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### THE INFLUENCE OF OUTSOURCING, ORGANIZATIONAL COMMITMENTS ANDEMPLOYEE SATISFACTION ON OUTSOURCING EMPLOYEE PERFORMANCE AT THE MINISTRY OF PUBLIC WORK AND PUBLIC HOUSING

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**Keywords: Outsourcing, Organizational Commitment, Satisfaction, Employee Performance**

#### **ABSTRACT**

This study purposed to determine the effect of outsourcing, organizational commitment and employee satisfaction on the performance of outsourced employees of ministry of public works and public housing. This research was carried out by quantitative method with associative method. The study was conducted on 110 outsourced employees at the General Secretariat of Public Works and Public Housing. Sampling technique for this research was by accidental sampling technique. Data collection applied survey method by implementing questionnaire. Data were analyzed by multiple linear regression analysis. The results showed that there were significant and negative influence between outsourcing and employee performance. There were also significant and positive influence between organizational commitment and employee performance. Furthermore, it had a significant and positive influence between satisfaction and employee performance. Outsourcing, organizational commitment and employee satisfaction simultaneously had a significant effect on employee performance with determination coefficient of 92.4%.

**Keywords:** Outsourcing, Organizational Commitment, Satisfaction, Employee Performance

#### **INTRODUCTION**

Outsourcing is the strategic use of resources from outside the company to carry out activities that are usually handled by internal staff and the resources within them (Elmuti et al., 2010: 177). The determination of resources from outside the

company is obviously carried out in order to execute the production process. In Indonesia, outsourcing has been developing thoroughly where some companies transfer some functions to other companies. Differences of outsourcing in Indonesia and other countries are seen in the class of work. In Indonesia, there are only 5 types of work that can be done by outsourcing, they are cleaning service (janitor), security, transportation, catering and mining contracting based on Permenakertrans No. 19/2012 related to outsourcing work regulations created by the Ministry of Manpower and Transmigration (Kemenakertrans). Otherwise, in other countries, the types of jobs that can be outsourced including IT services, research and development, call centers, manufacturing and distribution. Thus, the type of work that can be outsourced in other countries addresses to a higher class description rather than the class of work that can be outsourced in Indonesia.

Based on a survey conducted by the Statistics Brain Research Institute (2017), Indonesia became the outsourcing country with the second rank with outsourcing labor. At this term, Indonesia reaches 1,430,000. Outsourcing in Indonesia is stated in regulation No. 13/2003 on Manpower, which states that companies can hand over part of their work to other companies through work contracting agreements or the provision of services for workers / laborers in writing. In this perspective, outsourcing in Indonesia experiences limitations in aspects of the business sector, which based on Minister of Manpower and Transmigration Regulation No. 19 of 2012 concerning the Conditions for the submission of part of the work implementation to other companies, work that is allowed to use outsourced workers is limited to work that is supporting the main business activities including cleaning services (janitor), catering, security services, supporting services in the oil and gas sector and also transportation services.

The level of labor force participation during the past four years is shown in figure 1.

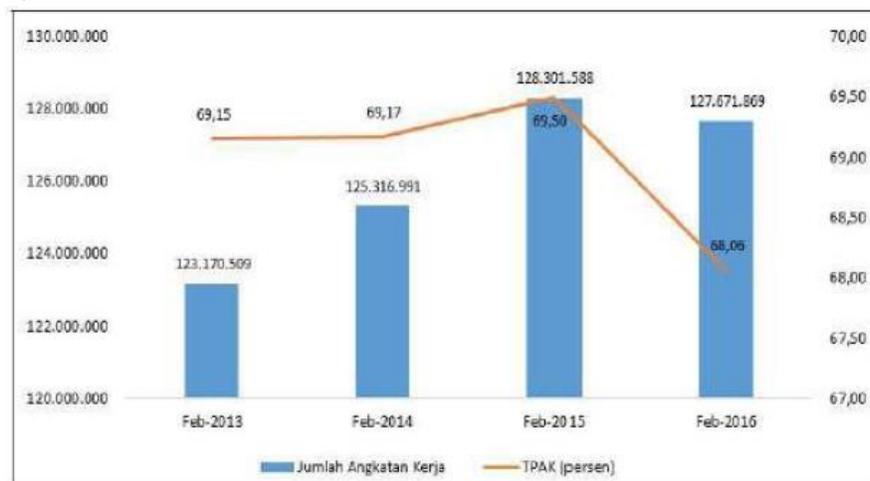


Figure 1. Number of Indonesian labor during 2013-2016

The number of labor generation and labor force participation rate in Indonesia increased from 2013 to 2015, but then it declined slightly in 2016. While the contribution of outsourcing strategy in absorbing labor and reducing unemployment can be seen based on the number of outsourcing employees.

