) is the ability to realize the emotions of yourself or the emotions of others (Carter, 2010:1). Someone who has high emotional intelligence is able to control emotions and understand other people so that a harmonious group of people is created which in turn can improve employee performance.

Literature Review

Employee Performance

Wartono (2017) argues that employee performance is the result of work achieved by a person or group of people in accordance with the authority / responsibility of each employee during a certain period. Human resources who play an active role in carrying out tasks in the organization are important factors in achieving organizational goals. Performance can be used as an assessment of the achievement of work results and work behavior in completing tasks and responsibilities given in a given period (Kasmir, 2016:182). Management must pay close attention to the expertise or skills of each individual and use and develop according to their potential so that each individual in the organization can provide optimal performance.

Organizational Commitment

Organizational Commitment is the level of an employee confident and accepting the goals of the organization and wanting to stay together with the organization (Mathis and Jackson, 2006:122). Employees who have high organizational commitment will participate in every organizational activity. Kurniawan (2013) states that if the employee's commitment to the organization they work in is very high, it determines the performance to be achieved by the organization. Employees who have organizational commitment will strive to get involved in the activities of the organization in order to achieve its intended goals so as to cause a desire to maintain its existence within the organization.

Organizational Culture

Organizational culture is something with the unique style and quality of an organization to be run by all people in the organization (Kilmann et al., 1985). Abu-Jarad et al. (2010) mentions if the source of organizational culture can come from the founder or leader of the organization related to rituals or symbols that are maintained through a process of socialization and maintained or preserved by a group of people who together form an organization.

Emotional Intelligence

Patton (2001:3) states that emotional intelligence is the ability to use emotions positively in order to achieve goals and success in the workplace by building good relationship ties. Good emotional intelligence has a positive impact on the individual concerned in making decisive and appropriate decisions even though at that time emotional conditions are bad and depressed (Setyaningrum et al., 2016). In the activities of an organization the emotional intelligence possessed by each member of the organization can help smooth the process of running the organization to achieve its objectives.

Research Hypothesis

- H₁ : organizational culture has an effect on organizational commitment
- H₂ : emotional intelligence has an effect on organizational commitment
- H₃ : organizational culture has an effect on employee performance
- H₄ : emotional intelligence has an effect on employee performance
- H₅ : on organizational commitment has an effect on employee performance

Research Methods

Population and Samples

The population in this study is all zisco employee in four branches of Yatim Mandiri Foundation, East Java. Arikunto (2002: 118) states that if there are fewer than 100 people, the total number of samples will be taken as a whole. The number of research samples was 39 respondents.

Data Collection and Measurement

Data collection is done by distributing form of questionnaires. After data collection, path analysis is performed using SPSS software.

Analysis and Result

Table 1. Result of Path Analysis

| No. | Independent Variable | Dependent Variable | Beta (β) | Sig. |
|-----|----------------------------------|------------------------------|------------------|-------|
| 1 | Organizational Culture (X_1) | Organizational Commitment(Z) | 0,452 | 0,000 |
| 2 | Emotional Intelligence (X_2) | Organizational Commitment(Z) | 0,327 | 0,024 |
| 3 | Organizational Culture (X_1) | Employee Performance (Y) | 0,516 | 0,002 |
| 4 | Emotional Intelligence (X_2) | Employee Performance (Y) | 0,336 | 0,026 |
| 5 | Organizational Commitment(Z) | Employee Performance (Y) | -0,670 | 0,000 |

Source: Data processed. 2019

Based on output in Table 1, the direct and indirect effect relationship in this study can be depicted in the following figure.

