

## Determination of Employee Performance on Organization Effectiveness

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**ABSTRACT:** In the implementation of regional government, Civil Service Police unit expected can help provide legal certainty and expedite the development process in the region. High employee performance is one of the competitive advantages of an organization. Important factors that influence employee performance are communication, discipline and organizational culture. To support research, the data provided from a list of questions or questionnaires. The sample of this research was 92 people. Data analysis in this research used Structural Equation Modeling (SEM) with SmartPLS software. The research results showed that communication had a positive and insignificant effect on employee performance and organizational effectiveness, while discipline and organizational culture had a positive and significant effect on employee performance and organizational effectiveness.

**Keywords** -Communication, Discipline, Organizational Culture, Employee Performance, Organizational Effectiveness

### I. INTRODUCTION

The existence of the Civil Service Police Unit in East Kalimantan Province has an important role in helping the Regional Head to create a peaceful, and orderly regional condition, so that the administration of government can run smoothly and the public can carry out their activities safely. Based on the results of initial interviews conducted by researchers with the management and employees of the East Kalimantan Province Police Unit, information was obtained that in general the implementation of the duties and work of the employees was going well. However, the management Civil Service Police Unit organization admits that there are still several problems related to the level of performance achievement of some employees which are considered not to be as expected. This condition is shown in the summary of the Government Agency Performance Report for East Kalimantan Province Police Unit that the achievement just 80%.

Employee performance is generally defined as the behavior demonstrated by an employee while carrying out certain tasks assigned by the employer. [1]Fuertes 2020 shows that employee performance is associated with the achievements of each employee in accordance with different rules, regulations or expectations of the organization or employer. According to [2]Jiang 2020, employee performance reflects the abilities and capabilities of each individual employee in an organization.

[3]Kalogiannidis 2020 suggests that performance is a multidimensional construct which includes many factors that influence it, one of the influencing factors is communication in an organization. Another importance of horizontal communication is that it can help in developing stronger relationships between employees so that in the long term it increases productivity and general performance of all groups of employees in an organization [4].

According to Pathiranage 2019 an important factor that influences employee performance is organizational culture, Quantitative research results show a positive relationship between organizational culture and business performance [5].

[6]Discipline can make employee performance productive. Workplace discipline is the most important operational function of human resource management, because it has a direct impact on employee performance [7]. For a company to reach its full potential, proper employee discipline is essential. Discipline is the characteristic of an employee who is aware, obeys the rules and regulations of a particular organization. Employees who have a strong level of work discipline can influence employee performance [8].

Several important points recommended in the Government Agency Performance Report of the East Kalimantan Province Police Unit to continue to improve employee performance and organizational effectiveness are improving Organization culture, personnel discipline, and communication at work.

## II. STATEMENT OF THE PROBLEM

Based on the background description above, to develop the problem, the following research questions were formulated:

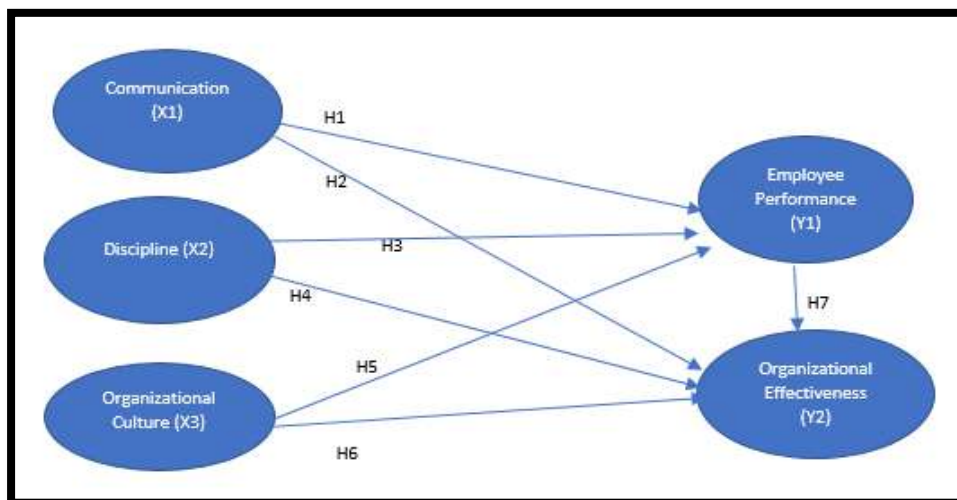
- 1) Does communication affect the employees performance?
- 2) Does communication affect the organization effectiveness?
- 3) Does discipline affect the employees performance?
- 4) Does discipline affect the organization effectiveness?
- 5) Does organizational culture affect the employees performance?
- 6) Does organizational culture affect the organization effectiveness?
- 7) Does employee performance affect the organization effectiveness?

