The Effect of Competence on Commitment, Performance and Satisfaction with Reward as a Moderating Variable (A Study on Designing Work plans in Kendari City Government, Southeast Sulawesi)

Alamsyah Lotunani\textsuperscript{1)}, M.S Idrus\textsuperscript{2)}, Eka Afnan\textsuperscript{3)}, and Margono Setiawan\textsuperscript{4)}

\textsuperscript{1)}Kendari city government, Southeast Sulawesi Province, Indonesia
\textsuperscript{2,3,4)}Faculty of Economics and Business University of Brawijaya, Malang, East Java of Indonesia

ABSTRACT: The purpose of the research is to analyze and describe the effect of competence on commitment, performance and satisfaction with reward as a moderating variable. The research has been carried out in Kendari city government. The study focuses on designing work plans in Kendari City government, South East Sulawesi. To analyze the data, the study uses 152 respondents and applies Structural Equation Model on the basis of Partial least Square (PLS). The result of the research shows that the path coefficient of civil servant performance toward their satisfaction mediated by reward is not significant. It means that the reward that is given to the government workers on the basis of their performances does not necessarily effect on their satisfaction, this is because the respondents of the research are civil servants working in government organization, where the rewards are not the most priorities in increasing civil servants satisfaction.

KEYWORDS: Competence, Commitment, Reward, Satisfaction, Performance

I. INTRODUCTION

In principles, local autonomy has been designed for two purposes, there are: to provide good services to the community and to give broader opportunities to the government to take initiative and involves stakeholders in the development. Granting broader power to the local government needs good, harmony coordination and management in national level, local level, and across the regions. In addition, it is recommended that both government and community sit together when they come to design development plan. However, theoretically and practically, many people believe that most communities and stakeholders are not being involved in making local government work plan (USAID LGSP 2006) Development planning in Kendari city consists of three parts, there are long terms planning, middle terms planning, and short terms or (annual) planning. As far as annual planning is concerned, it is aimed to design some work plans that will be executed by the local government. Then, the work plans are divided based on their allocation such as routine budget and development budget. Even though, the implementation of the programs (the two budgets) do not run well, both central government and local government have continuously been trying to provide broader opportunities to local government to develop its region in accordance with its needs and priorities. The laws state that work achievement approach can be well implemented when the budget system is able to combine between work plan and annual budget. By so doing, it will produce close relationship between the budget availability and the expected outcome. This approach is called work based budget.

The work based budget is an approach to management to associate every single cost with the expected outcome or benefit that are reached in every activities. The benefit/outcome are then be described into the proposal and be implemented in work target with in work unit. In doing planning and budgeting, all Local Government Work Units (called SKPD) must be involved. Determining the program and activities, budgeting allocation for each program, cost standard determination, performance indicator and performance target determination, and the budget availability require serious attention from the top management in each SKPD. Budget document should deliver clear information about the purposes, target, and correlate it with the total budget. Designing budget on the basis of work performance plays important roles because it has consequences because it must provide some achievement indicators criteria to succeed. Such as: (1) leadership and commitment from all organization components; (2) focus continuously on administration; (3) have enough resources (money, time, and people); (4) reward and punishment and (5) have strongest will to succeed. The process of designing SKPD’s work plan in Kendari city government will be able to run smoothly if the civil servants have high motivation to perform their task and they are given appropriate reward.
Porter and Lawyer’s model notice that someone will do his/her job well if he/she knows that he/she gets the reward from what he/she is doing. Working performance is determined by someone perception on his/her ability to carry out his/her assignment. Therefore, the performance should be seen from two sides. They are intrinsic motivation (the feeling to succeed and self actualization) and extrinsic motivation (working condition and status). Many Porter and Lawyer’s models have been developed in lots of researches. The research integrative model with competence toward commitment, performance and satisfaction with reward as a moderating variable. Reid et al. (2008) point out that work satisfaction, organizational commitment and work involvement or engagement should be variable and are crucial in public sector. In addition, Reid’s ET all, research look into how work characteristic and working experience influence organizational commitment, work satisfaction and work involvement. In addition to that this finding improves our comprehension on what commitment and satisfaction are all about. The result of the research also suggests that office managers maintain the values to their employees. Overall, they are positive correlation among work satisfaction, organizational commitment and work involvement/engagement in the workplace both in public sector and government.

