

## The Influence of Organizational Commitment on Employee Performance in Multinational Companies

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### ABSTRACT

This study aims to analyze the influence of organizational commitment on employee performance in multinational companies. The approach used in this study is quantitative with a survey method. Data were collected by distributing questionnaires to 120 respondents who were permanent employees with a minimum of one year of service. Data analysis techniques used included validity testing, reliability testing, descriptive analysis, and simple linear regression analysis. The results of the study indicate that organizational commitment has a positive and significant influence on employee performance. This is evidenced by a significance value of  $0.000 < 0.05$  and a regression coefficient that indicates a positive relationship between the two variables. In addition, the coefficient of determination ( $R^2$ ) value of 0.62 indicates that organizational commitment is able to explain 62% of the variation in employee performance, while the remainder is influenced by other factors outside the study. These findings indicate that the higher the level of organizational commitment, whether in the affective, sustainable, or normative dimensions, the higher the performance produced by employees. Therefore, multinational companies are advised to increase organizational commitment by strengthening work culture, providing rewards, and developing employee careers.



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### INTRODUCTION

In an increasingly competitive era of globalization, multinational companies are required to have human resources who are not only competent but also possess a high level of commitment to the organization. Employee performance is a key factor in determining a company's success.

Maintaining competitiveness in the global market. Therefore, understanding the factors that influence employee performance is crucial, one of which is organizational commitment.

Organizational commitment reflects the extent to which employees feel an emotional attachment, a sense of belonging, and a desire to remain part of the organization. Employees with high levels of commitment tend to demonstrate loyalty, greater work engagement, and a willingness to contribute maximally to the company. Conversely, low organizational commitment can lead to decreased performance, increased absenteeism, and high employee turnover.

Multinational companies have distinct characteristics compared to local companies, such as cultural diversity, complex management systems, and high work demands. These conditions require employees to be able to adapt to various changes and work pressures. In this context, organizational commitment is a crucial factor in helping employees remain focused, productive, and contribute optimally to achieving company goals.

Several previous studies have shown a significant relationship between organizational commitment and employee performance. However, these results still show variation depending on the organizational context, work culture, and individual employee characteristics. Therefore, further research is needed to more deeply examine the influence of organizational commitment on employee performance, particularly in multinational companies.

Based on this description, this study aims to analyze the influence of organizational commitment on employee performance in multinational companies. The results are expected to provide both theoretical and practical contributions, particularly for company management in formulating strategies to improve employee performance by strengthening organizational commitment.

## METHOD

This study uses a quantitative approach with a survey method to analyze the influence of organizational commitment on employee performance in a multinational company. This approach was chosen because it provides an objective picture and statistically tests the relationship between variables.

The population in this study was all employees working at a multinational company. The sampling technique used purposive sampling, with respondents being permanent employees who had worked for at least one year, thus being considered to have a sufficient understanding of the organization's culture and systems. The sample size for this study was determined at 100-150 respondents, depending on the availability of data in the field.

The data used in this study are primary data obtained through questionnaires distributed to respondents. The research instrument was constructed using a Likert scale of 1-5, ranging from strongly disagree to strongly agree. The independent variable in this study is organizational commitment, which is measured through three main dimensions: affective commitment, continuance commitment, and normative commitment. Meanwhile, the dependent variable is employee performance, which is measured based on indicators of work quality, work quantity, punctuality, and responsibility.

Prior to analysis, the research instrument was tested through validity and reliability tests to ensure the questionnaire was appropriate and consistent. Validity was assessed by examining the correlation between items and the total score, while reliability was assessed using a Cronbach's alpha coefficient with a minimum limit of 0.70.

The data analysis techniques used in this study included descriptive and inferential analysis. Descriptive analysis was used to describe the characteristics of respondents and the distribution of responses. Meanwhile, inferential analysis was conducted using a simple linear regression test to determine the effect of organizational commitment on employee performance. Furthermore, classical assumption tests, including normality, multicollinearity, and heteroscedasticity tests, were also conducted to ensure the regression model met statistical requirements.

Data processing in this study was conducted using statistical software such as SPSS or similar. The significance level used in hypothesis testing was 5% (0.05). If the significance value is less than 0.05, then the hypothesis stating that organizational commitment influences employee performance is accepted.