## III. OBJECTIVES

This research aims to obtain empirical evidence relating to the influence of communication variables, work discipline, organizational culture in relation to employee performance and organizational effectiveness such as:

- 1) Analyze the effect of communication on the employees performance
- 2) Analyze the effect of communication on the organization effectiveness
- 3) Analyze the effect of discipline on the employees performance
- 4) Analyze the effect of discipline on the organization effectiveness
- 5) Analyze the effect of organizational culture on the employees performance
- 6) Analyze the effect of organizational culture on the organization effectiveness
- 7) Analyze the effect of employee performance on the organization effectiveness

## IV. CONCEPTUAL FRAMEWORK



## V. RESEARCH METHOD

The writing of the results of this research is carried out descriptively or through descriptions that describe and explain the research subject. The approach in this research follows the steps of quantitative research work. In this case it is called quantitative because the nature of the data collected is quantitative data, that using measuring instruments.

The research instrument used in this research is a structured questionnaire and uses a Likert scale to measure the variables used as research objects. The Likert scale is used to express the respondent's level of agreement or disagreement regarding various behavioral questions, objects, people or events

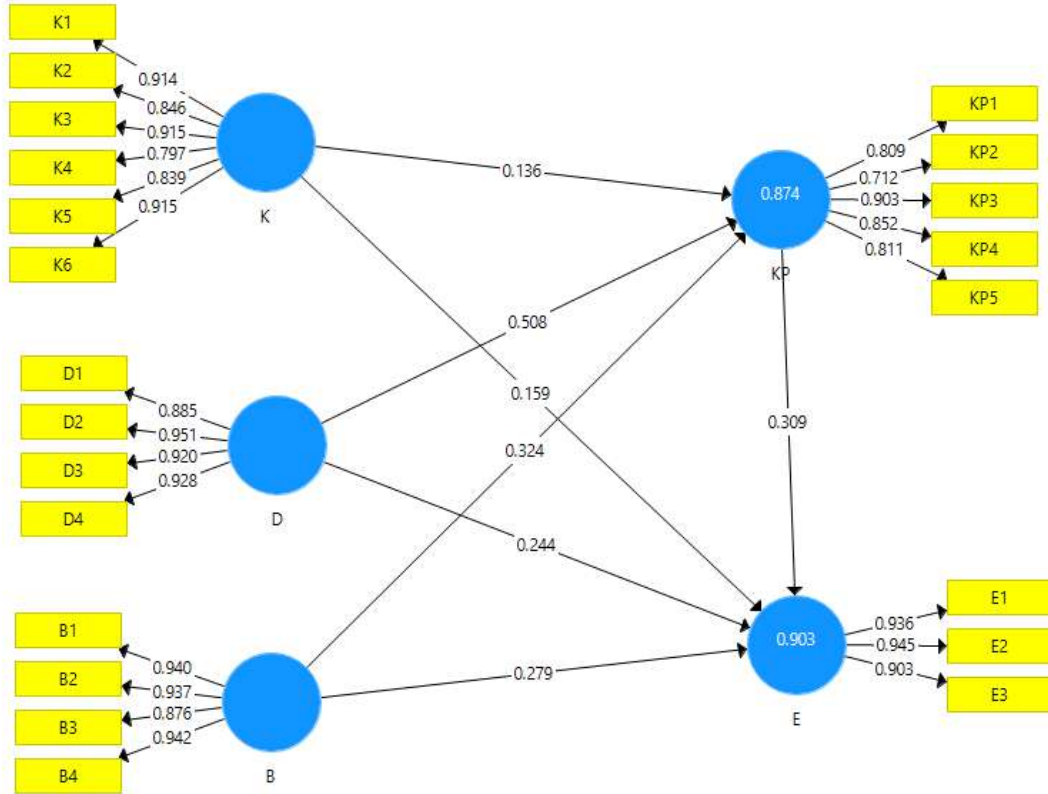
The population data in this study are employees of the East Kalimantan Province Civil Service Police Unit, where the data is all employees of the Civil Service Police Unit, totaling 92 people