The current survey shows that SKPD work plan in Kendari City Government have faced obstacles to be implemented every year. One of the obstacles is that the employee’s motivation, satisfaction and their performance are decreasing. Local incomes in 2009 to 2010 indicate that there is a different inconsistency between SKPD proposal and the total program that can be funded by APBD. Forever, a number of SKPD work plan is different from one to another. Particularly in terms of the total SKPD work plan, the number of programs and activities, and budget allocation in APBD Kendari City. This research is very crucial as to find out the rationality in determining public decision like political concept and ethical rationality. These two concepts focus merely on what community thinks that is “good”. Meanwhile, technological rationality tends to focus on what is “right” in the planner point of view. The problem then will arise when people think that what is “right” is not necessarily perceived “good” by the society. Therefore, it needs strategies in making development planning that can accommodate all elements either planner or society.

II. LITERATURE REVIEW AND HYPOTHESES

Paloniemi (2006:439) defines competency as “is increasingly being highlighted in working life. Furthermore he believes that competence is crucial resources for individual, organization, and community. Other researches like Streuner and Bjoruest (1998) conclude that competence is an individual’s capability to perform the tasks that have been assigned to him/her. Moreover the concept of competency can also be understood as knowledge, skill, and professional identity. As far as employees commitment is concerned, Steers and Porter (1987) define organizational commitment as identification (believe in organizational values), and job involvement (the willing to do something for the sake of organization). Organizational commitment is more than just a formal member but it includes organizational interest such as positive attitude toward organization and is willing to do something for the sake of organization which includes loyalty, job involvement, values identification, and the goal of organization. Mowday Porter and Steers (1922) state that organizational commitment can be divided into three factors, there are: (1) Affective commitment is an affective or emotional attachment to the organization such that the strongly committed individual identifies with, is involved in, and enjoys membership in the organization. Its mean that affective commitment is derived from emotional commitment toward organization. The employees who have strong commitment will be able to identify themselves to actively involved in organization and enjoy themselves as member of the organization; (2) Normative commitment refers to the employee’s feeling of obligation to remain with the organization. It means that the employee who has strong commitment will remain and maintain with organization because they think they ought to; (3) Rational commitment is a tendency to engage in consistent lines of activity based on the individual recognition of the cost (or lost site bets) associate with discontinuing the activity. This rational commitment is related to the consequence that the employee will accept if they do not work in that organization. Therefore the employee who has strong rational commitment will survive in the organization because he/she needs it. (Luthans, 2012).

According to Danim (2004) reward is sometime called wage or salary. The wage/salary that the employee received can be different from one place to another. However the employees expect that they receive their wages as a reward. The reward that is given to someone must be appropriate with his right and his responsibility. We must bear in mind that reward can be measured by material but it can be influenced by the interaction between human and organizational environment. Schuler (1987) points out that reward can be divided into two kinds. They are intrinsic and extrinsic reward. Extrinsic reward can be divided into two. They are direct and indirect extrinsic reward. Direct extrinsic reward like salary, wage, reward that is given on the basis of employees performance.
Meanwhile indirect extrinsic reward is the payment that is given to the employee as an extra working hours and facilities for employee. In contrast, intrinsic reward is related to the reward that is received by the employees. For examples, the feeling of secure in the work place, status, and society reward and self rewards (Schuler and Huber, 1993). Spector (1997) also provides some aspects of work satisfaction. They can be seen on the following Table 1.

