

# THE EFFECT OF COLLABORATIVE GOVERNANCE AND PERSONAL COMPETENCY ON THE PERFORMANCE OF BRI BANK EMPLOYEES THROUGH ORGANIZATIONAL COMMITMENTS IN SOUTH SULAWESI

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## ABSTRACT

Front-line employees are at the forefront of a bank to give a positive impression to customers. The problem in this research is the low service performance at Bank BRI in South Sulawesi. This study is aimed to analyze and examine the effect of collaborative governance and personal competence on BRI bank performance through direct and indirect Organizational Commitment. Respondents in this study were front-line employees at Bank BRI in South Sulawesi. The latter were stratified proportional random representing the characteristics of each employee, namely 170 people—collecting data through observation and questionnaires. The data were analyzed with a quantitative approach using the structural equation model analysis. The findings of this study state that collaborative governance and personal competence have a direct, accurate and significant effect on organizational commitment. Organizational commitment can mediate the relationship between collaborative governance, individual competence and employee performance. Thus, the findings of this study also indicate that indirectly, collaborative governance and personal competence have a significant effect on improving the performance of BRI employees through organizational commitment.

**Keywords:** collaborative, competence, commitment, performance

## A. PRELIMINARY

The phenomenon that is happening Globally today is that customers are now using banks not only as a place to store money but as one-stop shopping for financial transactions and other businesses. Therefore, E-Service Quality is critical to be carried out by the banking industry because it is helpful for customer satisfaction (Artana et al., 2022). Banking is now a tool for investment, insurance and lifestyle. It requires an increase in performance both in terms of quality and quantity. (Chrismastianto, 2017)

Banking remains an integral part of the financial services industry. Increasing pressure from a low-yield environment and potential economic slowdown could have a negative impact on earnings, particularly for the banking sector. These banks can continue to increase their revenue if they focus on customer service management.

Human resource management that focuses on performance and the factors that influence performance must be emphasized.

Banks are the only institutions or business organizations that manage public funds protected by law, so the public trusts them. Public; secondly, because banks are financial institutions that can affect the economy in the event of unwanted risks; third because as a trust institution, banking institutions are regulated by strict regulations with strict supervision; fourth,

The specific goal of a customer-centred bank is to increase profitability, retain essential customers that have long existed and add new customers, which can be achieved more effectively through the optimal performance quality between front-line employees and their customers.(Grigoroudis et al., 2013).

As one of Indonesia's largest state-owned banks (State-Owned Enterprises), Bank BRI has the same characteristics as other state-owned companies. Bank BRI is helping the government's tasks, such as building certain infrastructure facilities to serve the community's interests, especially in the banking and finance sectors. Bank BRI produces products controlled by the state due to security and confidentiality considerations. Bank BRI was formed based on the prevailing laws and regulations and is owned and managed by the government. Bank BRI was developed to implement specific government policies or strategic ones and was formed to protect the safety and welfare of the community. On the other hand, Bank BRI carries out commercial business whose functions can also be carried out by the private sector. (Kaligis, 2013)

The phenomenon that appears in the field shows that the low performance of Bank BRI's services is partly due to the lack of collaboration between management, supervisors and other employees with front-line employees to improve the quality of service to customers.

Today's main challenge is how to incorporate multiple voices in the public policy process. The desire to meet these challenges is reflected in the growing interest in the concepts and practices of collaborative approaches to governance (Lahat & Sher-Hadar, 2020)

In general, Collaborative governance includes actions or strategies in which different stakeholders work together to promote a policy process or consensus-based decision-making on public issues.(Ansell & Gash, 2008)

Organizational commitment is needed for every organization to have outstanding performance in the long term. Employees want to deliver superior performance both individually and in teamwork, and these things prove that increasing the level of employee commitment increases organizational performance.

The principle of competency suitability with organizational needs becomes something important in the management system. This principle has been taught by the Prophet Muhammad SAW. Through the history of the Prophet, we can learn about the principles of management. In the efforts of the Prophet's da'wah, we know that four main friends became the pillars of the Prophet's da'wah struggle: Abu Bakr Ash Shiddiq, Umar Bin Khattab, Usman Bin Affan and Ali Bin Abi Talib.

The various competencies possessed by each of the companions of the Prophet are the competencies needed in the Prophet's da'wah so that the apostle's da'wah achieves extraordinary success (Saputra et al., 2022).

Meanwhile in the banking world, Chen & Peng (2018) have shown that customers will reward the competence of better front-line employees for their service performance. Furthermore, improving the service performance of front-line employees is a crucial factor affecting business profitability. Employee work performance is essential in research in service industries such as the banking sector. The banking industry is a highly service-oriented sector where front-line employees communicate directly with customers, and it empowers frontliner employees' competence and involvement in banking. But on the other hand, it is often found that the performance of bank employees is low, especially in terms of service to customers. This is sometimes due to the low competence possessed, thereby reducing the motivation to provide maximum service to customers.

