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The Effects of Organizational Values, Situational Leadership on Organizational Commitment and Performance with Competency as a Moderation Variable in Rural Bank Employees in The Region of Central Java Province, Indonesia

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Abstract

Rural Banks (BPR) are the agents of regional and rural economic growth and spearhead the distribution of capital/financing for the micro, small, and medium enterprises (MSME) sector. Human resources are a precious asset for companies in the banking services sector. This type of company sells services in collecting third-party funds in savings and deposits and providing credit (loan) services. The employee's performance will be reflected in the service he provides to customers as outlined in the KPI (Key Performance Indicators) assessment. If the performance is unsatisfactory, customers will not do business with the company again. Employee work performance dramatically influences the survival of banking companies. This research aims to analyze and prove the influence of organizational values and situational leadership on organizational commitment and performance and whether competence moderates the influence of organizational commitment on performance. The population in this study was 2,169 employees of the Rural Bank (BPR) owned by the Regional Government of Central Java Province. The sampling technique used in this research was proportional random sampling, and the sample size was 338 respondents. Data analysis uses SEM (Structural Equation Modeling) using AMOS version 26 software. The research results prove that 1) organizational values and situational leadership have a significant effect on organizational commitment, 2) organizational values have an insignificant effect on employee performance, 3) situational leadership and organizational commitment have an effect on employee performance, 4) competence moderates the effect of organizational commitment on employee performance.

Keywords: *Organizational Values, Situational Leadership, Organizational Commitment, Performance, Competency*

Introduction

Rural Banks (BPR) are a form of company in the banking services sector. Human resources are a precious asset for companies in the banking services sector. This type of company sells services in collecting third-party funds in savings and deposits and providing credit (loan) services.

Rural Banks (BPR) are also the agents of regional and rural economic growth. As the spearhead of capital/financing distribution for the Micro, Small, and Medium Enterprises (MSME) sector, it must compete with commercial banks and others to provide services—loans and raise funds.

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In Central Java Province, there are 29 Regency Governments that have Rural Banks (BPR) operating in their respective Regency Government areas whose controlling shares are owned by the Regency Government.

Banking performance can be seen from various things such as total assets, loans provided (KYD), NPL (Non-Performing Loans), Third Party Funds (Savings and Deposits), and net profit. This increase in BPR performance cannot be separated from the performance of human resources. The better the employee's performance, the better the company's performance. Many factors influence employee performance, including situational leadership, organizational values, organizational commitment, and competence.

In managing the Regency Government-Owned People's Credit Bank, leadership that can control situational conditions is needed, namely leadership with professional competence in its field. Apart from that, the management of Rural Credit Banks (BPR) requires the commitment of all employees to run the organization according to their respective duties and responsibilities and is committed to implementing clean governance (Good Corporate Governance). The performance of its employees greatly influences the progress of an agency or organization. Every agency or organization will continue to strive to improve the performance of its employees to achieve excellent and satisfying work results. Achieving this requires much effort, both by the leader with his leadership style and employees with the resulting performance.

Situational Leadership influences employee behavior, especially employee behavior that supports using the preferred style. Research conducted by Pasaribu et al. (2021), Suriyadi et al. (2020), Setyorini, Anikyuesti, and Landra (2018), Rahadiyan, Triatmanto, and Respati (2018), Purwanto, Novitasari and Asbari (2018), Mustofa and Muafi (2021), Hidayat, Hardhienata and Patras (2020), which shows that leadership style influences employee trust, especially the use of leadership styles that employees like.

Research conducted by Denok et al. (2020), Rafieia, Amini, and Foroozandeh (2016), Ehijiele and Ekienabor (2017), Zefeiti1 and Azmi Mohamad (2017) shows that organizational commitment has a significant effect on employee performance.

This research aims to prove and analyze:

1. Organizational values significantly affect the organizational commitment of employees of Rural Banks (BPR) in the Central Java Province region.
2. Situational leadership significantly affects the organizational commitment of employees of rural banks (BPR) in the Central Java Province region.
3. Organizational values significantly affect the performance of Rural Bank (BPR) employees in the Central Java Province region.
4. Situational leadership significantly affects the performance of employees of rural banks (BPR) in the Central Java Province region.
5. Organizational commitment significantly affects the performance of employees of rural banks (BPR) in the Central Java Province region.
6. Competence moderates the effect of organizational commitment on the performance of rural banks' (BPR) employees in Central Java Province.
7. In this research, there are several sections, such as abstract, introduction, literature review, research methodology, discussion, and conclusions as explained below:

Literature Review

1. Organizational Values

Barrett (2006) stated that the definition of organizational values will be a guide or rule in making decisions within the organization. Shared values will increase trust and increase group unity.

1. Criteria about goodness and truth that are believed and applied in organizational life.
2. Factors that drive organizational behavior and encourage employee/individual excellence.
3. Able to clarify quality performance expectations.
4. Respect customers, suppliers, vendors, and the wider community.
5. Daily leadership behavior
6. It determines the achievement of the mission and vision.

2. Situational Leadership

Situational leadership focuses on the suitability or effectiveness of the leadership style according to the follower's maturity about a particular task. Indicators of situational leadership style according to Sedarmayanti (2011:14):

1. *Telling*
2. *Selling*
3. *Participating*
4. *Delegating*

3. Organizational Commitment

Organizational commitment is a form that arises from the willingness, sincerity, and awareness of individuals who are always within the organization, which is manifested by how much effort, motivation, and belief there is in realizing the vision, mission, and shared goals.