<table>
<thead>
<tr>
<th>Aspect</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wage</td>
<td>Satisfaction with the salary and the salary increases</td>
</tr>
<tr>
<td>Promotion</td>
<td>Satisfaction with career improvement</td>
</tr>
<tr>
<td>Supervision</td>
<td>Satisfaction with the supervisor</td>
</tr>
<tr>
<td>Compensation</td>
<td>Satisfaction with compensation</td>
</tr>
<tr>
<td>Reward</td>
<td>Satisfaction with the reward</td>
</tr>
<tr>
<td>Working condition</td>
<td>Satisfaction with the regulation and procedure</td>
</tr>
<tr>
<td>Working partner</td>
<td>Satisfaction with working partner</td>
</tr>
<tr>
<td>Working atmosphere</td>
<td>Satisfaction with a kind of job</td>
</tr>
<tr>
<td>Communication</td>
<td>Satisfaction with communication in organization</td>
</tr>
</tbody>
</table>

Source: Spector (1997)

Extrinsic reward can be money or wages on what he/she has performed the tasks. Reward can also be other payment on the basis of employee’s productivities; they are incentive, bonus and merit (Schuler and Huber, 1993). Extrinsic reward like protection program, the payment that is given to the employee as an extra working hours and facilities for employee are define as rewards that are given by the organization to their employees, (Schuler 1987). Protection programs are social insurance, social retire insurance, unemployment insurance, injure, and worker compensation and medical insurance. Employees facilities include food services cost, employee discount, child care, working performance, sponsor, counseling and consultation services, company rental services, personal and business car services (Scholer 1987). Hygiene’s theory of motivation is based on Herzberg’s study in Pittsburg. He interviews 200 engineers and accountants from 11 industries. His interviews are mostly about what make employees happy and what make them unhappy when they are performing their tasks. The results of the research show that there are two different categories which affect someone’s behaviors, he finds that. The first category is that if someone feels unsatisfied with his assignment, he will notice the surrounding workplace he is working. The second category is that if someone feels happy with his tasks, he will motive his job. Herzberg classifies the first category as hygiene factor that is environmental factor. This factor influences employees’ satisfaction in doing their jobs. The second category is classified as motivator because it motivates people to work. Based on theoretical arguments and research results of previous research, then the hypothesis proposed in this study:

- H1. Competence has significant effect on employee’s performance
- H2. Competence has significant effect on employee’s commitment
- H3. Commitment has significant effect on employee’s performance
- H4. Employee’s performance has significant effect on his/her satisfaction
- H5. Reward as moderator has an effect on employee’s performance and satisfaction

III. RESEARCH METHODS

The design of this research uses explanatory research approach with the aim of making clear the relation between variables through hypothesis testing and making causal conclusion and then followed by choosing among alternatives of action. The reason for the use of explanatory research design is due to the objective of this research that is to prove empirically and explain the impact of the competence on commitment, performance and satisfaction with reward as a moderating variable. The total population of the study is 152 civil servants who are working in Kendari city government. The distributions of the study are proportionally taken from each SKPD in Kendari city government. The research uses survey to collect primary data and secondary data. Data was collected by a survey which was carried out in its entirety in one stage (one short study) or in a cross-section manner through questionnaire. To collect primary data, the research gives questionnaires to each SKPD available in Kendari city. The measurement of data from all research variables used the Likert scale. The determination Likert scale in this study used a 1 to 5 level scale for all variables. A five-point Likert scale was employed with a score of 1, indicating “strongly disagree”, and 5, representing “strongly agree”, to extract the different attitudes of respondents Cooper & Schindler, 2003 and Malhorta et al., 2010. The method for data analysis in this research is Structural Equation Model on the basis of variant that is called Partial Least Square (PLS). PLS application allows for multi collinearity, that is strong correlation among exogenous variables. The
reasons for choosing PLS in this research are: (1) the model formed at conceptual framework has hierarchical causal relation, that is competence and commitment, which have an impact on performance and then have an impact on satisfaction with reward as a moderating variable. Due to the hierarchy, a structural model would be quite useful here; (2) this study uses latent variable which is measured through indicators and PLS would be appropriate here for confirming the uni-dimensionality of the various indicators for latent variable; (3) PLS is a powerful method of analysis which does not require much assumption and allows for analyzing a set of latent variables simultaneously; (4) the PLS method is easier to run since it does not require index modification.

