Tri Hita Karana Culture Effect on Company Performance, Leadership and Organizational Commitment (Studies an Regional Water Company in Bali Province)

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ABSTRACT : *This study purpose is to explore the effect of Tri Hita Karana culture on leadership, organizational commitment and company performance. Data was collected through survey methods in cross - section through a questionnaire. Analysis units are Regional Water Companies in Bali Province. Samples are 16 directors. Data analysis techniques to test hypothesis is Generalized Structured Component Analysis (GSCA).This study result indicate that implementation of Tri Hita Karana culture can improve company performance either directly or mediated by asta dasa paramiteng prabhu leadership and organizational commitment. Implementation of Tri Hita Karana culture simultaneously can improve leadership quality, organizational commitment, and improve company performance. But good leadership has no effect on organizational commitment. This study originality is to provide a basis for modeling development configuration with GSCA methods and conceptual models to prove values of local wisdom, namely: Tri Hita Karana culture and asta dasa paramiteng prabhu leadership and mediating role of organizational commitment shown significant effect on to improve company's performance at Regional Water in Bali Province.*

KEYWORDS: *Tri Hita Karana culture, Asta Dasa Paramiteng Prabhu Leadership, Organizational Commitment and Company Performance.*

I. INTRODUCTION

Regional Water Company (RWC) is one of local government's enterprises. Under Law No. 5 year 1962, government-owned businesses of Regional Water Company provide services and organize public services in water drinking. *RWC* activities ranging from producing, processing, and distributing clean water to customers. Akbar [1] said that local companies have responsibility to develop and manage water supply systems as well as serving all groups of consumers at an affordable price. Akbar [1] states that to carry this mission RWC faces many obstacles, particularly in large cities the problem of clean water availability is very pronounced. Effendy [2] stated that RWC have institutional and management problems associated with low efficiency, low human resources competence, inefficient operating system, less supportive corporate culture, no visionary leadership, lack of entrepreneurship, low business strategy, and less smart. Based on World Bank report, Mugabi et al. [3] state that water management challenges in developing countries are inefficient usage of drinking water, lack of effective information management systems and unclear vision and mission. Bali Province is one of Indonesia provinces needs water supply for people that depend on RWC. There are nine RWC in Bali Province that established by local regulations of) district/city. RWC in Bali province have some problems such as high operational costs, low rates, limited production capacity, lack of production facilities, quantity and quality of raw water does not meet standards and leakage level is still high. This obstacles make public service is not maximal. It is proved by many complaints from customers. Based on data of Bali, within a period of 3 years (2008 to 2010), customer complaints increased respectively at 8.21%, 8.61 %, and 8.96 %. It statistically high with magnitude above 5 per cent or over the tolerance level [4]

In addition to customer complaints, leakage level (losses), also called the term accounted for water (UFW), during last 3 years (2008 - 2010 increased respectively 26.27 %, 26.30 %, and 26.84 %). Based on Domestic Ministry (Kepmendagri) No. 47 year 1999 [5], a high leakage level tolerance is 20 %.Higher customer complaints and leakage rate are an indication of RWC performance in Bali province is lower than expectations. Rival et al. [6] said that to increase organizational performance and achieving organizational goals, it would require a strong organizational culture, a culture in this case includes values , norms and attitudes.

Chouke and Armstrong [7] states that organization's culture is an important variable to achieve company's performance, and organizational culture become one of important factors as key drivers in development and success of big companies and also important for small companies. Susanto et al. [8] describes organizational culture as a key in achieving corporate excellence, it is because organization culture able to create groups within organization take swift and coordinated action against competitors, customers, and various processes within organization Davidson et al. [9] that conducted research on banking companies shows that organizational culture affects on company performance , as well as Kotter and Heskett [10] stated that organizational culture significantly affect on long-term economic performance, and be able to determine future success and failure. Denison [11] develops a relationship with organizational culture and business management activities performance by developing four key characteristics of organizational culture namely: involvement, consistency, adaptability and mission.

