

The Effect of Capability on Work Commitment and Leadership Review as Its Moderator

Muhammad Basyir¹, Arinaldi² and Sulaiman³

basyir@usyiah.ac.id¹, arinaldi1378333@gmail.com², elman_ali@usk.ac.id³

^{1,2,3} Department of Management, University of Syiah Kuala, Banda Aceh, Indonesia

Abstract. This research aims to examine the capability role in work commitment whereas Leadership Review is as its moderator. The population is all employees of National Land Agency in Aceh, Indonesia. Cluster proportional sampling is employed to cover representative respondents of Branch Office in Districts of Aceh Province. The result shows that capability affects work commitment, where leadership review has a significant role as moderator between the relationships. Implication of this finding is leadership review should be applied in order to achieve better work commitment in this agency.

Keywords: Capability, Work Commitment, Leadership Review.

1 Introduction

Previous researches on work commitment have been conducted by some outhours', including Greenberg and Baron (2007)[5]; Chairy (2011) [2]; Mowday et al. (2013) [12]; Guay *et al.*, 2015) [6]; and Robbins (2012)[14].

Chairy (2011) [2] believes that high work commitment is the commitment of employees who always conduct their duties to produce stable and productive output which results in increased profits for the organization. In line with Mowday et al. (2013) [12] who argue that work commitment is constructed as a worker's strength to be fully involved in the organization. Meanwhile, Guay et al. (2015) [6] view that work commitment can be interpreted as employees behavior towards work that acts seriously towards their work, where it is able to produce their life satisfaction and contribute to social status. Therefore, work commitment can be determined by how capable employees are of mastering or understanding the job or their capability as explained by Robbins (2012)[14].

According to Robbins (2012)[14], capability is an individual's capacity to carry out various tasks in a particular job. According to Hersey and Blanchard (2006)[8], there are three types of basic capability that must be possessed, both as managers and as implementers, including: technical, social, and conceptual skills.

However, there is still very little previous research that includes the element of leadership review as a variable. Leadership review may act as a moderating variable between capability and work

commitment. For example, has work commitment of Aceh National Land Agency (BPN) employees been influenced by capability or not? And is there a role for leadership review in this relationship as a moderating variable? Because there is still very little research on this matter, there is still a gap between academics and practitioners. Therefore, to explain this, it is obligatory to conduct this study in order to respond question whether the work commitment of employees at the Aceh National Land Agency (BPN) is influenced by capability which is moderated by a leadership review or not.

2 Literature Review

Mowday et al. (2013)[12] define Work commitment can be constructed as a strength within the individual to contribute to the organization. Meanwhile, Guay et al. (2015)[6] illustrates that work commitment is the value of individual behavior towards their work to seriously devote attention to their work, thereby it produces life satisfaction and shows social status.

One of the main factors that can influence work commitment according to Priansa (2014)[13] is a person's capability or ability to complete work. This is in line with Robbins (2012)[14] who explains that work ability is an individual's capacity to do various tasks in a particular job. However, even though employees have good capabilities, work commitment may increase or decrease if it is related to whether there is a review from the leadership as mentioned by Shin (2021)[16].

The description above explains that a leader's duties are not only limited to when there is a project that must be finalized, a meeting that must be attended, or when receiving an approval request in an email or letter. A leader should always maintain employee hard work through leadership reviews (Shin, 2021)[16].

In general, leadership reviews come in various forms that can be adapted to a company's culture. However, even though the types are different, effective performance reviews have elements that are similar to each other and are conducted it periodically, either every few months or for a certain period as explained by Shin (2021)[16]. Therefore, leadership review may act as a moderator that can strengthen the influence between employee capability and work commitment.

The following picture may present the relationships among variables and its moderating effect clearly.

The Link between Capability and Work Commitment

An employee can have high work ability if he has adequate knowledge and education so that it is easier for him to carry out his duties. Therefore, employees should be placed in jobs that match their skills or capability. According to Robbins (2012)[14], employee capabilities in the organization are very necessary due to it may increase employee work commitment (Guay et al., 2015)[6].

Sopiah (2008)[17] justifies that work commitment is the desire of organizational members to maintain their membership in the organization and are willing to try hard to achieve organizational goals.

Additionally, many organizations emphasize on leadership as a source of competitive advantage if leadership development is applied correctly (Day, D, 2000)[4]. This then makes leadership very

important in managing the ability and resilience of all members of the organization in uncertain situations. This goal can be achieved through leadership by identifying every individual in the organization in order they can see the influence of their actions (Shin, 2021)[16].