IV. DATA ANALYSIS AND RESULTS

The characteristics of the respondents in this research consist of seven characteristics, there are; age, religion, status, the length of time working in Kendari city government, and structural/functional position. For further information about the characteristics of the respondents can be seen in descriptive analysis. The respondents are 73% males and 27% are females. As far as positions are concerned, they are 90% dominated by males. The positions include head of the department, office manager, and the head of the field/office. In regard to age, 76% of the respondents are in productive ages and there are 24% of the respondents will be retired in the near future. From the productive point of view, it shows that 90% of the respondents are in mental maturity ours and most of them (or 90%) are Muslims. Furthermore, most respondents hold their bachelors. The civil servants who have position have already held their bachelor and have been working in the office for more than ten years. Most of the respondents (96%) are married. Hair (2010) claims that people who have already married work harder than those who have not, that is because they have responsibilities for their family. The hypothesis is tested using t-test to find out direct impact partially. The PLS analysis, Table 2 presents the result of direct impact of hypothesis test.

Table 2. Hypothesis testing and path coefficient for PLS

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Path Coefficients</th>
<th>P-value</th>
<th>Empirical Evidence</th>
</tr>
</thead>
<tbody>
<tr>
<td>H₁: Competence --&gt; Commitment</td>
<td>0.569</td>
<td>0.000</td>
<td>Significant Accepted</td>
</tr>
<tr>
<td>H₂: Competence --&gt; Performance</td>
<td>0.543</td>
<td>0.000</td>
<td>Significant Accepted</td>
</tr>
<tr>
<td>H₃: Commitment --&gt; Performance</td>
<td>0.321</td>
<td>0.000</td>
<td>Significant Accepted</td>
</tr>
<tr>
<td>H₄: Performance --&gt; Satisfaction</td>
<td>0.370</td>
<td>0.003</td>
<td>Significant Rejected</td>
</tr>
<tr>
<td>Test for the impact of moderating variable:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reward --&gt; Satisfaction</td>
<td>0.337</td>
<td>0.009</td>
<td>Significant Accepted</td>
</tr>
<tr>
<td>H₅: Interaction (Performance*Reward) --&gt; Satisfaction</td>
<td>0.256</td>
<td>0.223</td>
<td>Non Significant</td>
</tr>
</tbody>
</table>

P-value = significant at .05 level
Evaluation on the structural model is carried out after the relation model is formulated based on the data from observation and on the goodness of fit for the overall model. The structural model is tested in order to determine the relation between latent variables in this research. The result of the tests on the impact among variables is evident from the value of path coefficient and critical value which should be significant at α = 0.05. This is shown in the path diagram in Figure 1.