Data analysis in this research used Structural Equation Modeling (SEM) with Smart PLS (Partial Least Square) software. PLS (Partial Least Square) is a variant-based structural equation analysis that can simultaneously test measurement models as well as test structural models

VI. RESULT

6.1 Convergent Validity

Convergent validity of the measurement model with reflexive indicators is assessed based on the correlation between item scores as measured by PLS software. An individual reflexive measure is said to be high if it correlates more than 0.70 with the construct being measured and the Average Variance Extracted value must be greater than 0.5. Output results from SmartPLS for Outer Loading as below:



Furthermore, the construct validity and reliability criteria also show valid and reliable results, as in the table below, the AVE value is above 0.5 and Cronbach's alpha and composite reliability are above 0.7

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Communicattion(K)	0,936	0,941	0,950	0,761
Disclipine (D)	0,940	0,943	0957	0,849
Organizational Culture (B)	0,943	0,944	0,959	0,854
Employee Performance (KP)	0,877	0,894	0,911	0,672
Organizational Effectiveness (E)	0,920	0,922	0,949	0,862

6.2 Discriminant Validity

Discriminant Validity is used to test the validity of the construct and its indicators. The discriminant validity test is assessed based on the cross loading of the measurement with the construct or by comparing the root of the AVE for each construct with the correlation between the construct and other constructs in the model. The table results below show the cross loading table produce an AVE value greater than the correlation value between constructs, so it can be stated that the evaluation in this analysis meets discriminant validity.

	B	D	E	K	KP
B1	0,940	0,834	0,841	0,830	0,855
B2	0,937	0,843	0,851	0,863	0,845
B3	0,876	0,772	0,827	0,808	0,786
B4	0,942	0,843	0,869	0,827	0,837
D1	0,713	0,885	0,771	0,691	0,770
D2	0,813	0,951	0,847	0,764	0,851
D3	0,858	0,920	0,863	0,854	0,857
D4	0,890	0,928	0,874	0,868	0,886
E1	0,906	0,846	0,936	0,843	0,838
E2	0,863	0,879	0,945	0,860	0,876
E3	0,780	0,813	0,903	0,768	0,850
K1	0,862	0,839	0,873	0,914	0,814
K2	0,762	0,791	0,785	0,846	0,724
K3	0,796	0,804	0,780	0,915	0,803
K4	0,710	0,589	0,669	0,797	0,665
K5	0,726	0,688	0,703	0,839	0,746
K6	0,844	0,791	0,821	0,915	0,777
KP1	0,637	0,801	0,771	0,652	0,809
KP2	0,539	0,578	0,574	0,490	0,712
KP3	0,913	0,875	0,883	0,864	0,903
KP4	0,813	0,777	0,802	0,795	0,852
KP5	0,729	0,677	0,698	0,693	0,811