Several studies that examining relationship between organizational culture with organization performance show that organization's culture is one key factors of organizational performance improvement (Onken [12]; Denison and Mishra [13]; Davidson et al. [9]; Denison et a.l [14]; Carl F Fey and Denison [15]; Gani [16]; Supartha [17]; Gunawan [18]; Riana [19]; Kamaliah [20]; and Astawa et al. [21])
Chouke and Armstrong [7]; Marcoulides and Heck [22]; Michie and A.West [23]; Koesmono [24]; and Rashid et a.l [25] also show same result. Various studies lead to conclusion that organizational culture has a positive effect on organizational performance improvement. This means that formation of a positive organizational culture within organization will have a positive effect on organizational performance improvement. The same opinion is expressed by Moeljono [26]; Kotter and Hasket [10]; Robbins and Judge [27], that organizational culture affects company performance.This condition is different from what was findings of Lim [28]; Raka Suardana [29];; Yuan and Lee [30]; Februanto [31]; Dharmanegara et al. [32]; Syauta [33]; Chen [34]; Sumarto and Subroto [35]; Xenikou and Simosi [36]. They says that organizational culture does not affect on company performance. This means that implementation of organizational culture within organization will not affect organization performance.

Organizational culture can also negatively affect performance. Van Veet and Griffin [37] states that a defensive culture have negative effect on performance improvement. It is also in line with Bathazard et al. [38] finding that that a dysfunctional organization will lower efficiency, effectiveness and performance.
In addition to organizational culture, leadership also affect organization performance. Leadership is a key element of management with important role in strategic and survival of a business [39]. The same thing is also said that managers closest to company and responsible for operating efficiency, short term and long term profitability, as well as the effective capital usage, human resources and other resources. Various theories suggest that relationship between leadership style on organization performance as Day and Lord [40]; Reksohadiprojo and Handoko [41]; Fidler [42].Several studies show relationship between leadership style Elenkov organizational performance ([43]; [44]; [45]), especially transformational leadership attributes and organizational effectiveness measurement. Leadership performance also to affect on organizational performance improvement ([46]; [18]; [20]; [24]). Several studies above reinforces the theory about relationship between leadership and organizational performance.

Different opinion of [36]; [31]; [17] and [30] found results no significant relationship between leadership and performance. This means that good leadership in organization is not able to improve performance or leadership within an organization. The different results of Timothy et al. [47] said that transactional leadership have significant positive effect on organizational performance, whereas transformational leadership does not on organizational performance.Other factors that affect company performance is organizational commitment, because commitment shows confidence and strong support of values and goals to be achieved by organization [48]. Organizational commitment can grow due to individuals who have an emotional bond to organization that includes the moral support and accept the existing value and inner determination to serve organization [49] whereas according to Wiener [50] organizational commitment boost individual to do something in order to support organization success in accordance with purpose of prioritizing interests of organization above own interests.

Various previous studies that looked at relationship between organizational commitment to performance as Rashid et al. [25] show positive effect between organizational commitment and organizational performance. Research conducted of Somers [51]; Kamaliah [20]; Koesmono [24]; Syauta [33] through identification variable affective commitment, normative and continuous show significant effect on organizational performance.

While Randall et al. [52] stated that organizational commitment does not affect organization performance. Adversely, Shaw et al. [53] show that those migrant workers do not affect organization performance , while native workers have significant positive effect organizational performance.The effect of organizational culture on leadership has done empirically. Research by Ogbonna and Harris [45]; Kamaliah [20]; and Gunawan [18]; Mehta and Krishnan [54]; Butarbutar and Sandjaya [55]; and Mohanty et al. [56] show that organizational culture have positive and significant effect on leadership. Research of Sharma and Sharma [57]; Sumarto and Subroto [35]; Endorgan et al [58]; Van Emmerik et al. [59]; and Alas et al. [60] show that organizational culture affects on leadership. Results of this study support the notion Schein [61] that organizational culture affects on leadership.Schimmoeler [62] found different that Clan culture and Adhocracy provide significant positive effect on transformational and transactional leadership, but the clan culture has an effect on leadership of laissez - faire. Hierarchy and adhocracy culture have no effect on laissez- faire leadership. While the market does not have effect on organizational culture, both transformational leadership style, as well as transactional, and laissez - faire.