Note: s = significant; ns = non significant at α = 0.05

Figure 1. Diagram for hypothesis testing and path coefficient for PLS
Based on the hypothesis test in Figure 1 and Table 2 it is found that competence has significant effect on civil servants performance. The PLS analysis shows that the path coefficient is 0.534 with P-value = 0.000 < 0.05. It means that there is significant and positive effect of civil servants competence on their performance. In brief, the higher someone competence has the bigger his/her performance will be. Competence has significant effect on civil servants commitment. The PLS analysis indicates that its path coefficient is 0.569 with P-value = 0.000 < 0.05. It means that there are significant and positive effects of civil servants competence on their commitment. To sum up, the higher someone competence has, the bigger his/her commitment will be. Commitment has significant effect on civil servants performance. The PLS analysis indicates that its path coefficient is 0.321 with P-value = 0.000 < 0.05. It means that there are significant and positive effects of civil servants commitment on their performance. In short, the higher someone commitment has, the bigger his/her performance will be. Performance has significant effect on civil servants satisfaction. The PLS analysis indicates that its path coefficient is 0.370 with P-value = 0.003 < 0.05. It means that there are significant and positive effects of civil servants performance on their satisfaction. Thus, the higher someone performance has, the bigger his/her satisfaction will be. Lastly, reward as moderating, it effects on employees performance and satisfaction. The PLS analysis result shows that the path coefficient impact on performance and reward to satisfaction is 0.256 with P-value = 0.2232 > 0.05. Which it means that it is not significantly effect on employee performance and satisfaction. Therefore, it can be claimed that reward does not affect a moderating variable toward performance and employees’ satisfaction. However, reward can also increased employees performance and satisfaction because its coefficient is 0.337 with P-value = 0.009 < 0.05. It means that reward as an independence variable has positive and significantly effect on employees performance and satisfaction. To conclude, the bigger reward given to the employees, the more satisfaction the employees will be.

V. DISCUSSION

The research as five hypotheses. The result of the research indicates that four hypotheses have direct effect, and only one hypothesis is not accepted through moderating variable. The results of the hypothesis test are described bellow:

1. The effect of competence on civil servants performance, based on PLS data analysis, it is found that there are positive and significant effect of the employees competence on their performance. Its path coefficient is 0.543 with P-value = 0.000 < 0.05. The result of P value analysis is < 5 % which it means that it has positive and significant effect on them. In short, the higher civil servants competence, the bigger their performance will be. The result of the research reveals that civil servants must have good competence in order to create and maintain their performance, so they can performance their tasks in the office professionally. Competence as a paradigm believes that civil servants will work successfully if they have good competence, as Palan (2008) says that competence refers to behavior characteristics which are reflected in motivation, personal characteristics, self concept, values, knowledge and skills that people have in their workplaces. In addition, Robin (2001) states that competence is someone’s ability to perform the tasks which it has two factors, they are; intellectual competence and physical competence. Intellectual competence is the ability to carry out mental activities, while physical competence is the ability to do activities that require stamina, speed and skills. Intellectual competence plays important role in carrying out complex tasks. Therefore, Wu (2008) states that employees’ competence must have continuously been maintained and improved in order to be professional workers.

2. The Effect of Competence on Commitment, based on the PLS data analysis, it is found that its path coefficient is 0.569 with P-value = 0.000 < 0.05. It can be claimed that it has positive and significant effect on them. Therefore, the higher civil servants competence, the bigger his/her commitment will be. The result of the research reveals that commitment will be available if civil servants have appropriate competence they need. It means that to improve and maintain civil servants commitment, the top manager must train and upgrade their employees. By so doing their knowledge and skills are improving. Lockett (1992) points out that company are able to get many benefits from its employees, if the employees are knowledgeable, skillful, and competence. For examples: “the enable top management to state clearly the sort of behavior which will make the organization’s mission achievable; the enable managers to assess people against a common set of agreed criteria; the enable organization to take a regular stock take of the capability of their people; if clearly stated and widely published, they give individuals an unambiguous guide to their own personal development targets; they facilitate movement across function by setting out clearly which skills are generic and therefore easier to resolve. In addition to that, (Faruya et al, (2007) states that human resources policy in the company influence employees’ reposition globally in which the effect of transferred competence/skill and personal adjustment will indeed effect the commitment in the work distribution.
The Effect of Commitment on Civil Servants Performance, based on PLS data analysis, it is found that there are positive and significant effect of commitment on civil servants’ performance, its path coefficient is positive that is 0.321 with P-value = 0.000 < 0.05. It can be claimed that the higher the civil servants’ commitment, the bigger their performance will be. The result of the research indicates that to create a higher civil servants performance, it needs a higher commitment. The theory on commitment discusses the important of commitment in workplace, it states that the employee will work well and accomplish the tasks, if he/she has high commitment. The employees who have high organizational commitment also have positive view, and will perform their tasks for the sake of organization. By so doing, the employees will do their best and responsibilities to improve their welfare in the organization they are working with. (Meyer & Allen, 1997).