## **B. LITERATURE REVIEW**

Empirical research supports that human resource inputs such as motivation and organizational competence positively contribute to organizational outputs such as work performance and company performance (Ferguson & Reio, 2010). Human resources are the sum of knowledge (knowledge),

Research findings (Zaim et al., 2013) revealed a positive relationship between competence and individual performance. Results of research data analysis (Martini et al., 2018) found that employee competence and dimensions of organizational commitment have a significant positive effect on employee performance. From research (Kolibáčová, 2014), it can be concluded that when the level of competence of one employee is higher than the level of competence of another employee, it can be assumed that the level of performance is higher.

### **1. Collaborate Governance**

Sa governance involves many stakeholders in the collective decision-making process and aims to make or implement public policies or manage programs and public assets. According to (Ansell & Gash, 2008), indicators in measuring Collaborate Governance are:

#### **a. Conditions**

The initial conditions set the basic level of trust, conflict, and social capital that becomes a resource or liability during collaboration.

#### **b. Institutional design**

Institutional design refers here to the fundamental protocols and ground rules for collaboration, which are essential for the procedural legitimacy of the collaborative process.

**c. Leadership**

Leadership is essential for establishing and maintaining clear ground rules, building trust, facilitating dialogue, and exploring mutual benefits.

**d. Collaborative process**

The process includes preparation, policy development, and decision making, with each step having several stages.

**2. Personal Competence**

Personal competence is related to the potential of individual human resources in behaving and acting to achieve their goals (Walker, 2007). Competence is generally defined as a skill, skill or ability. It means to measure individual competence; it must be seen from two sides: intellectual and physical ability. Measurement of this indicator to measure employee competence based on knowledge according to theory (Donald, Mc Eachern, 2007) includes:

**a. Knowledge**

The knowledge possessed by employees can support the completion of the tasks for which they are responsible.

**b. Skills**

The skills employees possess per the technical work being done.

**c. Work experience.**

The employee's working period in a career, having the skills possessed by employees helps complete tasks quickly,

**d. Attitude**

The attitude of the ability shown by employees in completing the work, as well as possible and means taking risks, and the decisions they take or the actions they take.

**3. Employee commitment**

Commitment is a stabilizing force that maintains behavioural movement toward justice and psychological conditions, and commitment is an individual's bond to the organization (Allen & Meyer, 1990). The indicators used are:

**a. Affective commitment,**

Affective commitment concerns the job's emotional attachment to identification with and involvement in the organization.

**b. Normative commitment,**

Normative commitment concerns employees' feelings of obligation to stay with the organization because it is the employee's feeling for the responsibilities carried out.

**c. Continuous commitment,**

Commitment-related commitments are based on the costs associated with leaving the organization. It may be due to loss of seniority for promotions or benefits.

**4. Employee performance**

Employee performance is the work achieved by an employee in carrying out his duties and work according to the responsibilities and authorities have given to him, including quantity, quality, and timeliness.

Indicators for measuring employee performance, based on theory (Armstrong & Baron, 2014), include:

- a. The quantity of work results is the achievement of an employee's performance; it will be good if he has clear work standards and targets
- b. Quality of Work Results is the ability to complete and organize work well.
- c. The desire of employees is the will to carry out work based on the hope of a better future which is reflected through employee self-development, appropriate salary and bonuses from the company.

**C. RESEARCH METHODS**

This research is field research, using a survey method through the distribution of questionnaires and using an explanatory research approach. The population in this study were 294 Front Line employees in Bank BRI, which is located in KC Makassar, KC Gowa and KC Maros, a representative of Front Line employees of Bank BRI South Sulawesi. Sampling is then carried out in a stratified manner that represents the characteristics of each existing employee. After that, it is carried out proportionally based on the total population of 170 people.

**D. RESULTS AND DISCUSSION**

**Research Hypothesis Testing**

Testing the hypothesis of this study aims to examine the effect of Collaborative Governance and Competence on employee performance through organizational commitment. Structural equations in testing research hypotheses are:

$$Z_1 = 0 + \alpha_1 X_1 + 2X_2 + \epsilon_1 \dots \dots \dots (1)$$

$$Y = 0 + \beta_1 X_1 + 2X_2 + 3Z_1 + \epsilon_2 \dots \dots \dots (2)$$

Based on the results of path testing of each research variable, a test analysis of each research variable will be carried out based on the research hypothesis using the AMOS application. It can be seen from the following table:

Influence	Standardized Path Coefficient	SE	CR	P
Collaboration Governance → Organizational Commitment	0.529	0.073	7,233	***
Competence Personal → Organizational Commitment	0.76	0.076	10.036	***
Commitment Organization → Employee performance	0.529	0.073	7,233	***

### The effect of collaborative governance on organizational commitment

Based on the results of the path coefficient processed using Amos, the path coefficient value (standardized beta) is 0.529. It shows that an increase follows every increase in collaborative governance carried out by employees in organizational commitment. This finding also indicates that collaborative governance significantly impacts increasing organizational commitment. It can be seen from the value of 0.00. Where  $0.00 < 0.05$  means that collaborative governance significantly influences organizational commitment. Furthermore, judging from the critical ratio (CR)  $> 1.96$ , which is 7.233, this finding shows that collaborative governance significantly affects organizational commitment.