Table 1. The Number of Employees And Outsourcing Company

Keterangan	Jumlah
Karyawan <i>outsourcing</i>	24.710
Perusahaan <i>outsourcing</i>	1.007
PPJB/P	1.936

One of the institutions that has been implementing the outsourcing strategy is the Secretariat General of the Ministry of Public Works and Public Housing. They implemented an outsourcing strategy in the cleaning service section since 2008 which was taken from the services of outsourcing provider PT. Airkon. The number of outsourcing employees in the Secretariat General of the Ministry of Public Works and Public Housing is shown in figure 2.

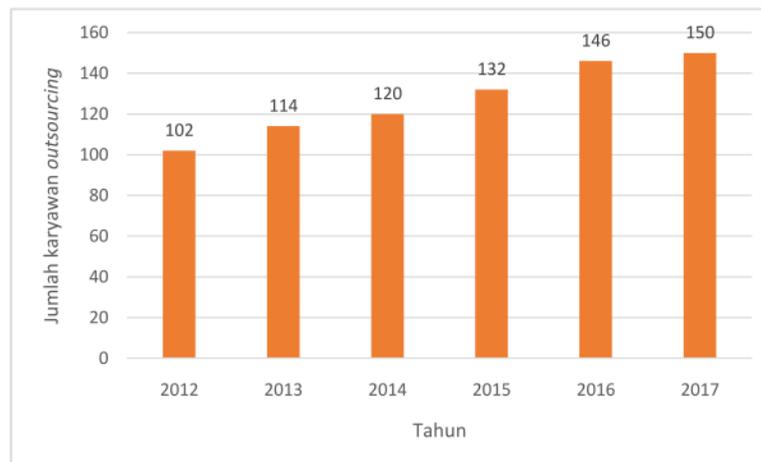


Figure 2. Outsourced employees in the Secretariat General of the Ministry of Public Works and Public Housing

In period of 2012-2017

The Secretariat General of the Ministry of Public Works and Public Housing chose to hire outsourced employees for the cleaning service; so, the institution may remain focusing on the institution's core activities. The number of outsourcing employees has increased regularly every year, yet the institution could improve the quality of cleanliness and service of the institution. Therefore, this research was conducted to elaborate on:

1. How does outsourcing affect the performance of its employees at the Secretariat General of the Ministry of Public Works and Public Housing?

2. What is the effect of organizational commitment on the performance of outsourcing employees in the Secretariat General of the Ministry of Public Works and Public Housing?
3. How does employee satisfaction govern the performance of outsourcing employees at the Secretariat General of the Ministry of Public Works and Public Housing?
4. What is the effect of outsourcing, organizational commitment and employee satisfaction on the performance of outsourcing employees at the Secretariat General of the Ministry of Public Works and Public Housing?

## **LITERATURE REVIEW**

### ***Outsourcing***

In the management literature, outsourcing is defined briefly as the supply or procurement of goods or services from external sources. Outsourcing is the procurement of competent non-core work services where the company does not use core activities or basic competencies from other companies specializing in relevant fields (Arikan et al., 2015: 264). Soltani and Esmacely (2013: 561) stated that outsourcing as an act of transferring some internal activities and decision-making responsibilities to an external provider company so that it transferred the allocation or reallocation of trade activities including services or production from internal sources to external providers.

In the last decade, recently outsourcing has become an essential tool for managers at all levels of strategic decision making. Based on the type of authority and responsibility, outsourcing performs the work delegated to the units and employees in the organization. This type is generally held by the field of specialization and also is defined as an executive project. It is also delegated to an organizational unit or team consisting of individuals in different units. Manyasi and Omusotsi (2014: 440) reported various benefits obtained from outsourcing, for as a means to reduce costs, increase customer satisfaction and provide efficiency/effectiveness in productivity. According to the competency theory proposed by Chang and Said (2014: 9), core companies must invest in capacity building activities and outsource other supporting business activities to remain competitive.