Furthermore, Cuming and Worley (2005) point out that in organizational life, commitment should derive from organizational levels. Commitment is completely needed to develop solid organization to face competition (environmental demand) that is coming from customers and competitors. In addition to that, Maryyan and Al-Faori (2008) claim that in order to maintain civil servants’ commitment; they must do or perform their tasks well. And the civil servants must be given chances to develop their carrier and profession.

The Effect of Civil Servant Performance on Their Satisfaction, based on PLS data analysis, it is found that, there are positive and significant effect of civil servants performance on their satisfaction. The path coefficient is positive, that is 0.321 with P-value = 0.003 < 0.05. The result of the analysis can be claimed that the higher the civil servants performance, the bigger his/her performance will be. The result of the research indicates that to create a good civil servants satisfaction, he/she must perform his/her tasks well. Employees must have good performance to carry out their jobs. By so doing, they will get satisfaction. As far as performance is concerned, Atkinson et al (1995) states that the aim of performance assessment is to measure several activities in the organizational levels, so it can produce mutual information to improve the organization. The improvement of organization is by means of developing organization management which include: a. the improvement of planning. b. process improvement, and the improvement of evaluation. The result of the evaluation is then being informative to fix the process of making evaluation, and it must be continuously done to compete and reach the strategic factors. Furthermore, Hansen and Moven (1997) divide assessment into two kinds, there are; financial and nonfinancial. These two assessments are aimed to measure the performance activities and the final results (outcome). The performance assessment can be divided into three dimension, such as 1. efficiency. 2. quality, and 3. time. In addition to that, Kaplan and Norton (1996), Linle and Schiemann (1996) point out that nonfinancial evaluation is designed to evaluate how good the activities can be achieved particularly in terms of efficiency, quality, and time. Finally Martin et al. (2008) claims that the higher performance will provide satisfaction to employees in the competition and dynamic environment.

The Effect of Civil Servants’ Satisfaction on Reward as a Moderator, the PLS data analysis result is found that its path coefficient is 0.256 with P-value = 0.2232 > 0.05. It indicates that there is no significant effect of civil servants satisfaction on reward. In other words, reward does not play a role as moderating variable to effect civil servants satisfaction. However, it is found that another coefficient is 0.337 with P-value = 0.009 < 0.05. The coefficient indicates that there is a significant effect of civil servants satisfaction on reward. In other words, reward as an independent variable effect satisfaction. Since coefficient is positive, in indicates that the bigger the reward, the higher the civil servants satisfaction will be. The result of the research shows that reward does not influence as moderating variable on civil servants satisfaction. It means that the rewards that are given to them in Kendari city government particularly in designing SKPD work plan does not necessarily strengthen both civil servant performance and his/her satisfaction. However, reward can directly improve civil servants satisfaction. Mahsun (2006) states that if employees know they will receive reward, they will commit to do their works/tasks and will have a sense of belonging and responsibility to perform their tasks. Generally speaking, if employees are well appreciated, they will be proud of it and it will motivate them to increase their productivities. In government organization, reward not only focus merely on how much work have been done by the civil servants but also how far the civil satisfaction have been served by civil servants, by so doing, society play important role in evaluating individual and organization performance. In practical, reward can also be done by involving external stakeholders in organizational meeting. The findings of the research are: (1) reward as a moderating is not significantly improved civil servants performance and satisfaction. It means that performance will not improve civil servants’ satisfaction if reward is given as a moderating variable in designing work plan in Kendari city government. In short, reward does not play role as an influence moderating variable on civil servants satisfaction, it because they are working in government organization. So rewards are not the main moderating variable in improving civil servants satisfaction, (2) the coefficient analysis result indicates that reward has significant effect on...
satisfaction. This is to indicate that reward as an independent variable effect satisfaction, thus, rewards that are given to Kendari city avement employees improve their satisfaction when they come to design SKPD work plan; (3) a good civil servant performance in designing SKPD work plan is directly improve civil servants commitment and performance. In other words, when civil servant has good competence, it will help him/her in designing SKPD work plan in Kendari city government.