Indicators of Organizational Commitment according to (Julistia, 2015):

1. Pride in the company
2. Willingness to take sides/sacrifice for the company
3. Loyalty to the company

4. Performance

Employee performance is an achievement/work result an employee achieves in carrying out his duties. The variables and indicators that are part of this concept are elements of employee performance assessment, according to Wibowo (2011: 246), which include:

1. Work Quantity,
2. Work Quality,
3. Productivity,
4. Punctuality

5. Competency

According to McClelland (1973), competency is a fundamental characteristic a person possesses that directly influences or can describe excellent performance. In other words, competence is what outstanding performers do more often in situations with better results than average performers (Zainal et al., et al. 2015, p.230). The indicators used to measure

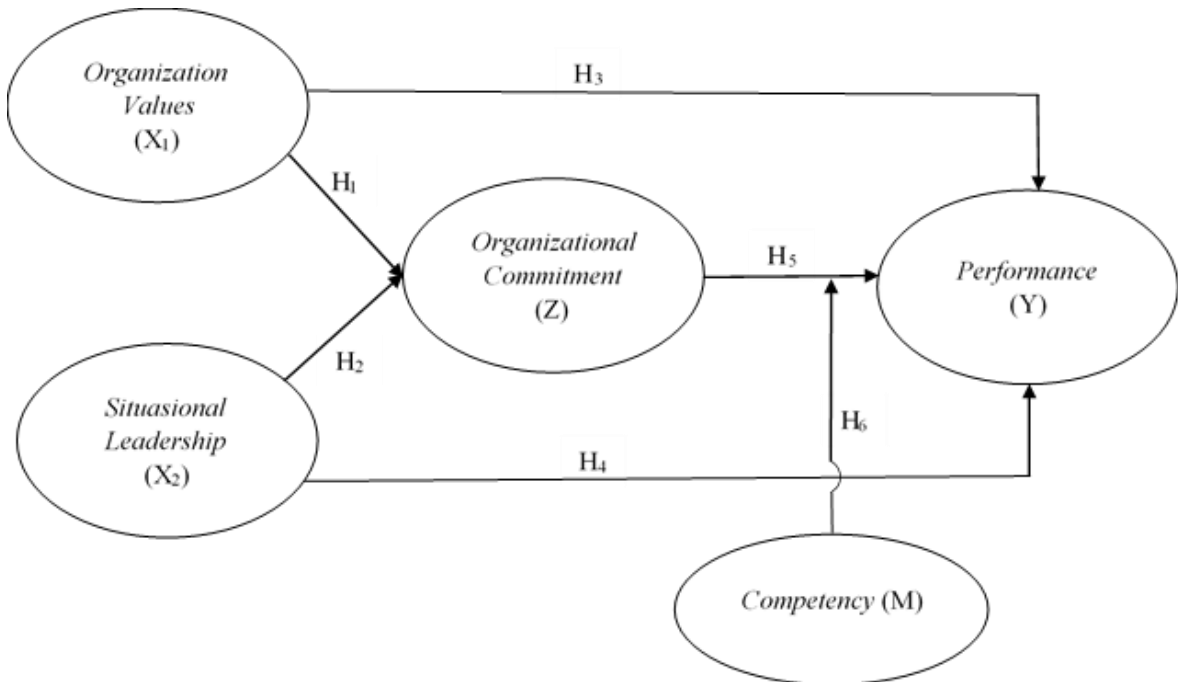
competency variables are:

1. Traits
2. Self-Concept
3. Knowledge
4. Skill

6. Research Model Method

Based on the above problems, a research conceptual framework was created as well as the development of the Empirical Research Model as follows:

Figure 1: Research Framework



Hypothesis 1: Organizational values significantly affect the organizational commitment of employees of rural banks (BPR) in the Central Java Province region.

Hypothesis 2: Situational leadership significantly affects the organizational commitment of employees of rural banks (BPR) in the Central Java Province region.

Hypothesis 3: Organizational values significantly affect the performance of Rural Banks (BPR) employees in the Central Java Province region.

Hypothesis 4: Situational leadership significantly affects the performance of employees of rural banks (BPR) in the Central Java Province region.

Hypothesis 5: Organizational commitment significantly affects the performance of employees of rural banks (BPR) in the Central Java Province region.

Hypothesis 6: Competence moderates the effect of organizational commitment on the performance of rural banks' (BPR) employees in the Central Java Province region.

Research Method

This type of research is causal explanatory research, namely, research carried out to determine the level and nature of cause-and-effect relationships between variables. This research was designed as research that uses a quantitative descriptive approach where this method is used to determine the relationship between a variable that influences the variable that is influenced in a study and how significant the influence is.

Data collection uses research instruments to describe and test predetermined hypotheses. To consider the model built by researchers, data analysis uses SEM (Structural Equation Modeling) using AMOS version 26 software. The population in this study were 2,169 employees of the Rural Bank (BPR) of Central Java Province Regency. The sampling technique used in this research was proportional random sampling, and the sample size was 338 respondents.

Discussion

1. Preliminary Analysis

Preliminary analysis is an initial analysis of survey data. In this preliminary analysis, researchers evaluated the validity and reliability of the questionnaire used in the survey. Validity and reliability testing uses data from at least 30 respondents (Malhotra, 2007; Solimun et al., 2017). In this initial analysis, the questionnaire will be tested on 50 Rural Bank (BPR) employees from the Regency Government in Central Java Province.