**6.3 R-Square**

The results from the table below show that the R<sup>2</sup> value obtained by employee performance is 0.874, which indicates that the variables of communication, discipline and work culture have an influence on employee performance by 87.4%, while the R<sup>2</sup> value obtained by organizational effectiveness is 0.903, indicating that the variables of communication, discipline and culture work and performance influence organizational effectiveness by 90.3%

	R Square	R Square Adjusted
KP	0,874	0,870
E	0,903	0,899

**6.4 Path Coefficient & T- Statistic**

The Path Coefficient value shows the level of significance in hypothesis testing. The path or inner model coefficient score, indicated by the t-statistic value, must be above 1.96. This research has seven hypotheses, the research results obtained are as below:

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (I O/STDEV I)	P Values
K -> KP	0,136	0,159	0,104	1,305	0,192
K -> E	0,159	0,144	0,100	1,579	0,115
D -> KP	0,508	0,487	0,112	4,531	0,000
D -> E	0,244	0,243	0,119	2,056	0,040
B -> KP	0,324	0,322	0,128	2,533	0,012
B -> E	0,279	0,281	0,116	2,394	0,017
KP -> E	0,309	0,318	0,130	2,383	0,018

**6.5 Q-Square Test**

	SSO	SSE	Q2 (=1-SSE/SSO)
K	552,000	552,000	
D	368,000	368,000	
B	368,000	368,000	
KP	460,000	201,337	0,562
E	276,000	68,846	0,751

From the table, the Q2 value is 0.562 for the employee performance variable and 0.751 for the organizational effectiveness variable, both of which have values above zero so they have good observation results, and this research model shows 75.6% Fit, which is shown by the NFI value in the table below.

	Saturated Model	Estimated Model
SRMR	0,067	0,067
d_ULS	1,129	1,129
d_G	1,621	1,621
Chi-Square	714,213	714,213
NFI	0,756	0,756

## VII. DISCUSSIONS

### 7.1 Communication has a positive and insignificant effect on employee performance

Result effect of communication on employee performance with t-statistic is 1.305 the resulting t-statistic value is smaller than 1.96 and the coefficient value is positive, so communication has a positive and insignificant effect on employee performance. This is in accordance with previous research conducted by Norawati 2022, which found that communication did not have a significant effect on employee performance [9]

Communication is important in the creation and maintenance of performance measurement systems. Communication must come from various directions, from top to bottom, from bottom to top, and horizontally within and across organizations. Because open communication between management and employees sends the message that if the company cares about the welfare of its workers and values their contributions, then this is a successful strategy for improving employee performance both in routine work and non-routine activities

### 7.2 Communication has a positive and insignificant effect on Organizational Effectiveness

The influence of communication on organizational effectiveness resulting t-statistic is 1.579 is smaller than 1.96 and the path coefficient is positive, so communication has a positive and insignificant effect on organizational effectiveness. This is in accordance with previous research conducted by Enadarlita & Asvio (2019) which explained that the research conducted found that communication had no significant effect on organizational effectiveness [10]. Communication has an important role in forming an effective and efficient organization. Through good communication, an organization can run smoothly, and vice versa, whether or not communication can run smoothly has a detrimental impact on a company or organization.

### 7.3 Discipline has a positive and significant impact on employee performance

The effect of discipline on employee performance resulting t-statistic is 4.531 is greater than 1.96 and the coefficient value is positive, so discipline has a positive and significant effect on employee performance. This is in accordance with previous research conducted by Claudia (2023), in the research conducted the results showed that discipline had a significant effect on employee performance [11]. Work Discipline is a behavior or behavior that exists within each individual so that they can follow the rules and direct behavior in a harmonious relationship and in accordance with what is desired.