Organizational culture affect on company's performance and also affects on organizational commitment. Various previous studies of Rashid et al. [25]; Chen [34]; Koesmono [24] show that there is a positive and significant effect between organizational culture with organizational commitment. This means that a good implementation of organizational culture in company will increase the employee's desire to maintain membership in organization and willing to strive for the achievement of organizational goals. In contrast, results of study by Nongo and Ikyanyon [63] says that cultural adaptability and involvement have significant positive effect on organizational commitment, consistency while mission culture does not affect on organizational commitment.Previous studies show different result about effect among variables. Previous studies rarely show organizational culture and leadership are adopting local values and their effect on organizational commitment and company performance. Similarly, the study of organizational culture and leadership more concern to phenomena in Western world, which has a different culture with a company in Indonesia in general and Bali in particular. Corporate organizational culture in Bali is very colored by local cultures rooted in religion [19]. According to Windia and Goddess [64], *Tri Hita Karana* (THK) as an element of Balinese culture contains *parahyangan* (harmonious relationship between man and God), *pawongan* (harmonious relationship between humans), and *palemahan* (harmonious relationship between humans and environment).

In his study Riana [19] have studied contemplation between THK cultures with some theories of organizational culture. It was found that *parahyangan* dimensions analogous to Basic Assumptions of Schein [61] and subsystems Koentjaraningrat value [65] and is a behavior that tends to be difficult to be changed because it contains the value - the value of which does not seem with Kotter and Heskett [10] and Denison [11]. Similarly, Hofstede [66] looked at basic norms of religion at most people in Asia are used as a way to avoid uncertainty (uncertainty avoidance). Compared with culture concept of Hofstede [66] *palemahan* dimensional analogues with short term and long term objective, and *pawongan* dimensions analogous to individualism and collectivism, power distance, masculinity and femininity.Based on research gap, this study examines the role of local leadership values , known as *asta dasa paramiteng prabhu* and organizational commitment as the mediating effect of organizational culture (Tri Hita Karana) on local company performance. It needs further research, especially at Regions Company Drinking water in Bali Province. Study result of theoretical and empirical phenomena affect on construction of concept of organizational culture, leadership, and corporate performance and this gap was essential and interesting to research further into new findings that inspire researchers to reexamine inconsistency of previous research findings about effect of organizational culture on leadership, organizational commitment, and company performance.Several previous studies result still show contradictory about relationship between variables. In addition, previous research results still leaves a phenomenon that local content concerning organizational culture and leadership will greatly affect to relationship between variables that have been built but have not been widely studied. Therefore, this study aimed to explore the effect of *Tri Hita Karana* culture on leadership, organizational commitment and company performance.

II.   THEORY AND RESEARCH HYPOTHESES
Effect OF *Tri Hita Karana* Cultural on Corporate Performance.

Deal and Kennedy [67] describes organizational culture as the dominant values espoused by organization. Kotter and Heskett [10] suggested that organizational culture is a pattern of behavior or style that encourages new members to follow.

Tri Hita Karana term is religious leaders creativity were finally able to formulate concepts that exist in Hindu religion. Accordingly, this view should able to be kept in mind a society, even will be able to be transformed into other people way of live with cultural backgrounds and different religions [64]. *Tri Hita*