In other words, outsourcing can transfer non-core company operations to third-party vendors at a lower cost. As with other company activities, outsourcing activities that are not managed properly can have a negative impact on the company. Therefore, companies must be able to set short-term and long-term goals before deciding to outsource. According to Brooks et al (2009: 7) outsourcing consisted of two dimensions; (1) Dimensions of perception of impact on individuals, (2) Dimensions of perception of impact on work.

### ***Organizational Commitment***

Priya and Sundaram (2016: 60) elaborated commitment as a multidimensional nature, which involved employee loyalty to the company. According to Hakim (2015: 35), organizational commitment was the desire and willingness of

employees to remain in the organization, and remained willing to devote themselves to organizational success. Another definition of organizational commitment is stated by Khalid et al. (2015: 175) that organizational commitment was the extent to which employees identify themselves with their organization. Organizational commitment shows attachment and trust in an organization's values and the desire to stay. Organizational commitment is the result of a positive response to working conditions and has a strong belief in organizational goals and desires to achieve an effective relationship with the organization.

Organizational commitment leads to an association of employees with the organization or a whole part of feelings and beliefs about the organization by involving emotions in an organization. When commitment is determined by the value of the organization, employees may get a positive response and encouragement; therefore, employees are motivated to work and remain in the organization and work for the organization. Thus, organizational commitment is the engagement of employees with the organization and as a positive response to working conditions. Saliu et al. (2015: 44) stated that the concept of organizational commitment could be determined from three perspectives. First, the behavioral approach; it is also known as exchange-based theory and this argues that individuals are committed to the organization as long as they hold their positions and collect better benefits (or incur greater costs at departure) so that it can prevent them from finding alternative employment. The second approach is the attribution approach which involves a moral approach and attitude where individual behavior is guided by emotions or hearts, or what is called affective rationality / values. The third approach is a psychological approach related to the process of identifying and dedicating one's own energy towards organizational goals. Those three components view of commitment consisting of affective, continuation and normative was also conveyed by Khalid et al. (2015: 175).

Normative commitment has a relationship with feeling obligated to stay with the organization. Which means, employees who have a strong commitment will stay with the organization because employees depend on it. Various definitions of organizational commitment that have been described can be stated that organizational commitment is considered as a bond or relationship of individuals with organizations. Irrespectively cut the loose from the different definitions of organizational commitment, the model given is considered the most acceptable which defines organizational commitment as the possibility of individual identification and involvement with an organization. Various researchers report indicators that can be used to measure employee organizational commitment. Priya and Sundaram (2016: 66), Saliu et al. (2015: 46), Khaliq et al. (2016: 3), Rekha and Kamalanabhan (2012: 24), Hakim (2015: 39) and Khalid et al. (2015: 177) sized up the organizational commitment with dimensions and indicators; (1) Dimension of affective commitment that is the level of psychological attachment to the organization based on how good feelings towards the organization, (2) Dimension of continuous commitment that is psychological attachment to the

organization because of the cost of responsibility as a consequence of leaving the organization, (3) Dimension of normative commitment that is psychological engagement with organization as a moral obligation to establish relationships with organizations.

#### A. Employee Satisfaction

Locke (1976 in Priya and Sundaram, 2016: 63) defined employee satisfaction as a pleasant emotional state that had been resulted from the perception of one's work as the fulfillment of one's important work values. This satisfaction refers to a collection of workers' behavior about their work that is describing how satisfied someone is with their work (Saliu et al, 2015: 45). It could also be understood as an affection response to work as a whole (global satisfaction) or with regard to certain aspects (Suma and Lesa, 2013: 45). Employee satisfaction is the terminology used to describe whether employees are happy, opinionate and fulfill their desires and needs at work.

Plentiful of actions supporting employee satisfaction becomes a factor in work motivation, achievement of work goals and positive employee morale at work. Employee satisfaction can be described as how happy an employee deals with his work position. Yaseen (2013: 142) said that this kind of satisfaction was as a combination of extrinsic and intrinsic job satisfaction. Extrinsic part covers all external factors such as communication style, supervisory cooperation, and salary conditions; while intrinsic part includes the type of work performed by workers and the tasks considered by employees. When the employee is satisfied, the employee will work properly in the workplace. To satisfy employees, the organization provides different facilities for such as providing good working conditions, being fair at work, giving promotions and rewards to employees; because those are the elements which contribute to the employee (job) satisfaction. Various researchers reported indicators that still relate to measure employee job satisfaction. As Quartey (2013: 184) measured that satisfaction by several indicators; (1) Nature of work (including, enjoyment of work, interesting and challenging tasks, satisfied with work, and feeling successful), (2) Award (includes, paid attention when doing work, there are a number of views in the department where work, using skills and knowledge of work, doing valuable work), and (3) Coworkers (including, organizations understand employee work expectations, coworkers treat with respect, and supervisors provide assistance).