The results of validity and reliability testing were carried out with the help of the IBM-SPSS Statistics v.28 program. The test results are presented in Table 1 and Table 2.

Table 1: Validity Test

Variables	Indicators	Item/ criteria	Corrected Item-Total Correlation	Decision
Organization Values (X1)	Integrity (X1.1)	X1.1.1	0.517	Valid
		X1.1.2	0.533	Valid
	Discipline (X1.2)	X1.2.1	0.753	Valid
		X1.2.2	0.699	Valid
	Hard Work (X1.3)	X1.3.1	0.443	Valid
		X1.3.2	0.522	Valid
	Responsibili ty (X1.4)	X1.4.1	0.774	Valid
		X1.4.2	0.626	Valid
		X1.4.3	0.726	Valid
Situational Leadership (X2)	Telling (X2.1)	X2.1.1	0.582	Valid
		X2.1.2	0.472	Valid
	Selling (X2.2)	X2.2.1	0.411	Valid
		X2.2.2	0.439	Valid
	Participating (X2.3)	X2.3.1	0.522	Valid
		X2.3.2	0.745	Valid
	Delegating (X2.4)	X2.4.1	0.363	Valid
		X2.4.2	0.569	Valid
Organizational Commitment (Z)	Pride (Z.1)	Z.1.1	0.567	Valid
		Z.1.2	0.518	Valid
	Sacrifice	Z.2.1	0.844	Valid

Variables	Indicators	Item/criteria	Corrected Item-Total Correlation	Decision
Competency (M)	(Z.2)	Z.2.2	0.862	Valid
	Fidelity	Z.3.1	0.405	Valid
		(Z.3)	Z.3.2	0.460
	Traits (M.1)	M.1.1	0.800	Valid
		M.1.2	0.857	Valid
	Self	M.2.1	0.799	Valid
	Concept (M.2)	M.2.2	0.832	Valid
	Knowledge (M.3)	M.3.1	0.604	Valid
		M.3.2	0.608	Valid
	Skill (M.4)	M.4.1	0.634	Valid
M.4.2		0.800	Valid	
Employee Performance (Y)	Quantity (Y.1)	Y.1.1	0.796	Valid
		Y.1.2	0.829	Valid
	Quality (Y.2)	Y.2.1	0.833	Valid
		Y.2.2	0.744	Valid
	Productivity (Y.3)	Y.3.1	0.639	Valid
		Y.3.2	0.823	Valid
	Timeliness (Y.4)	Y.4.1	0.646	Valid
		Y.4.2	0.786	Valid

The validity test results showed that the correlation value of each measurement item on all variables has a range between 0.363-0.862 (all greater than 0.30). Thus, it can be concluded that all statement items meet the validity criteria and are valid to be used to measure organizational values, situational leadership, organizational commitment, competency, and performance so that they can be used for further analysis.

Table 2: Reliability Test

Variables	Number Of Items	Cronbach's Alpha	Decision
Organization Values (X1)	9	0.876	Reliable
Situational Leadership (X2)	8	0.771	Reliable
Organizational Commitment (Z)	6	0.827	Reliable
Competency (M)	8	0.917	Reliable
Performance (Y)	8	0.931	Reliable
Rule Of Thumbs		≥ 0.70	

Meanwhile, the results of the reliability test show that Cronbach's alpha values for the organizational values, situational leadership, organizational commitment, competency, and performance variables are 0.876, 0.771, 0.827, 0.917 and 0.931, respectively; these five values are more significant than 0.70, so it can be concluded The preparation of statement items used to measure these variables is reliable and can be trusted as a measuring instrument with a good level of reliability.

2. Respondents' Profile

The research sample was Rural Bank (BPR) employees in Central Java Province, with a sample size of 338 people. Next, the sample will be described according to bank origin, gender, age, length of service, position, employee status, and latest education.

Table 3: Respondents's Profile

Respondent's Profile	Description	Frequency	Percentage
Name of Bank	PT BPR Bank Bapas 69 (Perseroda)	35	10.4
	PT BPR Bank Daerah Karanganyar (Perseroda)	29	8.6
	PUD Bank Karanganyar	22	6.5
	PT BPR Bank Boyolali (Perseroda)	17	5.0
	PT BPR Bank Djoko Tingkir (Perseroda)	17	5.0
	PT BPR Bank Klaten (Perseroda)	17	5.0
	PT BPR Bank Daerah Pati (Perseroda)	16	4.7
	Perumda BPR Bapas Kab Temanggung	14	4.1
	PT BPR Bank Jepara Artha (Perseroda)	14	4.1
	PT BPR Bank Wonosobo (Perseroda)	14	4.1
	Perumda BPR Bank Brebes	11	3.3
	18 BPR lainnya (@ frek ≤10)	132	39.1
Gender	Male	181	53.6
	Female	157	46.4
Age	21-30 years	51	15.1
	31-40 years	140	41.4
	More than 40 years	147	43.5
Length of Work	1-10 years	144	42.6
	11-20 years	149	44.1
	More than 20 years	45	13.3
Current Position	Kepala Bagian	84	24.9
	Kepala Kas	82	24.3
	Kepala Seksi	71	21.0
	Staf	56	16.6
	Kasubag	16	4.7
Employee Status	12 jabatan pimpinan lainnya (@frek < 10)	29	8.6
	Permanent employees	319	94.4
	Contract employees	19	5.6
Last Education	High School	9	2.7
	Diploma	17	5.0
	Bachelor	280	82.8
	Master	32	9.5
	Total	338	100.0

