The Effect Of Leadership And Diversity On Organizational Commitments In BRI Bank Bondowoso

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Abstract: Banking is an intermediary institution that collects and distributes funds, and sells other services. Therefore banks are increasingly aware of the importance of service, the better the service, the bank will progress and develop. Service is very closely related to human resources or labor. The diversity of human resources in it greatly determines the success of the company. The manager's role is to unite the diversity of existing human resources so that the workforce can do its job and feel part of the organization and commit not to leave the organization. This study aims to analyze the influence of leadership and diversity on organizational commitment at BRI Bank Bondowoso. This research was conducted with employees of BRI Bank Bondowoso. Data collection by observation, while determining the respondents with purposive sampling method. Data analysis used multiple linear regression analysis.

Index Terms: leadership, diversity and organizational commitment.

1. INTRODUCTION

An organization consists of people with roles assigned normally who work together to achieve organizational goals. Managers are people who are responsible for achieving the 'goal' of the organization and they implement it by managing the business carried out by a number of workers in the organization. When managers are involved in human resource activities as part of their work, they seek to facilitate the contributions that people offer to achieve organizational plans and strategies [18]. Humans are the most important resource in a company. In direct contrast to that, humans are also the most complicated resource to understand. This complexity is a result of the unique nature of each individual in the world, especially the world of work. The diversity of education, age, social and cultural levels of each employee in a company does not guarantee that they can be treated in the same way. Each individual needs special handling to ensure maximum employee contribution to the company. HR is a design of various formal systems in an organization with the aim of ensuring the use of human expertise effectively and efficiently to achieve organizational goals as desired [54]. Human behavior as a unique piece of puzzle. These puzzles consist of pieces that are compatible with each other. But this [27] puzzle has a variety of sizes and shapes that all relate in different ways. This can be said to be the same as labor behavior and its factors. Every human being is an intact and interrelated piece so that when it is assembled it will produce something brilliant.

The same as an organization or institution, has a variety of human resources that have different traits and personalities which when combined will form a harmonious relationship and in turn will achieve goals from the organization. Therefore, it is the manager's job to recognize these differences and try to understand them. [20] managers need a lot of time to adjust between individuals, jobs, tasks, and effectiveness. Because individual differences in many ways like that can affect employee behavior and performance. Unique human behavior has properties that are not the same between one another [33]. When humans as individuals are met in an organization, individual behavior will be formed in the organization. Organizational behavior between one and the other will be different even though it moves in the same field. This is because of the diversity of individuals and the conditions of the surrounding environment. [19] emphasize the linkages of diversity in the workplace by bringing social justice, legal obedience, or organizational performance points of view. The objectives of social justice include reducing deviation and discrimination, and increasing inclusion in the workplace. The goal of inclusion is focused on increasing the presence and participation of social groups that are directly underrepresented, for example: women, racial minorities, and older employees. Whereas the context of social justice includes studies on discrimination in the workplace and the implementation of diversity management programs. [41] use a causal modeling approach to examine the determinants of organizational commitment and labor turnover. Their main conclusion is that various variables (age, pre-job expectations, perceived job characteristics, and dimensions of leadership style considerations) all affect work indirectly through their effects on job satisfaction. In other words, job satisfaction mediates the effect of these variables on commitment. A similar conclusion was taken by [55, 56]. Leaders or managers have an important role as a motivator and use these changes as opportunities to succeed, this statement is supported by opinions [53] leadership can encourage and support creativity to help followers and organizations to accept and ready to change. Without leadership, organizations are only people's and machine's turmoil [16]. Leadership is the process of encouraging and helping other people to work.
enthusiastically to achieve goals. It is the human factor that links groups and motivates them to achieve goals. Organizational commitment is an indicator of organizational success, this study aims to examine the relevance of a number of factors, both directly and indirectly affecting organizational commitment. Banking organizations have distinctive characteristics, different from business organizations, especially in systems and structures. However, from the perspective of organizational behavior theory, each organization substantially strives for organizational goals. BRI Bank is one of the state-owned banks in Indonesia which has the motto "Serve With Sincerely Hearted". In carrying out its motto, the bank is committed to continue to serve the community better and better. Some of the innovations carried out include: the operation of BRI terrace vessels, own satellite ownership, digital branch procurement, free transfer from abroad, and many more innovations that BRI continues to make. In carrying out these innovations, workers who are committed to their organization are needed. Therefore the role of the leader is very decisive in organizing diversity that can directly or indirectly affect organizational commitment. This study aims to determine the effect of leadership and diversity on organizational commitment, as for the formulation of the problem are as follows:

1. Is there an effect of transformational leadership on organizational commitment?
2. Is there influence on Diversity (management diversity, personality, and internal dimensions, and external dimensions) on organizational commitment?

2. LITERATURE REVIEW

Leadership

Among the many definitions of leadership in the literature, one establishes groups around leadership as training influences among groups of individuals, or organizations. Such leadership can be related to one's position as the formal head of a group or organization. This can also be informal as a consequence of one's personality, motivation, and ability regardless of one's position [6]. Leadership can be successfully given by supervisors, colleagues, subordinates, or outsiders. Influence and fostering and persistent leadership are central to understanding the innovation process. The role behavior of caregivers is oriented towards the development and support of new ideas. Such leadership may be very important in the phase of early idea generation of innovation [21]. Leaders may play a role in stimulating people to think and pay attention to new ideas. In this case, leaders function as catalysts, getting people to consider problems in new ways. The idea of boundary ranges and gatekeepers [57] is relevant here because such activities help bring useful information and new ideas into a group of potential innovators. This, in turn, prevents groups from becoming too isolated from their environment which might be detrimental during the initial idea generation phase [21]. Leadership as an influence among leaders and subordinates who intend real change and results that reflect their common goals [53]. Over time, a number of dimensions or aspects of leadership behavior have been developed and applied when researchers continue to discover what contributes to leadership success and failure. These include, inter alia, autocratic versus democratic, task-oriented versus people-oriented, and contingency approaches. At present, the most influential contingency approach to leadership is the Path-Goal theory, developed by Robert, 2005 House (Robbins). This theory states that the main purpose of a leader is to help subordinates achieve subordinate goals effectively, and to give them the direction and support needed to achieve their own goals and those of the organization (Silverthorne, 2001). Two situational possibilities in the Path-Goal theory are: (1) the personal characteristics of group members; and (2) work environment [53]. Leadership is the process of encouraging and helping other people to work enthusiastically to achieve goals [16]. It is the human factor that links groups and motivates them to achieve goals. From some understanding of leadership above can be said there are various leadership styles that can unite subordinates who have diversity (diversity) so that subordinates have a high commitment to remain in the organization to support their leaders in achieving company goals. There are several leadership styles suggested by some experts, including [52] who have divided the discussion about leadership based on his leadership style into 2 categories, namely transformational leadership (transactional leadership) and transactional leadership. Transformational leadership is charismatic leadership, leadership creates a vision and environment that motivates employees to excel beyond expectations. Transformational leadership is divided into 4 dimensions, namely: influence idealized, intellectual stimulation, inspirational motivation, and individual consideration [7] dan [43] reveals that leaders who effectively influence their followers to have greater optimism, trust self, as well as commitment to the goals and mission of the organization. Thus the ways in which leader's behavior in directing followers will influence the commitment of employee organization. Identified two types of leadership styles, transformational and transactional leadership [52]. The transformational leader construct was suggested by Bums based on a qualitative analysis of the biographies of various political leaders. The notion of a transformational leadership style as a construct has also been addressed in the works of several scholars ([47; 49; 50; 48; 51; 43]) with varying degrees of specificity and rigor. The transformational leader has been characterized as one who articulates a vision of the future that can be shared with peers and subordinates, intellectually stimulates subordinates, and pays high attention to individual differences among people (Yammarino & Bass, 1990a). Transformational leadership has an influence on commitment, especially in mobilizing leadership in an organization that experiences change [48]. One way to support the implementation of transformational leadership is to build organizational commitment. Organizational commitment is employee loyalty to their organization and is an ongoing process, where employees also participate in expressing their attention to the existence and success of the organization [24]. Organizational commitment consists of three components, namely: (1) unity and purpose of company values, (2) willingness to stay together in the organization and (3) readiness to work hard on behalf of the organization. Some studies relating to organizational commitment will broadly imply job satisfaction, absenteeism, disloyalty, employee turnover
and willingness to gain organizational achievements and success [2].