Karana is derived from Sanskrit with meaning three, *hita* means happy, *karana* means cause so *Tri Hita Karana* means "three causes of happiness".Organizational culture associates with company's long-term economic performance. Kotter and Heskett [10] and Quinn [68] also study efficiency of company Cameron. They show organizational culture is an important variable to drive company's performance. Based on a review of Lee and Yu [77]; Davidson et al. [9]; Fey and Denison [14]; A. Michie and West [23] says that organization culture positively and significantly related to company performance. Marcoulides and Heck [22] said that organizational culture can be used to predict organization performance, and achievement of organizational goals in accordance with organizational culture within organization.Gunawan [18] and Riana [19] find that implementation of *Tri Hita Karana* culture can improve company performance. In addition, *Tri Hita Karana* culture also able to affect employee's culture orientation in carrying out duties in company. Astawa et al. (2012) find the values of cultural harmony is summarized in *Tri Hita Karana* culture can create company good performance. Based on this exposure it can be proposed the following hypothesis.Hypothesis 1: *Tri Hita Karana* culture has positive and significant effect on company performance.

Effect of *Tri Hita Karana* culture on Leadership.
Kasali [69] argues that leadership is communicating to others their worth and potential clearly that others come to see it themselves and have a high commitment to organization. Yukl [70] said that leadership is process to influence others to meet common goals. Luthans [71] defines it as a group process, the personality, the fulfillment of certain behaviors, persuasion, strengths, goals, achievements, role differentiation, structure initiation, as well as a combination of two or more of these things. Meanwhile, according to Paul and Blanchard [72], a leader is one who can affect the activities of individuals or groups in an effort to achieve goal in a given situation.In Hindu teachings, there are some teachings or principles of leadership which emphasizes on leader behavior. One of them is *asta dasa paramiteng prabhu* or eighteen main principles of leadership.

Suhardana [73] said leadership principles contained in *Kakawin* of Gajah Mada. *Kakawin* describes the triumph Gajah Mada Prime Minister with famous wise. *Kakawin* contained teachings of leadership among leaders namely hard work, visionary, ingenious, careful, deceit, eliminate the interference of state.Schein [61] explained that organization culture should refer to several things such as group norms. Basic values of organization are believed to be the truth, formal philosophy, rules of game in organization, climate, and behavior based on habit in organization. *Tri Hita Karana* culture in organizational culture can be described as follows.*Parahyangan* reflect human dimension that must maintain a relationship with God in harmonious. The meaning of this dimension is human understand existence of God, implementing life performance and how people can prepare adequate facilities to carry out the activities of Lord. These dimensions indicate the integrity of human being in his life to always act in accordance with rules and norms of religion. In internal integration by Schein [61] show that there are things that can and can not be explained that concerns about ideology and religion. This is reinforced by the opinions Hofstede [66] that Asian community values and religious norms are still very strong Dimensions of *pawongan* stated that activities should respect the rights of individual human beings. Human beings regard as equal and worth individuals. Each individual is expected to acquire the rights and obligations to achieve management goals. Therefore management should transparent to foster participation of all active resource activities [64]. This concept is associated with organizational culture of Hofstede's theory [66] as individualism, collectivism, power distance, masculinity, and femininity. For organizational culture of Schein [61] can become analogy with values system.

Palemahan dimension reflects a balanced relationship with environment with stating that purpose of *Tri Hita Karana* culture business system is achievement of sustainable businesses that are not swayed only on effort to seek maximum profit by any means. Business systems purpose is affected by surrounding environment and Goddess [64]. This concept can become analogy into Schein's organizational culture [61] in form of artifacts and Hofstede [66] associated with long term and short term objective. *Tri Hita Karana* culture that has been compared to culture of Schein [61] and Hofstede [66] has also been used in company's operations in Bali. It can be said as organization's culture. *Tri Hita Karana* culture affect on lives of existing companies and foundation in corporate governance.Ogbonna and Harris [45] found that there is a strong relationship between organizational cultures on leadership. Likewise Sumarto and Subroto [35], Sharma and Sharma [57]. Likewise Gunawan [18]; Sumarto and Subroto [35]; and Schimmoeler [62] found that there is positive and significant correlation between organizational cultures on leadership. Some above studies reinforce the theory a close relationship between organizational cultures on leadership. Based on this exposure it can be proposed the following hypothesis.
Hypothesis 2: *Tri Hita Karana* Culture has positive and significant effect on leadership.

Effect of Leadership on Corporate Performance.