Based on the premise above, if employee capabilities increase, this may have an impact on increasing work commitment. Thus, it can be hypothesized that there is a positive influence of capability on work commitment.

The Link between Capability and Work Commitment Moderated by Leadership Review

According to Daniels (2019), organizational management is very important for public administration. Therefore, Daniels (2019)[3] emphasizes the impact of leadership on the effectiveness of public organizations. In other words, leaders have considerable potential in creating a good environment for employees, such as work commitment, thereby improving better public service results (Daniels, 2019)[3].

The view above illustrates that whether or not there is a review from leadership (Shin, 2021) of each individual in the organization may be able to strengthen the influence of capability (Robbins, 2012) on work commitment (Guay et al., 2015)[6]. Rationally, if leaders are able to increase employee capability, this will increase work commitment. Furthermore, if this is added to the existence of a leadership review it might be able to strengthen the influence of these two variables. Therefore, leadership review can act as a moderator between these relationships. Thus, it may be hypothesized that there is an influence of capability on work commitment which is moderated by leadership review.

Theoretical Framework of Study

It bases upon background of study, literature review, and preposition as mentioned above, theoretical framework of this study then can be developed as figured in the following diagram:

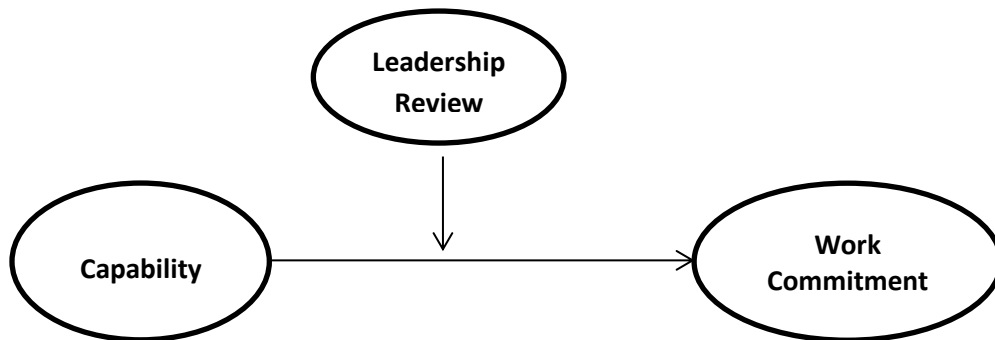


Figure 1. Theoretical Framework of This Study

3 Research Method

3.1 Research location, population and sample

This current study is conducted in Aceh Province. Population of this study is the overall National Land Agency (BPN – Badan Pertanahan Nasional) locating in each District amounted of 514 employees (Head Office of BPN Aceh, 2022)[9]. Because the population size can be identified, this research adopts a probability sampling technique so that the sample size can be determined precisely. Furthermore, this research uses a proportional sampling method because it is able to consider the representativeness of the sample based upon population of each branch office.

Referring to the guidelines presented by Hair et al. (2017)[7], the formula that can be used is the number of items x 5 (five). This study used 14 (fourteen) items; therefore, the sample size is 5×14 items = 70 as the minimum number of respondents. This research employs a sample size of 262 (two hundred and sixty two) respondents. Thus, the sample size has met the minimum requirements (70 respondents) according to the above formula.

3.2 Questionnaire Design

Questionnaire of the current study is consisted of three parts. The first part presents respondent's characteristic asking about gender, age, level of education, long as employee, position in the office, and income per month.

Secondly, variable of capability is measured by level of formal education; level of non-formal education; job experience; and desire or interest adapted from Robbins (2012)[14] viewpoint. The third part is about work commitment measured by training; work standards; equipment and technology; level of expectations; and a productivity of work team as mentioned by Mathis and Jackson (2006)[11]. For these two constructs, respondents are asked to state their level of agreement based upon the five Likert's Scales applied in this study. The last part, leadership review measured by good leadership; high commitment; effective leadership; self-development; and good level of experience adapted from Day's (2014)[4] viewpoint that are measured by categorical scale (1= yes, done; 2 = no, do not).

3.3 Validity and Reliability Testing

Before the main research, a "Pilot Project" is conducted involving 30 respondents who are randomly selected to test the questionnaire. The testing show that all variables consisted of indicators of capability, work commitment and leadership review have a correlation value of r that is greater than 0.60 (Maholtra, 2011)[10]. Thus, the statement items for all variables are valid.