Diversity

Diversity of labor is a broad term and phrase the diversity of workplaces that can refer to any characteristic that causes a person to be different from others. [22] argue that the diversity of labor refers to similarities and differences (dimensions of gender, race, age, religion, and nationality) among organizational staff, but they enjoy it. [34] argues that diversity management is divided into 2: first, management of diversity of surface levels with indicators: age, race, gender, ethnicity, religion, and disability status; secondly, management of diversity in levels: sexual orientation, gender identity, and cultural identity. [19] Diversity management includes affirmative action policies, which aim to comply with the law, and management-led diversity initiatives, which refer to human resource management practices that are formalized and designed to reduce bias and discrimination, promote and maintain organizational diversity, and improve performance. [22] define diversity which focuses on choosing diversity, reducing discrimination in the workplace, and producing financial effectiveness. Consistent with this, they define diversity management as creating positive working relationships among various stakeholders, and creating value from diversity. Many researches have been done so far in the company, what about the banking sector? The tight competition in the banking world requires banks to consistently think strategically [42] in order to compete, both with newcomers and existing competitors. [44] said that organizations that can carry out activities by creating and utilizing strategies and making significant approaches will have more advantages than competitors. One of them is the ability to maintain a quality workforce from a variety of different backgrounds, because diversity is a valuable, rare, and inimitable resource [32]. Organizational leaders must expand the scope of their efforts to incorporate organizational diversity, such as a mix of customers, products / services, departments, functions, business lines, competitors, headquarters / fields, regulatory agencies, geographical locations, acquisitions / mergers, and hierarchy levels [39]. The relationship between diversification and the performance of the relationship between diversification and performance shows how this approach can add significantly to our managerial understanding of performance in diversified companies [31]. Diversity is a resource that can help gain competitive advantage for organizations in a variety of ways [5] as diverse members of organizations can share a variety of diverse knowledge and experiences, become very valuable, scarce and difficult to replicate resources. Diversity is now considered important and is projected to be more important in the future due to increasing population differences in many countries. Companies need to focus on diversity and find ways to become fully inclusive organizations because diversity has the potential to produce greater productivity and competitive advantage. Managing and assessing diversity is a key component of effective people management, which can increase productivity in the workplace. Unmanaged diversity in the workplace can be an obstacle to achieving organizational goals. Therefore diversity can be considered a "double-edged sword" [25].

Organizational Commitment

Commitment is the individual's ability and willingness to harmonize one's own behavior with organizational needs, priorities, and goals, to act in ways that promote organizational goals or meet organizational needs [38]. Organizational commitment usually refers to the identity and values of individual organizations, willing to work for organizations and hoping to remain in the organization. In general, individuals with high work involvement tend to have higher organizational commitment, and vice versa; but sometimes people can have higher work involvement and lower organizational commitment, or have lower work involvement and but higher organizational commitment. [38] mentions the indicators of organizational commitment are as follows:

- Willing to help friends in completing tasks.
- Aligning your own activities and prioritizing organizational goals.
- The need for understanding cooperation to achieve organizational goals.
- Choosing to meet organizational goals rather than realizing professional interests.

There are several components of work commitment in [14] including:

- Personal
- Job characteristics
- Structure characteristics
- Work experience.