Most employees are men, but the number of female employees is similar. The more significant proportion of employees over 40 reflects stability and experience in the organization, and these employees have more mature knowledge and skills in managing banking aspects. A work period of between 11-20 years shows loyalty. The high proportion of employees with permanent status reflects the stability of the bank's workforce. The bank has policies that support long-term career development and provide employment guarantees for employees. Furthermore, the high proportion of employees with a bachelor's degree background indicates a tendency to employ individuals with a higher education level. The bank assesses that the formal education level correlates with increased competence and expertise in banking work.

3. Analysis of The Measurement Model

Measurement model analysis was carried out with three objectives: testing measurement model

fit, construct validity, and construct reliability.

Table 4: Construct Validity and Construct Reliability

Constructs	Indicators	Standardized regression weight	Construct Reliability	AVE
Organization Values (X1)	Integrity (X1.1)	0.579	0.830	0.554
	Discipline (X1.2)	0.798		
	Hard Work (X1.3)	0.788		
	Responsibility (X1.4)	0.790		
Situational Leadership (X2)	Telling (X2.1)	0.608	0.774	0.510
	Selling (X2.2)	0.639		
	Participating (X2.3)	0.799		
	Delegating (X2.4)	0.665		
Organizational Commitment (Z)	Pride (Z.1)	0.698	0.769	0.526
	Sacrifice (Z.2)	0.725		
	Fidelity (Z.3)	0.751		
Competency (M)	Traits (M.1)	0.787	0.843	0.573
	Self Concept (M.2)	0.809		
	Knowledge (M.3)	0.706		
	Skill (M.4)	0.722		
Performance (Y)	Quantity (Y.1)	0.892	0.898	0.691
	Quality (Y.2)	0.903		
	Productivity (Y.3)	0.848		
	Timeliness (Y.4)	0.658		
	Rule of thumbs	≥0.50	≥0.70	≥0.50

The results of evaluating the suitability of the measurement model have produced good fit criteria for absolute fit indices and incremental fit indices (probability chi-sq 0.000, cmin/df 1.826, GFI 0.924, RMSEA 0.035, SRMR 0.050, CFI 0.963, TLI 0.955, NFI 0.923, RFI 0.906, and AGFI 0.897), so that the measurement model is acceptable and can be used for further analysis.

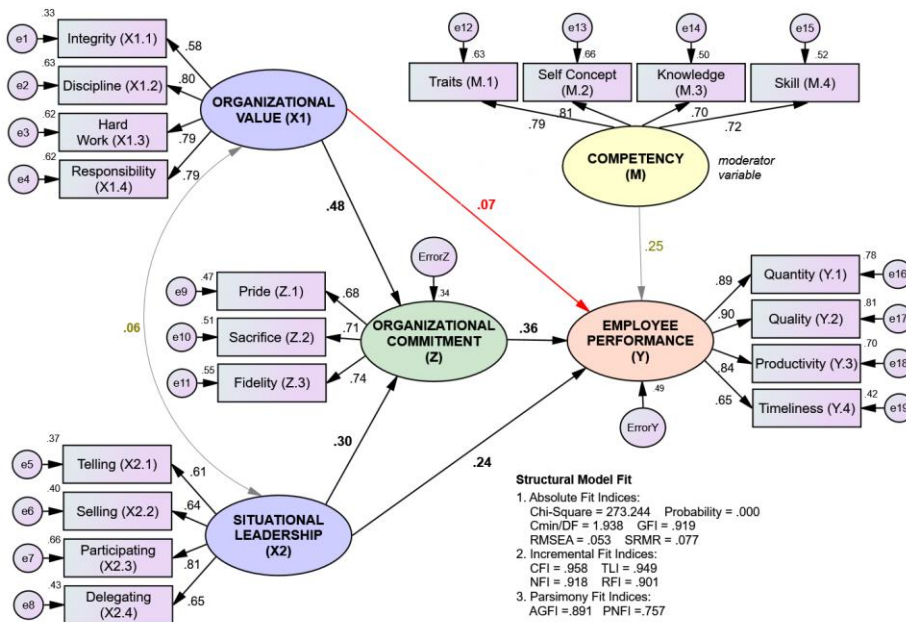
After ensuring that the measurement model has a good model fit, construct validity testing is then carried out. Construct validity shows a test to determine the extent to which indicators measure the construct. In SEM, construct validity testing is carried out through convergent validity, with the rule of thumb that a construct is said to meet convergent validity if the indicators on the construct have a standardized regression weight (factor loading) value of at least 0.50 and a preferable value of 0.70. (Hair et al., 2018:632). Meanwhile, construct reliability is checked using the construct reliability value. A construct is reliable if the construct reliability value is more significant than 0.70 and can also be with an Average Variance Extracted (AVE) value above 0.50 (Hair et al., 2018, p. 605).

4. Analysis of The Structural Model

After the measurement model analysis stage is fulfilled, the next stage is structural model

analysis. The structural model stage begins with evaluating the structural model fit (goodness of fit), which functions to ensure the model developed is by the data (good fit). The results of the structural model estimation are presented in Figure 2.

