

Relationship Between *Locus of Control* and Organizational Commitment

(Study on Employee of Multifinance Company PT. X Makassar Branch)

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Abstract—The aim of this paper is to determine the relationship between organizational commitment with locus of control. This research is conducted on the employees of one of the multifinance companies namely PT. X branch of Makassar. Subjects in this study there were as many as 73 employees. This study uses quantitative methods with data collection techniques using the likert scale distributed in the form of a questionnaire. Data were analyzed by using product moment correlation analysis technique. The results of this study suggest that there is a negative and significant relationship between locus of control with organizational commitment. This means that employees with a tendency of internal locus of control will tend to have high organizational commitment, as well as employees with an external locus of control tendency will tend to have low organizational commitment. Furthermore, seen from the value of r, it can be said strength of the relationship between these two variables is quite strong.

Keywords: Locus of control, Organizational Commitment

I. INTRODUCTION

Organizational commitment is something that should be owned by every employee in the organization. Employees who have high organizational commitment will be more motivated to attend the organization and strive to achieve organizational goals [8]. Sutanto and Tania describe organizational commitment as a situation where a person sides with an organization, the purpose of the organization, and has the intention to maintain membership in the organization. Committed employees have the potential to provide maximum

effort voluntarily for organizational progress, strive to achieve organizational goals, safeguard organizational values, participate to promote the company, be responsible, and willing to give all its capabilities due to the feeling of being part of the organization [3].

In reality, there are still employees in organizations that are less committed to their organization. This is like breaking the rules, not following the values, being lazy, not reaching the target, thinking of moving to work, and so on. Based on several researches, one of the factors that caused the existence of organizational commitment difference is locus of control.

Locus of control is one of many personality variables that has been done in various studies and settings, including in organizational settings. Locus of control is defined as the perception of individuals in generalizing what they get in life (such as reward, reinforcement, or outcomes) due to control of their actions (internality) or controlled by others or things that he can not control (externality) [11]. Some research results such as Hsia and Tseng (2015) and Rachim, et al. (2016) states that employees with an internal locus of control tendency will have higher organizational commitment than employees with an external locus of control tendency. However, one study stated differently, she stated that employees with an external locus of control tendency have higher organizational commitment than employees with a tendency of internal locus of control [6].

This is interesting to review on whether there is a relationship and how the direction of the relationship between

locus of control with organizational commitment on the subject and different companies.

II. LITERATURE REVIEW

A. Organizational Commitment

Organizational commitment is a relative strength of the individual in identifying his attachment to a part of the organization reflected through acceptance of values and objectives, readiness and willingness to earnest effort to maintain membership in the organization. Commitment to the process of thinking about the organization, in this case refers to the theme and loyalty [7].

Based on this concept, there are three components of organizational commitment: identification, engagement, and loyalty. The explanations for these three components are first, identification of trust and full acceptance of the organization's values and objectives. Second, the relationship regarding the willingness of employees to strive well for the benefit of the organization. Third, loyalty is associated with a strong desire to maintain membership in the organization. David (in Sopiah, 2008) put forward four factors that influence organizational commitment: personal factors, job characteristics, structural characteristics and work experience [8].

B. Locus of Control

Locus of control is a concept that indicates the degree of distance a person perceives a close relationship between the actions with the results he receives, whether the events he experiences are the result of his actions or more by his powers. Locus of control is divided into two namely locus of control internal and external locus of control [6].

O'Brien's and Spector's [11] describe the locus of control has been shown to be related to the number of organizational variables. Spector explains also as the locus of control indicator is as follows: Internal means individuals are convinced that those who are self-reliant in themselves such as trust in selfability, desire to strive, trust can advance others. Externals are a coincidence-events in life determined by others who are more energetic, lucky, or factors that they can not control [10].

C. Previous research related to Organizational Commitment relationship with Locus of Control

Robbins [9] believes that locus of control is an important variable that can explain human behavior in organization. O'Brien and Spector [11] also reveal that locus of control has a relationship to the number of organizational variables. Research related to organizational commitment with locus of control has been done by several researchers. Organizational commitment has a significant relationship with the locus of control [4] [9].

[6] Based on some examples that have an internal control locus, is likely to have high commitment to the company, because they have a positive attitude and high motivation to keep commit to the company. While employees who have an external locus of control are likely to have a low commitment

to the company, because they have a positive attitude and low motivation to stay committed to the company.

Other research from [1] and [2] are interrelated between the locus of control and the three components of organizational commitment indicating internal control associated with affective commitment and high normative commitment, while the external locus of control is associated with a high continuous commitment. Furnham's research, et al.; Kinicki and Vecchio; and Luthans et al. describes all the results of the study suggesting employees with internal locus of control have higher organizational commitment than employees with external locus of control [2].

III. RESEARCH METHOD

A. Participants

The population in this research amounted to 110 employees with characteristics of at least 21 years old because it is considered an age sufficient to build commitment to the organization and has worked at least 1 year, to convince researchers that employees are more familiar with the company where he/she worked. Researchers take the entire population to be the subject of research because of the relatively small population. Of the 110 questionnaires entrusted to corporate HRDs, only 73 returned questionnaires because of many employees who have busy offsite.

B. Procedure

This research begins by conducting tests on locus of control measures and organizational commitment. After the measuring tool has been declared valid and reliable. Researchers reached as many as 110 questionnaires to HRD X. Of the 110 questionnaires deposited there were 73 returned questionnaires. These 73 questionnaires were then selected as research subjects.