In terms of reliability testing, results statistically indicate that as figured in the following table:

Table 1. Reliability Test

No.	Variable	Amount of Indicator	Standardized Cronbach's Alpha	Reliability
1.	Capability (Cap)	4	0.873	Reliable
2.	Work Commitment (WC)	5	0.916	Reliable
3.	Leadership Review (LR)	5	0.897	Reliable

Source: Data Analysis, 2023

The above finding describes that all research instruments are declared reliable.

3.4 Data Analysis

This study utilizes the variables of capability and work commitment, where the leadership review variable acts as a moderator as this object. Interviews referring to prepared questionnaires are addressed to selected employees/officers. Next, Structural Equation Modeling (SEM) is applied to analyze the primary data as suggested by Hair et al. (2013)[7]. Then, to analyze the moderation effect, Hierarchical Regression Model (HRM) is implicated based upon the perspective of Baron and Kenny (1986)[1].

4 Research Finding and Discussion

4.1 Structural Equation Modeling (SEM): Step-One Approach with Measurement Model

The conceptual framework of this research uses work commitment as an endogenous variable, and leadership capability is an exogenous variable. Primary data based on these variables needs to be measured for goodness of fit by considering statistical measurements X^2 or Chi-Square, GFI (Goodness of Fit Index), AGFI (Adjusted Goodness of Fit Index), CMIN/DF, namely the minimum sample discrepancy function, TLI (Tucker Lewis Index) and CFI (Comparative Fit Index) based upon suggested by Hair et al. (2013)[7].

The final output of the measurement model can be illustrated as follows:

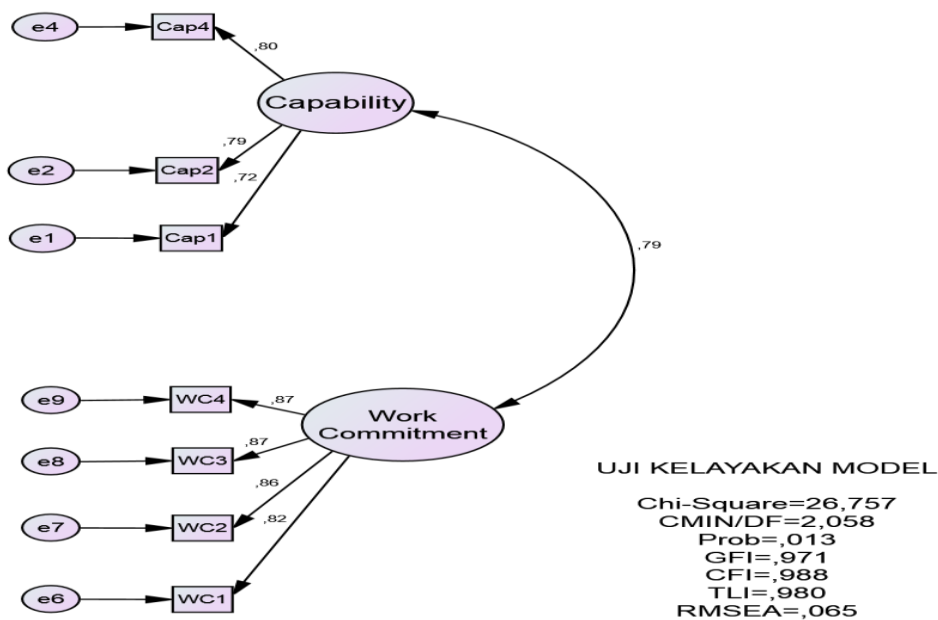


Figure 2. Measurement Model

Output of measurement model shows that Chi-square or X^2 test counted at 26.757 at $df = 13$. This describes that the X^2 test has met with the predetermined criteria; therefore, the model could be declared having goodness fit condition. Then, RMSEA of this second stage shows 0.065 having also met the predetermined criterion, which is compulsory less than 0.08. Referring to the results, it has met the goodness of fit indices requirements. Furthermore, the GFI = 0.971 has also met the requirements, which is greater than 0.90. Likewise, the CFI = 0.988, and the TLI = 0.980 are also greater than 0.90 (Hair et al., 2013)[7].

Regarding the above point of view, the outputs of measurement model testing are in line with all the required criteria; therefore, full structural equation model can be embarked for the next step approach.