#### B. Employee Performance

The effectiveness with which organizations manage, develop and stimulate their employees is an important cornerstone for how organizations perform. Elnaga and Imran (2013: 140) stated that employee performance referred to everything about the performance in a company or organization which involved all aspects that directly or indirectly influenced and related to employee work. Employee

performance is important for the company to make every effort to help low-performing workers. Gibson (2008: 55 in Rosita and Yunita, 2016: 3) defined performance as a result of work related to organizational goals, efficiency and effectiveness of other performance effectiveness. The performance of a position as a whole is equal to the number (average) of the performance of employee functions or activities carried out. Comprehending performance purposes to assess individual characteristics but refers to a series of results obtained over a certain period of time.

Performance has been categorized into five elements: (1) Planning, (2) Monitoring, (3) Development, (4) Ranking, (5) Awards (Elnaga and Imran, 2013: 140). While Cherian and Jacob (2013: 85) stated that employee performance was positively influenced by overall self-efficacy. Yet, the performance obviously is influenced by motivation because when employees are motivated they will do work with more effort and with which performance is going to improve (Azar and Shafighi, 2013 in Shahzadi et al., 2014: 161). Rosita and Yunita (2016: 12) measured employee performance with dimensions and indicators; (a) Job (including, quantity of work, quality of work, knowledge of work, awareness and trust in attendance, enthusiasm in carrying out tasks, personal integrity, and timeliness), (b) Innovator (including, authenticity of ideas and policy actions), (c) Team (including, loyalty to cooperate and policy actions).

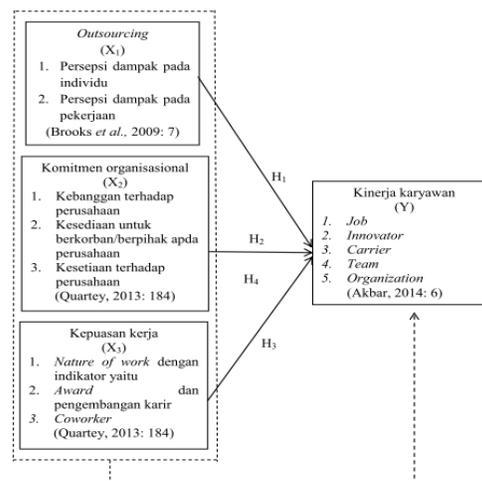


Figure 3. research model

## RESEARCH DESIGN

The type of research is quantitative research which leads to research in the form of actual figures as a basis for any statistical investigation. This research implies an associative method research design which is conducted a survey approach. Associative research conducted in this study examines causal relationships. There are independent variables (variables that affect) and dependent variables (variables that are affected). The study was conducted by surveying outsourcing employees within the Secretariat General of the Ministry of Public Works and

Public Housing to determine the relationship between outsourcing, organizational commitment, employee satisfaction and outsourcing employee performance.

Data collecting process in this study was conducted by questionnaire method, while data collection techniques using field research (direct research). This research is a direct study by conducting observations (interviews) and distributing questionnaires to respondents with a sample of 105 respondents.

## **RESULT AND DISCUSSION**

It can be simply inferred that the object of this research was the Secretariat General of the Ministry of Public Works and Public Housing. The sample in this study were outsourced employees at the Secretariat General of the Ministry of Public Works and Public Housing whose respondent characteristics included gender, age group, education background and length (period) of work.

### **RESULT**

The results showed that the number of male respondents are more than female respondents. Male respondents were 66.40% (73 people) while female respondents were 33.60% (37 people) of the total respondents by the number of 110 respondents. In addition, based on age category, they were ranging from 18 years to more than 34 years. Most respondents were in the age range of 18-25 years which was 61.80% (68 people) and the second largest percentage was in the 25 to 30 years age range of 31.80% (35 people). Respondents who had an age range from 30 to 35 years were only 6.40% (7 people). Thus, the majority of respondents in this study were 18 to 25 years old. In the other hand, in terms of education, the educational background of each respondent was dominated by high school / vocational level that was equal to 90.00% (99 people). Respondents with junior high school level were 5.50% (6 people), respondents with diploma major level were 2.70% (3 people) and respondents with bachelor level were 1.80% (2 people). The majority of respondents had a high school education equivalent and had been working for 2 to 3 years.