Data obtained from 73 subjects then processed using the help of excel and spss. Researchers make descriptive data related to the subject's self data, descriptive description of organizational commitment subject based on some characteristics of subject demographic data. Then test the analysis using product moment correlation on major hypothesis that is relation of locus of control with organizational commitment and also at minor hypothesis that is relation of locus of control with each component exist in organizational commitment (identification, involvement, loyalty)

C. Measures

This research uses quantitative approach. This type of correlational research to reveal the relationship between X and Y. Technique of taking data using likert scale which is distributed in the form of questioner. Measuring tool used in this research:

- Work locus of control compiled by researchers using [11] as reference. After going through the process of validity and reliability test. This measuring instrument consists of 16 items with a large cronbach alpha .802.

- Organizational Commitment adapted and modified from [5] using theory from [7] [8] as reference. After going through the test of validity and reliability. This measuring instrument consists of 24 items with a large cronbach alpha of .886.

This research uses product moment correlation analysis technique with assumption test of normality and linearity first.

IV. RESULT

		Organizational commitment	Identification	Involvement	Loyalty
Locus of control	p (<0,05)	0,000	0,000	0,002	0,032
	r	-0,442**	-0,530**	-0,349**	-0,251*

There was no evidence that locus of control has a relationship with organizational commitment, with $p = <.05$ and $r = -0,442 **$ and there is a negative and significant relationship between locus of control with Identification, involvement and loyalty. That means all H0 (major and minor) are rejected and all Ha (major and minor) are accepted.

V. DISCUSSION

In this study there is one hypothesis that is the relationship between the organizational commitment with the locus of control. Major hypothesis test results show a negative and significant relationship between the locus of control with organizational commitment to employees of PT. X branch of Makassar. These results suggest that individuals with internal control tendencies will exhibit high organizational commitment. Conversely, individuals with an external locus of control tendency in work will show a low organizational commitment.

The explanation above shows the locus of control of the employee to the workplace. This is supported by Robbins' opinion [9] that the locus of control is an important variable that can explain human behavior in organization and one of them is organizational commitment. Organizational commitment has a significant relationship with the locus of control [4] [9]. The direction of this study is also in Furnham, et al., (1994); Kinicki and Vecchio (1994) cited [2] are individualized with the tendency of the internal locus of control to have higher organizational commitment than the external control locus.

The result of the next hypothesis test is the result of hypothesis minor test to find the relation between locus of control with every component that exist in organizational commitment. In this minor hypothesis there are 3 hypotheses tested. The first minor hypothesis, the relationship between the locus of control and identification. There is a negative and significant relationship between the locus of control and the self-identification of PT multifinance employees. X branch of Makassar. These results indicate the higher the individual who has the tendency of internal locus of control hence the identification or trust and acceptance of employees to the values and objectives of the organization will be higher. Conversely, the more individuals have an external locus of

control tendency then the identification or trust and acceptance of employees towards the value and objectives of the organization will be lower.

It is how individuals choose to accept values and adhere to the rules of the organization [8]. Rotter & Adolfina [9] explains that individuals with an internal LOC tendency will believe good or bad events are consequences of self-control. This may be the cause of individuals with an internal LOC will have a high identification, because individuals who understand there are consequences that they will get is not accepted and the organization will occur depending on their restraint.

The second minor hypothesis, the relationship between the locus of control with involvement. There is a negative and significant relationship between the locus of control with the interests of PT X Makassar branch. These results indicate that the higher the individual has a tendency to locus internal controls, the willingness of the individual to engage and the hard effort for his organization will be higher. Conversely, the more individuals have the tendency of the external control locus the individual's willingness to engage and strive with his organization will be lower.

Involvement is the willingness of employees to engage, work hard and have a high responsibility to carry out the orders or tasks that have been given as well as the principle [8]. Individuals with internal LOC tendencies will be more responsible for the problem of heavy, diligent, tenacious, and more effective in doing the task [12].

The third minor hypothesis examines the relationship between locus of control and loyalty. The result shows no significant relationship between the locus of control with loyalty to employees of PT. X branch of Makassar. These results indicate that the more individuals have a tendency of internal locus of control, the loyalty of individuals to their organizations or the desire of individuals to maintain membership in their organizations will be higher. Conversely, the more individuals have a tendency of external locus of control then the individual's loyalty to his organization or the desire of the individual to retain membership in his organization will be lower.

Loyalty is a feeling of wanting to stay, feel bound, and needed by the organization so that employees will choose to remain in the organization [8]. One indicator of the individual with the internal LOC is that the individual believes that he has influence over others, such as his ideas required by superiors to advance the company [11]. This may be one of the factors causing individuals with an internal loc to have good loyalty. This is because when a person feels that he has an influence over his company, there is the possibility that he or she will feel needed and choose to stay in the company.

Overall, the results of major and minor hypothesis testing show that the locus of control is one of the most important variables and is associated with the high organizational commitment and each component in it, as it is known that each component can be seen from how individuals behave towards It is supported by Robbins's opinion (in Rachim, et al., 2016) that locus of control is an important variable that can explain human behavior in organizing and has been shown to correlate

to a number of organizational variables (O'Brien and Spector [11])

VI. CONCLUSION

The conclusion of this research are employees with a tendency of internal locus of control will tend to have high organizational commitment, as well as employees with an external locus of control tendency will tend to have low organizational commitment. Furthermore, seen from the value of r, it can be said strength of the relationship between these two variables is quite strong. Similarly, the three components in organizational commitment also indicate a negative relationship with the locus of control. Where employees with internal locus of control tend to have higher identification, involvement and loyalty than employees with an external locus of control tendency.

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