### 7.4 Discipline has a positive and significant impact on Organizational Effectiveness

The influence of discipline on organizational effectiveness resulting t-statistic is 2.056 is greater than 1.96 and the coefficient value is positive, so discipline has a positive and significant effect on organizational effectiveness. This is in accordance with previous research conducted by Suledan (2015) which stated that discipline has a significant effect on organizational effectiveness [12]

The real purpose of discipline is to encourage employees to meet work performance standards and behave reasonably and safely at work. Employees who cannot remain in line or meet standards can be differentiated so that they can clearly learn acceptable performance and behavior. Individual and workforce compliance with established organizational standards in terms of work and personal behavior that is influenced and maintained by discipline must always be enforced. Disciplinary actions based on established rules, regulations, policies and procedures must be strictly enforced.

### 7.5 Organizational Culture Has a Positive and Significant Influence on Employee Performance

The influence of organizational culture on employee performance resulting t-statistic is 2.533 is greater than 1.96 and the coefficient value is positive, so organizational culture has a positive and significant effect on employee performance. This is in accordance with previous research conducted by Butho et al. (2023) which explains that organizational culture has a significant influence on employee performance [13]



Employee performance is greatly influenced by organizational culture, organizational culture will empower teamwork and increase employee morale to achieve good performance results, the stronger the organizational culture, the stronger it will influence employee performance, organizational culture has a significant effect on employee performance which can be seen from indicators of organizational norms so that they can influence employee commitment and employee effectiveness at work [14]

### **7.6 Organizational Culture Has a Positive and Significant Influence on Organizational Effectiveness**

The influence of organizational culture on organizational effectiveness resulting t-statistic is 2.394 is greater than 1.96 and the coefficient value is positive, so organizational culture has a positive and significant effect on organizational effectiveness. This is in accordance with previous research conducted by Suratha & Murugesan (2023), organizational culture is a key element of organizational effectiveness. Organizational culture refers to the beliefs and principles of each agency. Organizational culture has a major impact on organizational effectiveness [15]

### **7.7 Employee Performance Has a Positive and Significant Influence on Organizational Effectiveness**

The influence of employee performance on organizational effectiveness resulting t-statistic is 2.383 is greater than 1.96 and the coefficient value is positive, employee performance has a positive and significant effect on organizational effectiveness. This is in accordance with previous research conducted by Nduhura (2022), which found that by carrying out performance planning, monitoring employee performance will improve employee performance which will make the organization run effectively in achieving its goals[16]

## **VIII. CONCLUSION**

From the results of the research conducted it can be concluded that

1. Communication has a positive and insignificant effect on employee performance so that the first hypothesis is not proven, the leader is responsible for communicating as accurately as possible with his subordinates. The leader must know the shortcomings and problems of his employees and how to convey it. In addition, leaders need to communicate intensely with their subordinates
2. Communication has a positive and insignificant effect on the organizational effectiveness, the communication of leaders and subordinates must be well established and subordinates are also given the opportunity to provide feedback to superiors so as to encourage the effectiveness of the organization if the opposite will hamper the effectiveness of the organization
3. Discipline has a positive and significant effect on employee performance so that the third hypothesis is proven, there is a strong relationship between discipline and employee performance in the organization, employees who come home from work on time and work according to the rules can improve employee performance
4. Discipline has a positive and significant effect on organizational effectiveness so that the fourth hypothesis is proven, a strong relationship between discipline and organizational effectiveness due to the discipline that is applied such as employees who work in accordance with organizational ethics will be able to increase organizational effectiveness
5. Organizational culture has a positive and significant effect on employee performance so that the fifth hypothesis is proven, the influence of work culture with work oriented can improve employee performance
6. Organizational culture has a positive and significant effect on organizational effectiveness so that the sixth hypothesis is proven, the influence of work culture with high commitment and loyalty to the organization can increase the organizational effectiveness
7. Employee performance has a positive and significant effect on organizational effectiveness so that the seventh hypothesis is proven, the results of the questionnaire collected by the questionnaire that employees can complete the work well get the highest value so that employees can complete the number of tasks well and can increase the organizational effectiveness.

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