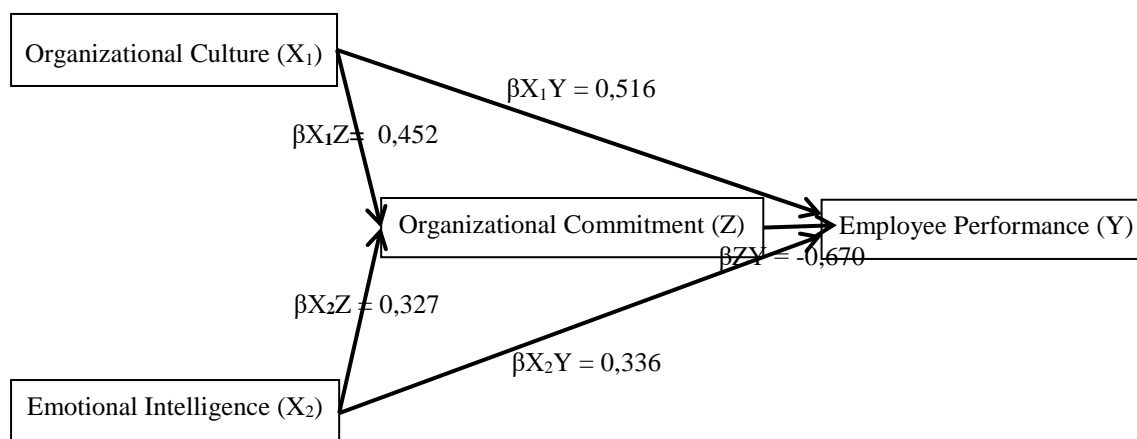


Figure 1. Path Analysis

Result and Discussion

The Effect of Organizational Culture on Organizational Commitment

Coefficient value of organizational culture on organizational commitment is 0.452 with a significance level of less than 0.05, so that H_0 is rejected, which means that the organizational culture has a significant effect on organizational commitment.

The Effect of Emotional Intelligence on Organizational Commitment

Coefficient value of emotional intelligence on organizational commitment is 0.327 with a significance level of less than 0.05, so that H_0 is rejected, which means that emotional intelligence has a significant effect on organizational commitment.

The Effect of Organizational Culture on Employee Performance

Coefficient value of organizational culture on employee performances 0.516 with a significance level of less than 0.05, so that H_0 is rejected, which means that the organizational culture has a significant effect on employee performance.

The Effect of Emotional Intelligence on Employee Performance

Coefficient value of emotional intelligence on employee performances 0.336 with a significance level of less than 0.05, so that H_0 is rejected, which means that emotional intelligence has a significant effect on employee performance.

The Effect of Organizational Commitment on Employee Performance

Coefficient value of organizational commitment on employee performance is -0.670 with a significance level of less than 0.05, so that H_0 is rejected, which means that organizational commitment has an effect and significant on employee performance.

Conclusion

Based on the results of the analysis and discussion of the effect organizational culture and emotional intelligence on employee performance with organizational commitments as intervening variables (study on zisco in four branches of Yatim Mandiri Foundation, East Java), the following conclusions can be drawn:

- a. The organizational culture has a significant effect on the organizational commitments, meaning that the higher the organizational culture to the organization then the higher the organizational commitments is generated. These results indicate that the respondents of this study namely zisco feel that the organizational cultural values instilled in employees can influence organizational commitment.
- b. Emotional intelligence has a significant effect on the organizational commitments, meaning that the higher the emotional intelligence to the organization then the higher the organizational commitments is generated. The results of the analysis also showed that most respondents choose agree to the item statement regarding emotional intelligence. This means that zisco feel they have emotional intelligence in carrying out their work, so they can encourage morale and create commitment to the institution.
- c. Organizational culture has a significant effect on employee performance, meaning that the higher the organizational culture to the organization then the higher employee performance is generated. This means that organizational culture can influence the attitudes and behavior of zisco to act in accordance with the values instilled by the institution so that good performance is created.
- d. Emotional intelligence has a significant effect on employee performance, meaning that the higher the emotional intelligence to the organization then the higher employee performance is generated. This means that the emotional intelligence possessed by zisco in Yatim Mandiri helps them to provide the best and excellent service to muzakki (people who give zakat) so can produce the best performance for the institution.
- e. Organizational commitment has an effect and significant on employee performance. This means that the higher the organizational commitment, the resulting performance decreases.

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