Hasibuan [74] defines performance as a record gains from a particular job functions and activities during a specific time period. Gibson et al. [75] stated performance as " The Outcome of Jobs roommates relate to purpose of organization such as quality, efficiency and effectiveness of any other criteria.Elenkov [43], Waldman et al. [44], Obganna and Harris [45], found no relationship between transformational leadership attributes with organization performance. Likewise a study conducted by Bass [76]; Xenikou and Simosi [36]; Prabhu and Robson [46] found performance improvement is affected by leadership. The same opinion is expressed by: Lee and Yu [77]; Gunawan [18]; Sumarto and Subroto [35]; and Kamaliah [20] that leadership has a positive effect on organizational performance. Raka Suardana [29] and Koesmono [24] said that leadership affects organizational performance. Some of above studies reinforce the theory that existence of a close relationship between the leadership on organizational performance. Based on this explanation it can be proposed the following hypothesis.

Hypothesis 3: Leadership has positive and significant effect on company performance

Effect of *Tri Hita Karana* Culture on Organizational Commitment.

Baron and Greenberg [78] suggested that work commitments reflect the identification and engagement of individuals in work and his unwillingness to leave the job. Gordon [79] stated that organizational commitment is a worker's feeling and attitudes about the entire work organization. It means an organization's commitment is all the feelings and attitudes of employees towards everything related to organizations in which they work, including on their work.Rashid et al. [25] and Ojo [80] conclude that organizational culture affects on organizational commitment. A similar argument are stated by Lock and Crawford [81]; Nongo and Ikyanyon [63]; and Koesmono [24] based on his studies that came to conclusion that organizational culture affects on organizational commitment.Some of above studies reinforce the theory that *Tri Hita Karana culture relates to* organizational commitment. Based on this explanation it can be proposed the following hypothesis.

Hypothesis 4: *Tri Hita Karana* Culture have positive and significant effect on organizational commitment.

Effect of Organizational Commitment on Corporate Performance.

Rashid et al. [25], Koesmono [24], and Syauta [33] stated organizational commitment have positive effect on organizational performance. Similarly, Kamaliah [20] through the identification variable affective commitment, normative and continuous commitment show effect on organization performance. Shaw et al. [53] stated that organizational commitment of expatriate do not affect on organization performance. While for native workers have significant positive effect. Yousef [82] concluded that organizational commitment have significant positive effect on company performance.Some of above studies reinforce the theory that organizational commitment have strong effect on organizational performance. Based on this explanation it can be proposed the following hypothesis.

Hypothesis 5: Organizational Commitment has positive and significant effect on company performance.

Effect of Leadership on Organizational Commitment

Relationship between leadership on organizational commitment have been researched by Muchiri [83] and Chen [34]. The results show there is a significant positive effect between leadership and organizational commitment. Results of this study reinforced by research conducted by Ying and Ahmad, [84]; Kamaliah, [20] that there is a positive and significant effect between leadership and organizational commitment.

Some of above studies reinforce the theory leadership relates to organizational commitment. Based on this explanation it can be proposed the following hypothesis.

Hypothesis 6: Leadership have significant and positive effect on organizational commitment

III.   METHODS

The approach used in this study is a quantitative (positivist). This study location is Regional Water Company in Bali. There are 9 RWC in Bali, which consists of 8 RWC at district level and one RWC at city level. Respondents in this study were the directors RWC. The number of respondents in this study as many as 16 people. Data was collected using questionnaires distributed to respondents. The data obtained were then analyzed using Generalized Structured Component Analysis (GSCA) developed by Hwang and Takane [87]