Steers in [18] organizational commitment can be interpreted as the relative strength of individuals to their organizations, this can be seen from the trust and acceptance of organizational goals, the willingness to pursue organizational goals, and a strong desire to survive in the organization. [26] formulated a definition of commitment in organization as a psychological construct which is a characteristic of relationship between members of an organization and its organization and has implications for individual decisions to continue their membership in organization. Research on organizational commitment was initiated by Becker who claimed commitment as a "contract" [10]. Then, Meyer and Allen and O'Relley and Chatman expanded the study by recognizing Becker's single approach into a multidimensional commitment approach. Commitment is defined as "the psychological affiliation that someone feels towards the organization which is manifested by the extent to which an individual can adopt and adapt to the attributes and point of view of the organization". [28], [29] about software professionals prove that the practice of human resource management has a positive and significant relationship with organizational commitment. Human Resources Management systems have also been found to be related to commitment in the sample of frontline employees from car rental, retail, and hospitality organizations in South America [12]. [30] found in a longitudinal study that organizational commitment mediates the relationship between mentoring, the implementation of HRM in the organization studied, and employee turnover over time. In a unit-level study, [42] found a positive relationship between human resource management and organizational commitment in a study of 50 business units of large food service companies.
3. RESEARCH METHOD

Research Sites.
The location in the study was at BRI Bank Bondowoso. The types and sources of data in this study are primary and secondary data sources. The collection technique used is observation, which is direct observation to the research location to observe employee activities directly. Interviews were conducted to collect employee data by distributing questionnaires.

Population and Samples.
The population in this study were all employees of BRI Bank Bondowoso, amounting to 100 people. In determining respondents with purposive sampling method (Now and Bougie, 2017: 67), with this method the number of samples was 100 respondents.

Operational definitions.
This study uses 5 (five) exogenous variables which consist of: management diversity (X1), personality (X2), internal dimensions (X3), external dimensions (X4), and transformational leadership (X5); endogenous variable organizational commitment (Y).

Data Analysis Methods
The data analysis method used in this study is the analysis of Multiple Linear Regression. This technique is used to test the number of contributions from variables X1, X2, X3, X4 and X5 to Y. Multiple Linear Regression is formulated as follows:

\[ Y = a + b_1X_1 + b_2X_2 + \ldots + b_nX_n \]

The hypothesis of this study is examined by
a. Simultaneous test (F test)
b. Partial test (t test)
c. Coefficient determination (R2)

4. RESULT AND DISCUSSION
Leadership and diversity (management, personality, internal and external dimensions) contribute greatly to the organizational commitment. The influence of exogenous variable on endogenous variable is shown in table 1. It is in accordance with the result of the research on team work diversity referring to its members' heterogeneity. Jackson, May, and Hitney (1995) divided diversity based on two categories. The first is visible attributes (sex, age, and race) and the second is the hidden ones (value, attitude, and perspective). Further, Pelled (1996) classified it by considering the correlation between visibility and task. He stated that the higher correlation of the task (the functional background and the level of education of the members), better performance of the correlated task was shown. Meanwhile the more visible attribute and the less correlated task produced, the more complex predictability of the outcome could be obtained.

Based on the equation above, the value of t test for the independent variable shows that the exogenous variable significantly influences the endogenous variable (organizational commitment). Therefore, it is known that the constant value is 25.518 which means that if the diversity of management, personality, external and internal dimensions, leadership is constant, the value of the organizational commitment will be 25.518. The value of regression coefficient for management diversity (X1) is 0.275 which means that whenever the value of management diversity increase 1 unit number, the value of the organizational value will increase 0.275 and vice versa. The value of personality regression coefficient (X2) is 0.239 which means that a unit number increase of the value of personality will increase the value of diversity at the same unit number. Meanwhile, the value of regression coefficient for internal dimension (X3) is (-0.224) which means that a 1 unit increase of internal dimension value will decrease 0.224 of the value of organizational commitment. The value of regression coefficient for external dimension (X4) is 0.073 which means that 1 unit increase of external dimension will increase the organizational commitment for 0.073. Further, the regression coefficient for transformational leadership (X5) is 0.169 which means that the 1 unit increase of transformational value will increase the value of organizational commitment for 0.169. Thus, it can be concluded that the diversity of management, personality, external dimension, and transformational leadership significantly influence the organizational commitment. Meanwhile, the internal dimension does not significantly influence the organizational commitment. Even, it leads the decrease of organizational commitment.