Figure 2: Assessing The Structural Model



The results of calculating the values of the goodness of fit indices in the structural model are probability 0.000, Cmin/df 1.938, GFI 0.919, RMSEA 0.053, SRMR 0.077, CFI 0.958, TLI 0.949, NFI 0.918, RFI 0.901, and AGFI 0.891. These results show that all the criteria for absolute fit indices, incremental fit indices, and parsimony fit indices have met the requirements (good fit) so that the structural model can be accepted, and then hypothesis testing is carried out regarding the significance of the influence between variables, both direct effect, mediation effect, moderation effect, and total effect.

SEM also produces an output coefficient of determination (R²). Hair et al. (2018:152) state that the coefficient of determination measures the proportion of diversity in the dependent variable that the independent variable can explain. The calculation of the coefficient of determination shows that the value of R_{Commitment2} is 0.342, meaning that the percentage of influence of organizational values and situational on organizational commitment in BPR employees belonging to the Regency Government in Central Java Province is 34.2%. The value of R_{Performance2} is 0.494, meaning that the percentage of influence of organizational values, situational leadership, and organizational commitment to the performance of BPR employees belonging to the Regency Government in Central Java Province is 49.4%.

5. Hypothesis Testing

a. Analysis of the Direct Effect

The following are the results of testing structural relationships in the context of testing each research hypothesis based on SEM output:

Table 5: Testing the Direct Effect Hypotheses

Direct effect			Std. Estimate	C.R. ^(a)	P value ^(a)	Hypothesis
Organization Values	→	Organizational Commitment	0.484	5.285	0.036*	H ₁ accepted
Organization Values	→	Employee Performance	0.074	0.975	0.254 n.s	H ₂ rejected
Situational Leadership	→	Organizational Commitment	0.299	4.095	0.006**	H ₃ accepted
Situational Leadership	→	Employee Performance	0.244	3.037	0.012*	H ₄ accepted
Organizational Commitment	→	Employee Performance	0.362	2.742	0.024*	H ₅ accepted

*. Significant at the 0.05 level **. Significant at the 0.01 level n.s. Not significant
^(a) C.R. and p-value based on bootstrapping bias-corrected percentile method

Based on the table above, it can be explained as follows:

a. The coefficient estimation results for the influence of organizational value on organizational commitment show a significant influence with a CR value of 5.285 (>1.96) and a p-value of 0.036 (<5%). The resulting influence coefficient is 0.484 (positive), meaning that the higher the organizational value, the more substantial employee commitment will be. Thus, the first hypothesis, which states that organizational value significantly affects organizational commitment among BPR employees belonging to the Regency Government in Central Java Province, can be accepted (H1 is accepted).

The influence of organizational values on organizational commitment among employees at Rural Credit Banks (BPR) is very significant because the organizational values created by BPR become guidelines or regulations in making BPR decisions. BPR guidelines and regulations must be implemented by all BPR employees and administrators as well as possible. This will increase employee trust in the BPR and improve the organization's quality within the BPR Company. The organizational values in BPR are outlined in the System Operational Procedure (SOP) guidelines, which must be by the applicable provisions and regulations of the Financial Services Authority (OJK), government regulations, and applicable laws and regulations which must be adhered to as guidelines for the BPR Company organization running well and healthy. With the BPR's organizational commitment to complying well with the governance and corporate values of the BPR and without any violations being committed, it will increase employee trust and improve the organizational quality of the BPR owned by the Regency Government in Central Java Province.

The results of this research confirm the theory of Organizational Values by Barret (2006), Woodcock & Francis (1990), Rokeach (1973), Rollinson (2008), P. Chelldurai (2006), Akdon (2009) and the theory of Organizational Commitment by Sutrisno (2016), Hasibuan (2017), Thoha (2008), Reitz (2017), Rivai (2009).

This research supports the research conducted by Ariyani (2012) and Finegan (2000), which proves that organizational values have a significant effect on organizational commitment.

b. The coefficient estimation results for the influence of organizational value on employee performance show that the influence is not significant, with a CR value of 0.975 (<1.96) and a p-value of 0.254 (>5%). The resulting influence coefficient is only 0.074, meaning

that the higher the organization's value, it can strongly impact employee performance. Thus, the second hypothesis, which states that organizational values significantly affect employee performance in BPRs owned by the Regency Government in Central Java Province, cannot be accepted (H2 is rejected).

The organizational values at Regency Government-Owned BPRs in Central Java Province do not have a significant effect on employee performance because working at a Rural Credit Bank (BPR) requires competence in their respective areas of duty in the form of expertise and experience as well as high organizational commitment as an employee in implement organizational values in the form of applicable behavioral guidelines and SOPs. So, organizational values only significantly affect employee performance, with employees having a high organizational commitment to carrying out company values, good OCB behavior, and the required competencies. So, better organizational values have yet to have a tangible impact on improving employee performance.

The results of this research do not confirm the theory of organizational values by Barret (2006), Woodcock & Francis (1990), Rokeach (1973), Rollinson (2008), P. Chelldurai (2006), Akdon (2009) and the performance theory by Hasibuan (2014), Simamora, (2012), Mangkunegara (2013), Sedarmayanti (2011), Dharma (2011).