IV.   RESULTS AND DISCUSSION

Results of hypothesis testing are presented in path diagram of Figure 1

Figure 1. Path Coefficient Diagram and Hypothesis Testing
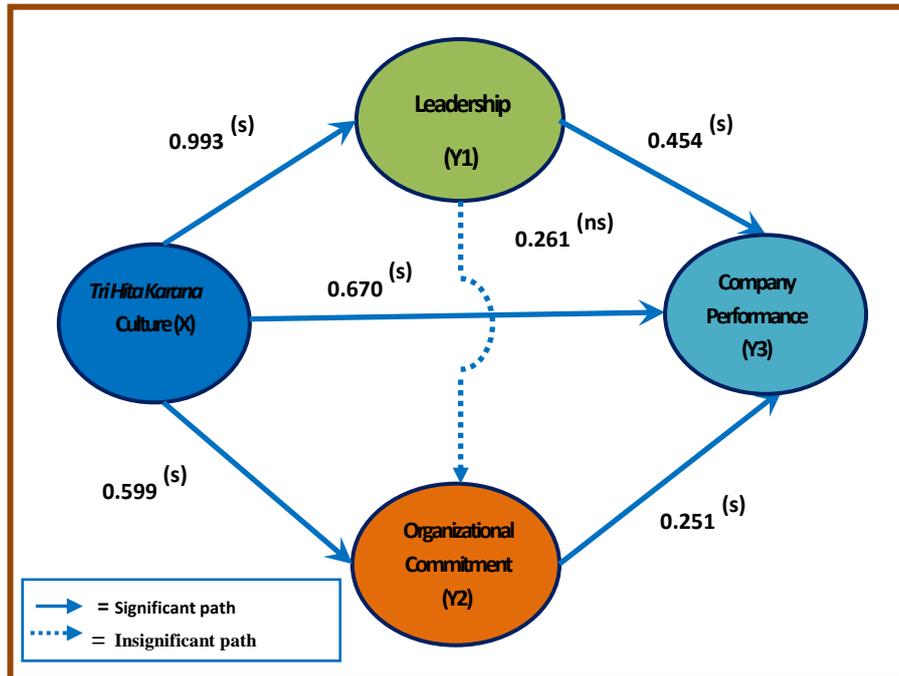
Description : Ns = non- significant; s = Significant (CR *) at α = 0.05
Source: Processed GSCA, in 2013

Effect of *Tri Hita Karana* Cultural on company performance
        Analysis result shows *Tri Hita Karana* cultural variables indicate a positive and significant effect on company performance. These results indicate that *Tri Hita Karana* culture is able to explain variation in change in RWC performance in Bali Province. This result is consistent with opinion of Robbins [27], Kotter and Haskett [10], Hofstede [66]. The findings of this study extend research conducted by: Davidson et al. [9]; Fey and Denison [15]; Denison et al. [14]; Onken [12]; Supartha [17]; Kamaliah [20]; Riana [19]; and Astawa [21] who concludes that there is a positive and significant effect between organizational culture on company performance. *Tri Hita Karana* culture as the organization culture of RWC can drive toward the expected performance.

Effect of *Tri Hita Karana* Cultural on Leadership
        Analysis result shows *Tri Hita Karana* cultural variables indicate positive and significant effect on leadership. Thus results of this study can demonstrate empirically that better implementation of *Tri Hita Karana* culture creates better leadership. This result indicate that *Tri Hita Karana* culture is able to explain variation in change in leadership RWC in Bali Province. This finding supports previous empirical studies conducted by: Obganna and Harris [45]; Sharma and Sharma [57]; Sumarto and Subroto [35]; Gunawan [18]; Mehta and Krishnan [54]; Endorgan et al. [58]; Van Emmerik et al. [59]; Butarbutar and Sendjaya [55]; and Mohanty et al. [56].

Effect of Leadership on business performance.
        Analysis result shows leadership variables indicate a positive and significant effect on company performance. This study result can demonstrate empirically that better implementation of leadership can increase company performance. These results indicate that leadership is able to explain variation in changes in company's performance at RWC in province of Bali. This study suggests the enactment of leadership theory and enrich previous research, namely: leadership play a major role in achieving objectives or goals of organization, which goals or objectives to be achieved in form of achievement or performance (Day and Lord [40], Reksohadiprojo and Handoko [41], Fiedler [42], Elenkov [43] and Waldman et al. [44]).