Based on the research data analysis, the results of this study indicate that collaborative governance has a positive and significant effect on organizational commitment. This is due to a team-oriented organization where members of the organization cooperate in a coordinated manner and collaborate in achieving their goals will have a positive impact, thereby increasing employee commitment to an organization. This is in line with the findings (Novianti, 2011), which state that collaboration significantly affects organizational commitment.

### The influence of personal competence on organizational commitment

Based on the results of the path coefficient processed using Amos, the path coefficient value (standardized beta) is 0.76. This shows that every increase in personal competence carried out by employees is followed by an increase in organizational commitment. This finding also indicates that personal competence has a significant impact on increasing organizational commitment. This can be seen from the value of 0.00. Where  $0.00 < 0.05$  means that personal competence significantly influences organizational commitment. Furthermore, judging from the critical ratio (CR)  $> 1.96$ , which is 10.036, this finding shows that personal competence significantly affects organizational commitment.

Based on the research data analysis, the results of this study indicate that personal competence has a positive and significant effect on organizational commitment. This means that increased employee competence will result in increased employee commitment to the organization. This indicates that all abilities and skills in carrying out the tasks assigned by the organization affect increasing commitment to the organization. This is in line with the findings (Anwar & Muhammad Havidz Aima, 2020), which show that competence has a positive and significant effect on organizational commitment. Likewise, the results (I Ketut, 2020) show that competence positively and significantly affect organizational commitment.

### **The effect of organizational commitment on employee performance**

Based on the results of the path coefficient processed using Amos, the path coefficient value (standardized beta) is 0.529. This shows that an increase follows every increase in organizational commitment employees make to employee performance. This finding also indicates that organizational commitment has a significant impact on improving employee performance. This can be seen from the value of 0.00. Where  $0.00 < 0.05$  means organizational commitment significantly influences employee performance. Furthermore, judging from the critical ratio (CR)  $> 1.96$ , which is 10.036, this finding shows that organizational commitment significantly affects employee performance.

Based on the research data analysis, the results of this study indicate that organizational commitment has a positive and significant effect on employee performance. This suggests that employees' high and low performance in carrying out their duties will be determined by the strength or weakness of the organizational commitment to carry out employees carrying out their duties. A solid commitment to the organization positively impacts employee performance and vice versa. This is in line with the findings (Princy & Rebeka, 2019) that employee commitment is positively related to performance. A study (Fu & Deshpande, 2014) also found that commitment thoroughly affects employee performance. A study (Loan, 2020) found that organizational commitment has a positive impact on job performance.

### **The influence of collaborative governance and personal competence on employee performance through organizational commitment**

After carrying out the direct influence of collaborative governance and personal competence on employee performance, an indirect effect of cooperative governance and personal competence will be tested on employee performance through organizational commitment. Where the results of the mediation test using Bootstrapping in Amos obtained the value of  $p\text{value} = 0.050 = 0.05$ . It shows that organizational commitment can mediate the effect of collaborative governance and personal competence on employee performance, especially in Bank BRI in South Sulawesi.

Based on the research data analysis, the results of this study indicate that organizational commitment has a positive and significant effect on employee performance. Loyalty to the organization can mediate corporate governance and personal competence in improving employee performance. It is in line with the findings (Martini et al., 2018), namely that the dimensions of organizational commitment, which consist of effective Commitment, normative Commitment, and ongoing commitment, act as a mediator of the relationship between competence and employee performance. This research proves that collaborative governance, personal competence and organizational Commitment at Bank BRI in South Sulawesi are in the high category so that performance improvements can be achieved. It is in line with what was stated by Fattah et al. (2021) that the higher the determinants of performance, the higher the possibility of achieving performance.

## E. CONCLUSION

The findings in this study indicate that collaborative governance significantly affects the increase in organizational commitment. The reason is that a team-oriented organization where members of the organization work together in a coordinated manner and collaborate in achieving its goals will have a positive impact, thereby increasing employee commitment within an organization.

Personal competence has a positive and significant effect on organizational commitment. The reason is that all abilities and skills in carrying out the tasks assigned by the organization can increase loyalty to the organization. It indicates that collaborative governance and personal competence can significantly increase organizational commitment so that employee performance can be improved with organizational commitment. Therefore, commitment to the organization can mediate corporate governance and individual competence in improving employee performance.

The practical implications of this research can be used as reading in explaining the research gap of each variable studied and Bank BRI in South Sulawesi to improve employee performance. The limitations of this study are that the researchers did not involve all BRI bank employees in South Sulawesi. So that this study does not take several employees who work at Bank BRI in South Sulawesi due to the limited time in this study, suggestions that can be given related to this research are the importance of collaborative governance, competence and commitment to the organization in improving employee performance. Increased collaboration, competence and organizational commitment will have an impact on increasing employee performance.

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