4.2 Structural Equation Modeling (SEM): Step-Two Approach with Full-SEM

The emphasis at this stage lies on testing the research framework model (see Figure 1 and hypotheses). The output at this stage shows that all factor loadings in the model are significant at $p < 0.001$. As mentioned above, in order to get goodness and fit model, the goodness-of-fit statistic (i.e. x^2) must display $p > 0.05$.

A clearer picture of this SEM can be shown as follows:

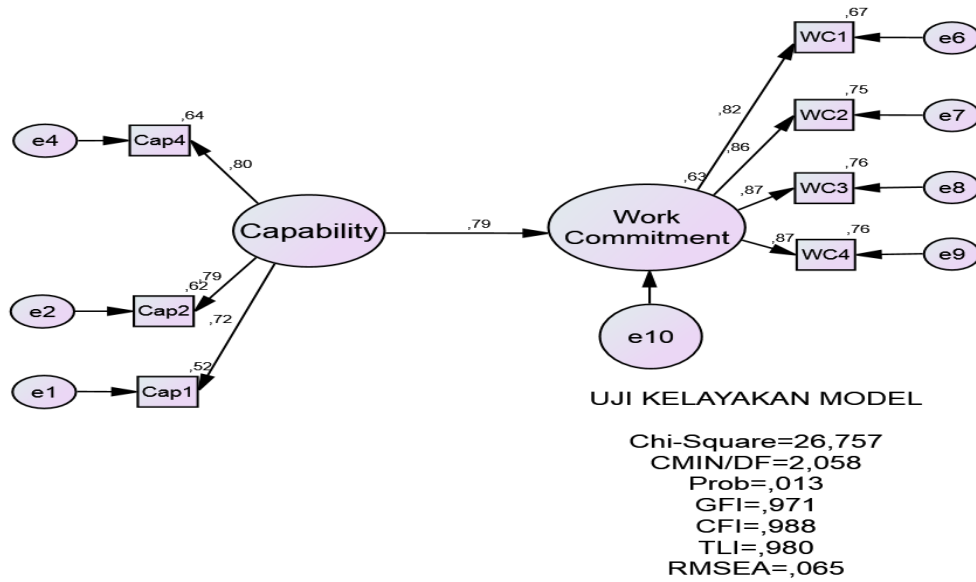


Figure 3. Full Structure Equation Modeling

The results of the analysis above (figure 3) explain the value of the path coefficient (Standardized Regression Weights) of exogenous to latent endogenous. It also shows the loading factor value of each indicator (manifest variable).

4.3 Direct Hypothesis Testing

Hypothesis testing is carried out based on the critical ratio (CR) and probability (P). The criteria that must be achieved to prove the hypothesis is a value of $CR > 1.96$ with $P < 0.05$.

In more detail, the table below demonstrates the value of the exogenous construct (capability) against the endogenous construct (work commitment) as follows:

Table 2. Relationship among Constructions

			Estimate	S.E.	C.R.	P	Label
Work Commitment	<---	Capability	,877	,090	9,750	***	par_6

Source: Output of Data Analysis (2023)

The outputs show that the criteria value of C.R. and the P value in line with the requirements, where variable of capability and work commitment has C.R. = 9.750 and P = 0.000. It means that the higher the capability, the higher the work commitment will be. Oppositely, a decrease in capability might significantly effects negatively on work commitment. In other words, the presence of a positively and significantly effect of capability on work commitment confirms that the driver in doing work commitment is capability.

The above finding is in line with Guay et al. (2015)[6] discovers that employee's capability has impact on increasing work commitment. Moreover, according to Priansa (2014)[13], the main factor that can influence work commitment is a person's capability or ability to complete work. This is also consistent with Robbins (2012)[14] who explains that work ability is an individual's capacity to carry out various tasks in a particular job. In other words, there is a positive influence of the capability variable on work commitment. Therefore, hypothesis 1 is not rejected.

4.4 Moderating Hypothesis Testing

Moderated regression analysis (Baron and Kenny, 1986)[1] is conducted to test this study's hypotheses base upon t-test to determine whether capability has positively and significantly effect on work commitment moderated by leadership review. The results of regression analysis can be described as follows:

Table 3. Model Summary of Moderating Effect

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	,706(a)	,498	,496	1,919	,498	246,115	1	248	,000
2	,726(b)	,528	,524	1,865	,030	15,541	1	247	,000

a Predictors: (Constant), CAPABLE

b Predictors: (Constant), CAPABLE, M_LEADER_REV

c. Dependent Variable, WORK_COMMIT

The model summary above presents that there are two statistical models, where the first model results that work commitment would be explained by capability at about 0.496 (Adjusted R²). The second one indicates that adjusted R² changes (increases) to be 0.524 with significant F change less than 0.05 (Sig. F Change = 0.000). It means that variable of leadership review has significantly role as moderator between the relationships.