The results of the outsourcing variable validity test show that there are 2 question items, they are item O5 and O6 which resulting in a corrected item-total correlation value of less than 0.361. Therefore, those two question items O5 and O6 are categorized to be invalid and removed from the study. While the results of the validity test of organizational commitment variables, job satisfaction variables show that each question item is defined as valid result. However, the employee performance variable shows that there are 4 question items; KK3, KK7, KK14 and KK17 items which have a corrected item-total correlation value of less than 0.361. While the sixteen other question items on employee performance variables produce corrected item-total correlation values of more than 0.361. And there were 4 question items, they are items KK3, KK7, KK14 and KK17 are invalid and then removed from the study (research).

The results of the reliability test in table 2 show that all research variables have a Cronbach alpha value of > 0.70. Thus, all research variables used in this study have reliable data reliability.

Table 2 Reliability Test Result

Variable	Crobach alpha	Information
<i>Oustsourcing</i>	0,957	Reliable
Organizational Commitment	0,959	Reliable
Employee Satisfaction	0,928	Reliable
Employee performance	0,924	Reliable

**Linear Regression Analysis**

Table 3 Double Linear Regression Test Result

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	24.836	5.646		4.399	.000
	O	-.243	.077	-.351	-3.151	.002
	KO	.208	.081	.261	2.549	.012
	K	.276	.091	.337	3.028	.003

a. Dependent Variable: KK

Source: Primary data of questionnaire proceeded by researcher (2017)

**F Testing result**

Table 4 F Testing Result

ANOVA <sup>a</sup>
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Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	3583,076	3	1194,359	205,977	0,000 <sup>b</sup>
	Residual	614,642	106	5,799		
	Total	4197,718	109			
a. Dependent Variable: KK						
b. Predictors: (Constant), K, KO, O						

Source: Primary data of questionnaire proceeded by researcher (2017)

Based on the data above, it can be inferred that there is a significant influence between outsourcing, organizational commitment, and job satisfaction on employee performance.

**Correlation Analysis Inter-dimensional**

The correlation is shown in the table below:

Table 5 Analysis Result Of Inter-Dimensional Correlation

	Employee Performance (Y)									
	<i>Job</i>		<i>Innovator</i>		<i>Carrier</i>		<i>Team</i>		<i>Organization</i>	
	<b>r</b>	<b>Sig.</b>	<b>r.</b>	<b>Sig.</b>	<b>r</b>	<b>Sig.</b>	<b>r</b>	<b>Sig.</b>	<b>r</b>	<b>Sig.</b>
Outsourcing (X1)										
Individual impact perception	-0,702	0,000	-0,670	0,000	-0,778	0,000	-0,584	0,000	-0,684	0,000
Impact perspective to performance	-0,641	0,000	-0,615	0,000	-0,751	0,000	-0,571	0,000	-0,696	0,000

Source: Primary data of questionnaire proceeded by researcher (2017)

The correlation test results show that the value of *sig. all* relationships between each dimension of organizational commitment variables with each dimension of employee performance is  $0,000 < 0.05$ , refers that there is a significant relationship between each dimension of organizational commitment variables with each dimension of employee performance.

Table 6. Results Of Dimensional Correlation Analysis Of Employee Satisfaction On Employee Performance.

	Employee Performance (Y)									
	Job		Innovator		Carrier		Team		Organization	
	r	Sig.	r.	Sig.	R	Sig.	r	Sig.	r	Sig.
<i>Employee Satisfaction (X<sub>3</sub>)</i>										
<i>Nature of work</i>	0,655	0,000	0,634	0,000	0,649	0,000	0,519	0,000	0,637	0,000
<i>Award and career development</i>	0,665	0,000	0,601	0,000	0,773	0,000	0,574	0,000	0,684	0,000
<i>Co-worker</i>	0,535	0,000	0,550	0,000	0,712	0,000	0,545	0,000	0,624	0,000

Source: Primary data of questionnaire proceeded by researcher (2017)

The correlation test results show that the value of *sig. all* relationships between each dimension of employee satisfaction with each dimension of employee performance by 0,000 <0.05; it means that there is a significant relationship between each dimension of employee satisfaction with each dimension of employee performance.