<table>
<thead>
<tr>
<th>Table 1</th>
<th>Coefficients</th>
<th>Standardized Coefficients</th>
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</thead>
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<tr>
<td>Model</td>
<td>B</td>
<td>Std. Error</td>
</tr>
<tr>
<td>(Constant)</td>
<td>25.518</td>
<td>11.526</td>
</tr>
<tr>
<td>Diversity of Management</td>
<td>0.275</td>
<td>0.057</td>
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<tr>
<td>Personality</td>
<td>0.224</td>
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<tr>
<td>Internal Dimension</td>
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<td>0.091</td>
</tr>
<tr>
<td>External Dimension</td>
<td>0.073</td>
<td>0.046</td>
</tr>
<tr>
<td>Transformational Leadership</td>
<td>0.169</td>
<td>0.151</td>
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</tbody>
</table>

a. Dependent Variable: Organizational Commitment
Based on the result of the analysis, it is shown that all data is valid and reliable. With a significant level of 5% and df = n-3, meaning 100 - 3 = 97, then the value of t table is at 5% alpha level and df 97 is 1.6607 while t count from SPSS is 2.314. It means that t count > t table. Based on the result indicated in table 1, it is known that the constant value is 25.518 and the values of regression coefficient for each variables are 0.275; 0.239; -0.224; 0.073; 0.169. Since a regression should satisfy classical assumption requirements distributed normally by all data. Therefore, it is formulated in SPSS as:

\[ Y = 25.518 + 0.275X1 + 0.239X2 - 0.224X3 + 0.073X4 + 0.169X5 \]
a. Predictors: (constant), Transformational leadership, management diversity, internal dimension, personality, external dimension.
b. Dependent variable: organizational commitment.

Based on the data presented on table 2, it is known that there is a correlation between management diversity, personality, internal dimension, external dimension and transformational leadership as a whole and organizational commitment whose value is 0.229. The value of the coefficient determination (R2) is 0.053 which means that 22.90% of organizational commitment variable can be explained and verified by the exogenous variable and the rest of 77.10% is explained by other variable which is not included in the model.

5. CONCLUSION

Based on SPSS computation and the result of the discussion, it can be concluded that:

a. Management diversity, personality, external dimension simultaneously have significant and positive influence on the employees of Bondowoso BRI organizational commitment except it does not concern with the internal dimension (regulation, discrimination based on gender, marital status and physical disabilities which negatively affect their organizational commitment. [34] stated that management diversity should reflect a continuous commitment involving all level in an organization which is intended to understand and respect their employees’ unique biographical characters (a fair and individualistic approach) to achieve the best performance of an organization. [35] formulated that the diversity of management is an effort to manage a more diverse and complex issue in a contemporary organization and society. It leads to initiate various models, methodologies and theories to deal with those complexity.

b. Transformational leadership significantly and positively affects the organizational commitment of Bondowoso BRI employees. It is in line with the research result given by [1] which stated that exceptional management (passive management) referred to a leader’s intervention done merely in time of the emergence of problem. Meanwhile active management referred to an active intervention of the leader to measure and ensure the achievement of the determined performance. The foundation of transformational leadership rests on what [7] refer to as the four I’s of transformational leadership, which comprisethree factors [4]; [3]; [8]; [13]: idealized influence/inspirational motivation, intellectual stimulation and individualized consideration. Idealized influence/inspirational motivation is related to the formulation and articulation of vision and/or challenging goals.

Therefore, Bondowoso BRI bank should maintain both the diversity of their human resources and transformational leadership in order to improve the employees’ organizational commitment.

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