The above picture concludes that hypothesis 2 claiming that there is the effect of capability on work commitment moderated by leadership review cannot be rejected. Furthermore, correlation coefficient of multiple regressions can be seen in the following table:

Table 4. Coefficients Regression of Variables

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B		B	Std. Error	Beta
1	(Constant)	3,579	,731		4,896	,000
	CAPABLE	,775	,049	,706	15,688	,000
2	(Constant)	5,235	,825		6,343	,000
	CAPABLE	,520	,081	,474	6,460	,000
	M_LEADER_REV	,083	,021	,289	3,942	,000

a Dependent Variable: WORK_C OMMIT

The above multiple regression coefficients indicate that there is a partial, positively and significantly relationship between the variables of capability and entrepreneurial intention at about 0.706, where this finding is respectively significant with the value of $P < 0.05$. Finally, when moderating variable of leadership review is incorporated; thus, there is a positively and significantly relationship between leadership review and work commitment amounted to 0.289, where the significant value is $P < 0.05$ respectively.

Regarding the statistical analysis outputs, following figure will present the relationship/direct effect of the variables constructed based upon the current research model.

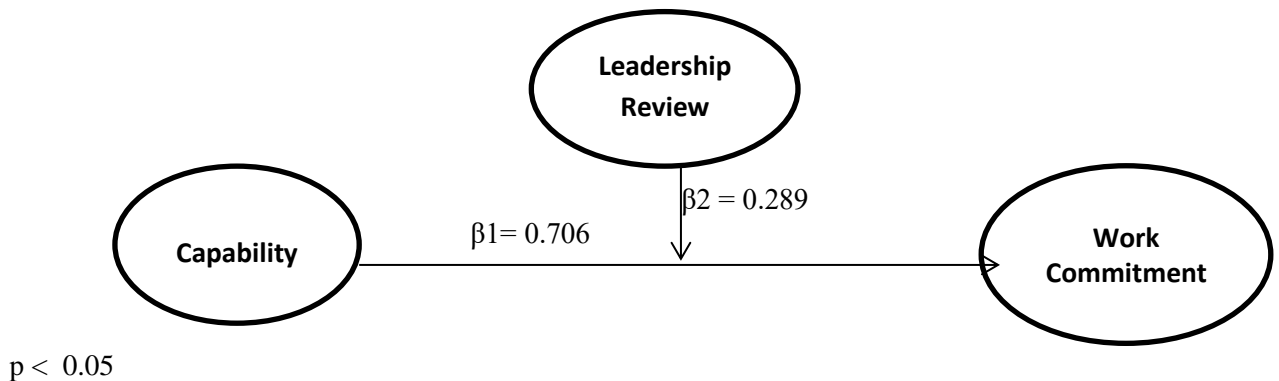


Figure 4. Condition of Significant Relationships among Constructs

5 Discussion

Capability has positively and significantly effect on work commitment. This finding is consistent with the point of view discovered by Robbins (2012) who justifies that capability has an important contribution to improve work commitment. This finding also strengthens the research results of Guay et al. (2015)[6] who also have confirmed that capability is a competence including skills, spirit the attitudes and knowledge necessary for individuals to complete work ideally. Therefore, the better capability, it is entrusted to be able to provide excellent commitment to work.

Additionally, there is a moderating effect significantly of leadership review. The variable plays a role as a moderator in this research model in terms of strengthening work commitment caused by capability. These findings are similar to the viewpoint of Daniels (2019)[3] and Shin (2021). Leaders have considerable potential through reviewing to create a good environment for employees, such as work commitment, thereby improving better public service results (Daniels, 2019)[3].

The view above illustrates that whether there is or not a review from leadership (Shin, 2021)[16] of each individual in the organization may be able to strengthen the influence of capability (Robbins, 2012)[14] on work commitment (Guay et al., 2015)[6].

6 Conclusion

Current study's finding has presented a essentially contribution to the academic's perspective of human resource management, especially for the behavior of work commitment by considering factor of capability, and moderated by leadership review.

This study still has weaknesses; therefore, replication and modification model need to be conducted by incorporating some potential factors influencing work commitment, and subsequently further impact. For further planning, it is recommended to conduct this research in other organizations so that it can produce better findings and contributions, and its afterward can be generally applied.

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