## DISCUSSION

### *The Effect of Outsourcing On Employee Performance*

Based on the results of the *t* test shows that the outsourcing variable has a significant effect on employee performance with a *sig value* of 0.002 and a *t value* of -3.151. Yet, there is a significant and negative relationship between outsourcing and employee performance. These results are equivalent with research conducted by Taruru et al. (2015: 1). It is stated that outsourcing practices significantly influence employee performance with *sig* 0.004. Toffolutti et al. (2016: 69) conducted a study similar to this research that examined the impact of the use of cleaning service employees (outsourcing) by the result that the use of them increases the risk of bacterial infection. These results indicated that the study conducted by Toffolutti et al. (2016: 69) was equally in line with this study that outsourcing had a significant and negative effect on employee performance; where in the study the significance of the effect of outsourcing on the incidence of bacterial infection obtained *sig.* of 0.09.

This research examines outsourcing measured by the perception aspect of outsourcing employees related to the impact of the implementation of outsourcing carried out by the Secretariat General of the Ministry of Public Works and Public Housing. According to Cicek and Ozer (2011: 139), the results of employee

cognition and influence regarding outsourcing tended to be different; it depended on the content and the process of outsourcing. Some aspects of outsourcing can be evaluated comprehensively, while other aspects can be seen as detrimental. As a result, outsourcing can affect some employees by increasing their performance based on employee perceptions conducted by companies/institutions where they work. Outsourcing can cause perceived psychological contract changes, which can potentially lead to negative outcomes such as perceived betrayal, job insecurity, depression and low self-esteem which can ultimately impact on employee performance.

The results also indicate that the majority of outsourcing employees had a high perception of the negative impact of outsourcing, carried out by the Secretariat General of the Ministry of Public Works and Public Housing, both negative impacts on themselves and on their work and also the impact on the future. This is represented by the results of the analysis that most outsourcing employees have a high perception of the negative impact of outsourcing. Most of the employees assume that outsourcing has negatively affected (their) careers, mobility, reduced the opportunity for career advancement. These conditions make the performance of outsourcing employees turn down. In this research, the performance of outsourcing employees is assessed from the aspects of job, innovator, organization, team and career. The results denote the majority of outsourcing employees had low performance from all aspects of employee performance. Therefore, the high negative perception of the impact of outsourcing carried out by the Secretariat of the Ministry of Public Works and Public Housing in the form of a negative impact on careers, low mobility, and reduced opportunities or career advancement opportunities makes the ability, innovation, team work, career development and supporting the performance of institutions owned by outsourcing employees is also low.

### ***The Effect of Organizational Commitment on Employee Performance***

The results of multiple linear regression analysis obtain a regression coefficient of 0.208. The regression coefficient is positive. This refers to a condition for there is an effect that directly proportional between organizational commitment to employee performance. Based on the results of the *t test* show that organizational commitment variables significantly influence employee performance with a *sig. value* of 0.012 and *t value* of 2.549. Moreover, there is a significant and positive influence between organizational commitment and employee performance. The higher organizational commitment of outsourcing employees, the higher performance of outsourcing employees. The lower organizational commitment of outsourcing employees, the lower performance of outsourcing employees.

These results are equivalent with the research conducted by Respatiningsih and Sudirjo (2015: 56); where in their research stated that there was a partially positive and significant influence between organizational commitment to the performance of employees of the Malang Regency directorate and *sig. .001*. Similar results

were also stated by Yamanie and Syaharuddin (2016: 63), Adi et al. (2016; 2610), Folorunso et al. (2014: 282) that organizational commitment significantly and positively influenced employee performance with successive *sig values*, 0.005; .040; and 0,000. Madhuri et al. (2014: 215) also implied that every positive effort made by employees towards the organization had a positive effect on organizational commitment. The results of this study indicated that most outsourcing employees had low organizational commitment. Most outsourcing employees had the pride of working in the Secretariat General of the Ministry of Public Works and Public Housing, but most outsourcing employees did not have a strong business, perception and loyalty to their work as outsourcing employees at the place. Ireffin and Mechanic (2014: 34), individuals with low levels of commitment would only do proportional work. The employees did not put their whole passion into the work and target/goal of the organization. Employees were only concerned more with personal success compared to organizational success. Less committed individuals also tended to see themselves as outsiders and not as long-term members of the organization. In other hand, employees with high commitment to the organization saw themselves as an integral part of the organization. Such employees were creatively involved in the mission and values of the organization, and continued to think of ways to do their jobs proportionally. This led to a definition that employees who were highly committed to working with the organization well were going to represent good performance. Thus, the low organizational commitment possessed by most outsourcing employees had led to lower employee performance. The lack of having strong business, perception and loyalty to their work as an outsourcing employee in the Secretariat General of the Ministry of Public Works and Public Housing made the ability to do work, innovation, ability to work in teams, ability in career development and ability to support the performance of institutions owned by outsourcing employees became low.