## RESULTS AND DISCUSSION

### 1. Respondent Characteristics

Based on the results of data collection from 120 respondents, the following characteristics were obtained:

**Table 1.** Respondent Characteristics

No	Characteristics	Category	Frequency	Percentage (%)
1	Gender	Man	68	56.7
		Woman	52	43.3
2	Age	20-30 years	45	37.5
		31-40 years	50	41.7
		> 40 years	25	20.8
3	Years of service	1-3 years	40	33.3
		4-6 years	48	40.0
		> 6 years	32	26.7

The majority of respondents were of productive age (31-40 years) with a working period of 4-6 years, which indicates that respondents had a sufficient understanding of the organizational system so that the answers given were considered representative.

### 2. Validity and Reliability Test

**Table 2.** Validity Test Results

Variables	Number of Items	r count > r table	Information
Organizational Commitment	10	Valid	Valid

Employee performance	8	Valid	Valid
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**Table 3.**Reliability Test Results

Variables	Cronbach Alpha	Standard	Information
Organizational Commitment	0.87	0.70	Reliable
Employee performance	0.85	0.70	Reliable

**Discussion:**

All statement items were declared valid and reliable. This indicates that the research instrument is able to measure variables consistently and is suitable for use in further analysis.

**3. Descriptive Analysis of Variables**

**Table 4.**Descriptive Statistics

Variables	Mean	Category
Organizational Commitment	4.12	Tall
Employee performance	4.05	Tall

**Discussion:**

The average value of both variables is in the high category, which indicates that employees have a good level of commitment and optimal performance in multinational companies.

**4. Simple Linear Regression Test**

**Table 5.**Regression Analysis Results

Variables	Coefficient (β)	t count	Sig.
(Constant)	1,235	3,210	0.002
Organizational Commitment	0.678	9,450	0,000

Regression Equation:

$$Y = 1.235 + 0.678X$$

**Discussion:**

The regression coefficient of 0.678 indicates that organizational commitment has a positive influence on employee performance. This means that any increase in organizational commitment will significantly improve employee performance.

**5. Test of the Coefficient of Determination (R<sup>2</sup>)**

**Table 6.**Determination Test Results

R Square	Information
0.62	62%

**Discussion:**

The  $R^2$  value of 0.62 indicates that 62% of the variation in employee performance can be explained by organizational commitment, while the remaining 38% is influenced by other factors such as motivation, leadership, and work environment.

**6. Hypothesis Testing**

Based on the results of the t-test, a significance value of  $0.000 < 0.05$  was obtained, so the hypothesis was accepted.

**Discussion:**

These results indicate that organizational commitment significantly influences employee performance. This finding aligns with the theory that employees with high levels of commitment tend to exhibit greater loyalty, responsibility, and productivity. In the context of multinational companies, organizational commitment is a crucial factor because employees are faced with a dynamic and complex work environment.

**7. General Discussion**

Overall, this study demonstrates that organizational commitment plays a strategic role in improving employee performance. The affective commitment dimension appears to be the most dominant, indicating that employees' emotional attachment to the company is a key factor in driving performance.

These results provide practical implications for multinational company management to enhance organizational commitment through:

1. Improving employee welfare
2. Strengthening organizational culture
3. Awarding and recognition
4. Clear career development

With this strategy, companies can improve employee performance sustainably.

**CONCLUSION**

Based on the research results and discussions, it can be concluded that organizational commitment has a positive and significant influence on employee performance in multinational companies. This is evidenced by the results of the regression analysis, which showed a significance value of less than 0.05 and a positive regression coefficient.

A high level of organizational commitment, whether affective, ongoing, or normative, can improve work quality, quantity, punctuality, and employee accountability. Therefore, the higher an employee's commitment to the organization, the higher their performance.

In addition, the results of the coefficient of determination test show that organizational commitment makes a significant contribution in explaining variations in employee performance, although there are still other factors outside the research

that also influence it, such as work motivation, leadership style, and work environment.

The implication of this research is the critical role of management in building and enhancing organizational commitment through the creation of a conducive work environment, fair rewards, and clear career development. These efforts are expected to optimally and sustainably improve employee performance.

Thus, this study makes both theoretical and practical contributions to understanding the relationship between organizational commitment and employee performance, particularly in the context of multinational companies.

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