The results of this research are different from the results of research conducted by Salih and Ahmed (2019), Otwori and Juma (2015), Demol and Sirca (2017), and Fitzgerald (2013), which proved that organizational values influence performance.

c. The coefficient estimation results for the influence of situational leadership on organizational commitment show a significant influence with a CR value of 4.095 (>1.96) and a p-value of 0.006 ($<5\%$). The resulting influence coefficient is 0.299 (positive), meaning that the higher the situational leadership, the stronger the employee commitment. Thus, the third hypothesis, which states that situational leadership significantly affects organizational commitment among BPR employees belonging to the Regency Government in Central Java Province, can be accepted (H3 is accepted).

In general, BPR leaders belonging to the Regency Government in Central Java Province have excellent abilities in adapting their leadership style according to the situation and conditions that are the expectations of each BPR owner, namely the Regent, in developing the BPR business by their vision and mission. Of course, the expectations of each Regency BPR owner in Central Java Province will be different, so BPR leaders use a situational leadership model. The better the situational leadership, the higher the organizational commitment to implementing good governance, so with good situational leadership, employees' organizational commitment will be stronger. Thus, situational leadership significantly affects organizational commitment among BPR employees belonging to the Regency Government in Central Java Province.

The results of this research confirm the theory of Situational Leadership by Sutrisno (2016), Hasibuan (2017), Thoha (2008), Reitz (2017), Rivai (2009), and the theory of organizational commitment by Luthans (2006), Meyer and Allen (2006).

This research supports the results of research conducted by Nurani et al. (2021) and Palupi, Cahjono, and Satyawati (2017), which prove that situational leadership influences

organizational commitment. However, the results of this research are different from those of Wuryania et al., which showed that situational leadership had no effect on organizational commitment.

d. The coefficient estimation results for the influence of situational leadership on employee performance also show a significant influence with a CR value of 3.037 (>1.96) and a p-value of 0.012 ($<5\%$). The resulting influence coefficient is 0.244 (positive), meaning that the higher the situational leadership, the stronger the employee's performance will be. Thus, the fourth hypothesis, which states that situational leadership significantly affects employee performance in BPRs owned by the Regency Government in Central Java Province, can also be accepted (H4 is accepted).

In general, BPR leaders belonging to the Regency Government in Central Java Province have excellent situational leadership skills in managing the business and performance of the BPR. The success of situational leadership will have an impact on improving employee performance because situational leadership constantly evaluates employee performance regarding their achievements and provides coaching, counseling, and mentoring to employees to improve performance according to company expectations. So situational leadership significantly influences employee performance at BPRs owned by the Regency Government in Central Java Province.

The results of this research confirm the situational leadership theory by Sutrisno (2016), Hasibuan (2017), Thoah (2008), Reitz (2017), Rivai (2009), and the Performance theory by Hasibuan (2014), Simamora (2012), Mangkunegara (2013), Sedarmayanti (2011), Dharma (2011).

The results of this research support the results of research conducted by Pasaribu et al. (2021), Suriyadi et al. (2020), Setyorini, Anikyuesti and Landra (2018), Rahadiyan, Triatmanto, and Respati (2018), Purwanto, Novitasari and Asbari (2018), Mustofa and Muafi (2021), Hidayat, Hardhienata and Patras (2020) who prove that situational leadership influences employee performance.

e. The coefficient estimation results for the influence of organizational commitment on employee performance also show a significant influence with a CR value of 2,742 (>1.96) and a p-value of 0.024 ($<5\%$). The resulting influence coefficient is 0.362 (positive), meaning that the stronger the employee's organizational commitment, the higher their performance will be. Thus, the fifth hypothesis, which states that organizational commitment significantly affects employee performance in BPRs owned by the Regency Government in Central Java Province, can also be accepted (H5 is accepted).

BPR employees with above-average competency have more confidence that they can be accepted for a career anywhere, so their loyalty to the organization is less intense than that of employees with average competency. This makes the influence of organizational commitment on performance weaker because their excellent performance is due to their competence, not because they are committed or not committed.

In general, employees at Regency Government-Owned BPRs in the Central Java Province Region whose competency is higher will weaken the influence of organizational commitment on employee performance. This means that employees who feel that they increasingly have high competence and perform very well in all parts related to BPR business performance will reduce loyalty to maintain organizational commitment to the company, so they prefer the offer to move to another BPR to increase their position status or to improve their position. A more

significant source of income than before. This is because, in general, the progression of career positions or additional increases in income for Regency Government-Owned BPR employees in the Central Java Province Region is slower and is prioritized based on seniority rather than competency. Thus, the results of competency moderation on the influence of organizational commitment on employee performance significantly influence Regency Government-Owned BPRs in the Central Java Province Region.

b. Analysis of the Mediation Effect

The following are the results of testing structural relationships in the context of testing each indirect influence research hypothesis based on SEM output:

Table 6: Testing for The Indirect Effects

Indirect effect	Std. Estimate	S.E.	C.R.	P-value	Type of mediation
Organization Value → Organizational Commitment → Employee Performance (X1 → Z → Y)	0.175	0.170	2.147	0.019*	Fully mediation
Situational Leadership → Organizational Commitment → Employee Performance (X2 → Z → Y)	0.108	0.078	2.346	0.005**	Partially mediation

*. Significant at the 0.05 level **. Significant at the 0.01 level n.s. Not significant
(a) p-value based on bootstrapping bias-corrected percentile method

Based on Table 6, it can be explained that the results of the indirect path significance test $X1 \rightarrow Z \rightarrow Y$ show a significant influence with a coefficient value of 0.175 and a p-value of 0.019 (<5%). Organizational commitment significantly mediates the influence of organizational values on employee performance. The type of mediation is full mediation, which implies that improving employee performance cannot only be done by creating practical organizational value but must also be accompanied or focused on strong organizational commitment so that employee performance will increase. Implementing organizational values that can strengthen commitment has been proven to encourage better employee performance.