VI. CONTRIBUTION AND LIMITATIONS RESEARCH

The result of the research gives meaningful contribution to other theories that are focusing on measuring or analyzing competence variable, commitment, performance, and reward. In addition, the result of the research can also enrich other previous research findings likes; Zain, ishak, and Ghani (2009), Maharaj and Schlechter (2007), Carrie and Bourgue (2008) Wu (2008), Chen (2004), Dirani (2009), McKinnon, Graeme L. Harrison, Chee W. Chow, and Anne Wu (2003), Christopher L. Martin and Nathan Bennett (1996), Bakhshi, Kuldeep Kumar and Ekta Rani (2009), Amalia Rifai (2005), Forest (2008), Reis et al (2008) Moynihan amnd Pandey (2007) and Srie W. Macintosh and alison Doherty (2010). It’s expected that the result of the research will give meaningful and practical contribution to the Kendari city government in general and to civil servant in particular. The result of the research reveals that to improve civil servants performance and satisfaction, they must have good competence and commitment. And the civil servants must be given reward to improve their quality and professionalism. The research has lots of meaningful findings, but it has also some limitations. One of the limitations is that it focuses merely on the process of designing SKPD work plan in Kendari city government. Therefore, it cannot be generalized to other places because they have different characteristics.

VII. CONCLUSION AND SUGGESTION

The civil servants competence in the process of designing SKPD work plan in Kendari city government is able to give added values particularly in supporting his/her performance. Therefore, it’s important that civil servants competence be improved and maintained to succeed the SKPD work plan. Employee’s competence in the process of making SKPD work plan in Kendari city government is also improving his/her commitment. Thus, the civil servants’ commitment must continuously be maintained. Particularly to employees who are able to work hand in hand with their counterparts who design SKPD work plan in Kendari city government. However, the civil servants commitment in the process of making SKPD work plan is good. Civil servants who have affective, normative, and continuant are able to strengthen their performance because they have higher motivation to maintain themselves in the organization. They also believe that doing SKPD work plans are their obligation to do so, and they feel sorry if they are not involved in designing the plan. Performance will not improve civil servants’ satisfaction if the reward given to them as moderating in designing the SKPD works plans. Thus, reward does not play a role as moderating to influence civil servants’ satisfaction; this is because the organization is government organization where they are working with. Lastly, the intrinsic and extrinsic rewards are generally providing meaningful contribution to civil servants’ satisfaction. They feel that they are free to make decision in accomplishing their jobs, and they also think that being planners in SKPD work plan make them happy and believe that it is a reward. Further research needs to look into deeper structural model. This research uses reciprocal model to test feedback loop among the laten variables. Further research need to investigate the process of making SKPD work plan in other places with different objects. SKPD work plan in Kendari city is adopted from Local Development Planning Forum (MUSREMBANG), so it’s important that civil servants’ competence need to be upgraded by developing the quality of human resources. By so doing, they will become discipline employees and will have great achievement to reach the organization goals. The planner of SKPD work plan need to upgrade their innovation to develop the good model of planning in the organization. They also need to find out new model on how to reward their employees who work in SKPD work plan. To sum up, the employees will get high motivation if the performance leads to their satisfaction.

REFERENCES

The Effect Of Competence On Commitment...