### ***The Effect of Employee Satisfaction on Employee Performance***

The results of multiple linear regression analysis obtained a regression coefficient of 0.276. The regression coefficient was obviously positive. This represented that there was an effect that directly proportional between employee satisfaction and employee performance. Based on the *t test* result showed that the variable job satisfaction had a significant effect on employee performance with a *sig. value* of 0.003 and a *t value* of 3.028. As a result, there was a significant and positive effect between employee satisfaction and employee performance. The higher job satisfaction possessed by outsourcing employees, the higher performance of outsourcing employees becomes, and vice versa. The lower job satisfaction possessed by outsourcing employees, the lower performance of outsourcing employees.

The results of this study were in line with research conducted by Juniantara and Riana (2015: 611) and Latif et al. (2013: 170) that partially was a positive and significant effect between employee satisfaction on employee performance.

Similar results were also stated by Inuwa (2016: 96), Adi et al. (2016; 2610), Akbar (2014: 7) and Fadlallah (2015: 26) that satisfaction had a significant and positive effect on employee performance with *sig. values* 0.001; 0.022; 0,000 and 0,000. Employee satisfaction was the result of employee perceptions about the extent to which employee work can provide emotional states. Therefore, it was very important for organizations to pay attention to employee job satisfaction in order to achieve organizational efficiency and effectiveness through satisfied and high-performing employees (Noermijati, 2010 in Muslih, 2012).

Employee satisfaction and dissatisfaction do not only depend on the nature of the occupation, but also depend on what expectations the job (description) is given to an employee. Lower costs, higher organizational and social and intrinsic rewards will increase satisfaction. It is a complex phenomenon with multiple aspects and it is also influenced by several factors such as salary, work environment, autonomy, communication and organizational commitment (Singh and Jain, 2013: 106).

The outcome of the study indicate that the majority of outsourcing employees have low employee satisfaction. Most outsourcing employees refuse to be agreeby the statement that their work as outsourced employees at the Secretariat General of the Ministry of Public Works and Public Housing can provide pleasure, success, challenges and care. These conditions have an impact on the emotional state of workers who have an influence on worker behavior. Dissatisfaction at work brings negative emotions that lead workers less motivated to do their jobs so that employee performance is low. It has made employee performance low both in terms of ability to do work, innovation in work, ability to work in teams, ability in career development and ability in supporting institutional performance, especially in that research location.

### ***The Effect of Outsourcing, Organizational Commitment and Employee Satisfaction Towards Employee Performance***

*F test* output shows that there is a significant simultaneous relationship between outsourcing, organizational commitment, and employee satisfaction towards employee performance with *sig.* 0,000 and *F count* 205,977. Determination test outcome indicate that outsourcing conducted by the Secretariat General of the Ministry of Public Works and Public Housing, organizational commitment and employee satisfaction has a contribution in influencing employee performance by 92.4%.

## **CONCLUSION**

Based on the results described in the previous chapter, the conclusions that can be obtained from this research are:

1. Outsourcing (system) conducted by the Secretariat General of the Ministry of Public Works and Public Housing has a significant and negative effect on employee performance. The higher negative perception of the employees

- regarding outsourcing at Secretariat General of the Ministry of Public Works and Public Housing has an impact on the low performance.
2. Organizational commitment has a significant and positive influence on employee performance. The higher organizational commitment of outsourcing employees has an impact to the low performance.
  3. Employee satisfaction has a significant and positive influence on employee performance. The higher employee satisfaction of outsourcing employees has an impact on the low performance.
  4. Outsourcing conducted by the Secretariat General of the Ministry of Public Works and Public Housing, organizational commitment and employee satisfaction simultaneously has a significant effect on employee performance with an influence contribution of 92.4%.

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