The indirect path significance test $X2 \rightarrow Z \rightarrow Y$ results also showed a significant effect with a coefficient value of 0.108 and a p-value of 0.005 (<5%). Organizational commitment also significantly mediates the influence of situational leadership on employee performance. The type of mediation is partial mediation, which implies that good situational leadership will be able to encourage increased employee performance. However, if the employee's organizational commitment is strengthened, employee performance will increase even more.

c. Analysis of the Moderation Effect

In this research, testing the moderating effect will use a two-stage approach because the analysis aims to test the significance of the moderating effect. Furthermore, this was confirmed by multigroup analysis to determine differences in the strength of the influence of organizational commitment on performance at different competency levels.

Table 7: Testing for the Moderating Effect

Hyp.	Moderating relationship	Std. Estimate	C.R.	P value	Result
H ₆	Competency moderates the influence of organizational commitment on employee performance	-0.068	-2.414	0.016*	H ₆ accepted

*. Significant at the 0.05 level ** Significant at the 0.01 level n.s. Not significant

Table 7 shows the results of competency moderation on the influence of organizational commitment on employee performance, showing a significant influence with an absolute CR value of 2.414 (>1.96) and a p-value of 0.016 (<5%). The moderating influence coefficient is -0.068 (negative), so it is concluded that competence weakens the influence of organizational commitment on employee performance (H₆ is accepted), meaning that for employees with high competence, the influence of organizational commitment in improving performance will be weaker, because good performance in employees who Competence is more due to their competence so that even though their commitment is low, their performance will still be high.

These results imply that BPR employees with above-average competence have stronger self-confidence to have a career anywhere; this makes their organizational commitment weaker compared to employees whose competence is average/below average.

A multigroup analysis/conditional effect was also carried out and presented in the following figure to clarify the moderation of competence on the influence of organizational commitment on employee performance.

Figure 3: SEM Multigroup Analysis

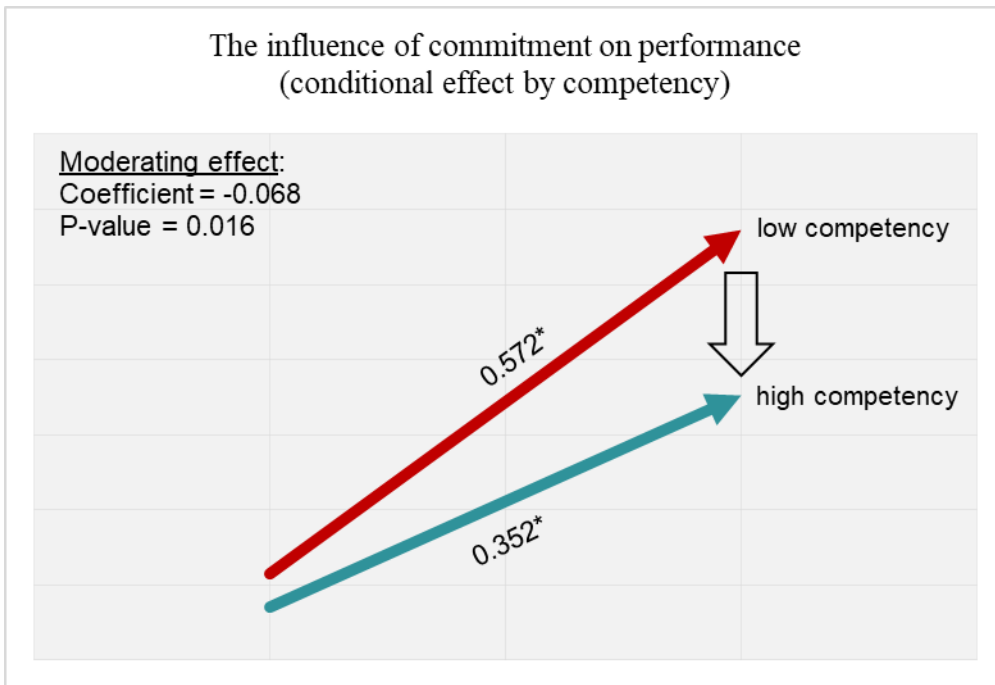


Figure 3 provides information that the higher the level of competence in BPR employees, the weaker the influence of organizational commitment will be in improving employee performance; it can be seen that the slope has decreased from 0.572 at a low level of competence to 0.352 at a high level of competence, this means that competence will be able to

have a tangible impact on weakening the influence of organizational commitment in improving employee performance.

BPR employees with above-average competency have more confidence that they can be accepted for a career anywhere, so their loyalty to the organization is less intense than that of employees with average competency. This makes the influence of organizational commitment on performance weaker (although still significant).

d. Analysis of the Total Effect

Analysis of the total effect of each variable on employee performance is the sum of the direct and indirect effects. The total effect value does not need to be calculated manually but has been calculated automatically by Amos, the results of which are presented in the table below.

Table 8: Testing of the Total Effects

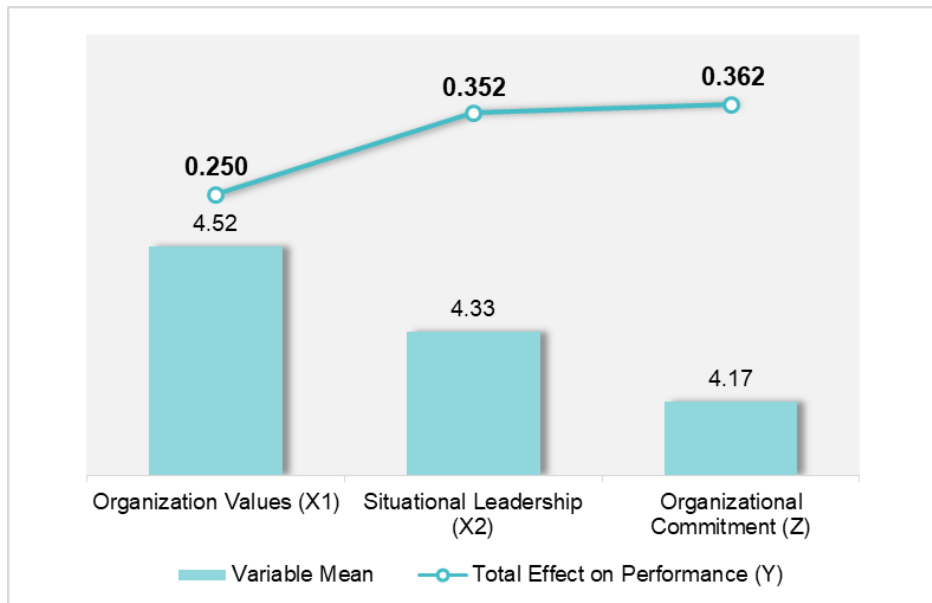
Total effect on employee performance (Y)	Std. Estimate	S.E.	C.R.	P-value	Rank
Organization Values (X1)	0.250	0.214	2.430	0.035*	3
Situational Leadership (X2)	0.352	0.111	5.360	0.003*	2
Organizational Commitment (Z)	0.362	0.194	2.742	0.024*	1

*. Significant at the 0.05 level ** Significant at the 0.01 level n.s. Not significant

(a) p-value based on bootstrapping bias-corrected percentile method

The results of the total effect analysis can also be presented in Figure 4.

Figure 4: Analysis Of The Total Effect



The results of the total effect analysis to improve employee performance for BPR employees belonging to the Regency Government in Central Java Province show organizational commitment is given more priority because it can have a more dominant influence on employee performance, with the current condition (mean) still being rated as the lowest. The next priority

is situational leadership and organizational values.

Conclusion

Based on the research results, it can be concluded as follows:

1. Organizational values significantly affect the organizational commitment of employees of Rural Banks (BPR) in the Central Java Province region.
2. Situational leadership has no significant effect on the organizational commitment of employees of rural banks (BPR) in the Central Java Province region.
3. Organizational values significantly affect the performance of Rural Bank (BPR) employees in the Central Java Province region.
4. Situational leadership significantly affects the performance of employees of rural banks (BPR) in the Central Java Province region.
5. Organizational commitment significantly affects the performance of employees of rural banks (BPR) in the Central Java Province region.
6. Competence moderates the effect of organizational commitment on the performance of rural banks' (BPR) employees in Central Java Province.

Organizational values reflect the extent to which organizational values are implemented and internalized by employees. In the context of regional government-owned people's credit banks, if employees feel that the values implemented by the organization align with their values, they will be more likely to be committed. Continuously implementing organizational values can create a cohesive and supportive work environment, giving employees a sense of involvement and commitment to organizational goals.

Situational leadership includes a leader's ability to adapt their leadership style to a particular situation. In the context of people's credit banks, leaders who can understand and respond to the needs and expectations of diverse employees can create a supportive work climate. By understanding the context and conditions of each individual, situational leadership can provide appropriate support and direction, thereby strengthening employees' emotional ties to the organization. This can increase commitment levels as employees feel valued and supported by their leaders.

Furthermore, employees with a strong commitment tend to be more deeply involved in their work. They feel responsible for the organization's success and can participate more actively in achieving common goals. This involvement can contribute to improved performance. In addition, commitment can create cohesiveness among team members; employees with a strong commitment tend to collaborate more efficiently with colleagues. Good collaboration among coworkers can increase employee productivity and performance.

Furthermore, empirical arguments based on SEM results show that competency can also influence performance, which weakens the influence of organizational commitment on employee performance. Employees in the banking sector, including people's credit banks, are expected to have high technical and financial skills. In this context, competency is directly related to employee performance, apart from organizational commitment. Additionally, specific competencies are more accessible, while commitment levels are more challenging to assess and can vary among employees. By focusing on competencies, organizations can more easily identify employees' strengths and weaknesses in their duties and responsibilities by providing more targeted training.

The limitations of this research are the variables of organizational values, situational leadership,

4822 *The Effects of Organizational Values, Situational Leadership on Organizational Commitment and Performance With Competency as a Moderation Variable in Rural Bank Employees in The Region of Central Java Province, Indonesia*

organizational commitment, employee performance, and competence. This research was also only carried out on BPRs in the Central Java region; it is hoped that future research will not only be conducted in the Central Java region.

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