Effect of *Tri Hita Karana* Culture on Organizational Commitment
        Analysis result shows *Tri Hita Karana* culture variables indicate a positive and significant effect on organizational commitment. Thus results of this study can demonstrate empirically that better implementation of

Tri Hita Karana culture can increase organizational commitment. These results indicate that *Tri Hita Karana* culture is able to explain variation of organizational commitment at RWC in Bali Province.

Organizations culture act as social glue which binds all members of organization together [8]. This finding supports previous empirical studies conducted by: Rashid et al. [25]; Chen [34]; Ojo [94]; Koesmono [24]; Nongo and Ikyanyon [63]. Results of his research concludes that there is a positive and significant effect between organizational cultures on leadership.

Effect of Organizational Commitment on company performance.

Analysis result shows organizational commitment variables indicates a positive and significant effect on company performance. Thus results of this study can demonstrate empirically that higher implementation of organizational commitment can increase company performance. These results indicate that organizational commitment can explain variation in company's performance at RWC in province of Bali.These findings reinforce results of study Shaw et al. [53] who conducted a study of workers in United Arab Emirates (UAE) which examines the effect of organizational commitment on organizational performance. Workers of Arabs show positive and significant effect. Results of this study also enriches the research Kamaliah [20] who conducted research on part of Islamic Banking in Riau, one of purpose of his research examines the effect of organizational commitment on performance parts at Islamic Bank in Pekanbaru. His research show a positive and significant effect of organizational commitment on performance.

Effect of Leadership on Organizational Commitment.

Analysis result shows that leadership does not effect on organizational commitment. Results of this study can not prove empirically that implementation of good leadership will lead to higher organizational commitment. These results indicate that leadership was not able to explain variation in organizational commitment to change RWC in Bali Province. This insignificant effect due to differences in measurement concepts. and indicators. These findings support research conducted by Lok and Crawford [81], Bourantas and Papalexandris [85] Kuo - Tsai Liou [86] These findings do not support research conducted by Yousef [82]; Muchiri [83]; Chen [34]; Ying and Ahmad [84]; and Koesmono [24] who found a positive and significant effect of leadership on organizational commitment. Difference in results of this study with previous studies is caused by the different research objects and different concepts of constructs or variables used and indicators that make up especially on leadership.

V. CONCLUSION

[1] Based on hypothesis testing and study findings, some conclusions can be stated as follows:

[2] *Tri Hita Karana* Culture has positive effect on performance of Regional Water Company. Implementation of *Tri Hita Karana* culture able to improve performance of RWC. Implementation *parahyangan, pawongan and palemahan* have an important role in supporting implementation of *Tri Hita Karana* culture, so it can make a real contribution to company's performance.

[3] *Tri Hita Karana* Culture has positive effect on leadership at Regional Water Company. Implementation of *Tri Hita Karana* culture can improve leadership RWC. Implementation *parahyangan, pawongan palemahan* have an important role in supporting implementation of *Tri Hita Karana* culture, so it can make a real contribution to leadership.

[4] Leadership has a positive effect on performance of Regional Water Company. Implementation of good leadership is able to improve company performance. Implementation of spiritual, moral, and good managerial have an important role in supporting implementation of leadership, so as to make a real contribution to leadership and company performance.

[5] *Tri Hita Karana* Culture has positive effect on organizational commitment in Regional Water Company. Implementation of *Tri Hita Karana* culture at RWC can increase organizational commitment. Implementation of *parahyangan, pawongan* and *palemahan* have an important role in supporting implementation of *Tri Hita Karana* culture, so it can make a real contribution to company's organizational commitment.

[6] Organizational commitment has a positive effect on performance of Regional Water Company. Implementation of good organizational commitment can improve performance of RWC. Implementation of affective, continuous and normative commitment have an important role in supporting organizational commitment implementation, so as to make a real contribution to company's performance.

[7] Leadership does not affect on organizational commitment at Regional Water Company. Implementation of spiritual, moral and good managerial plays an important role in supporting achievement of organizational commitment but can not make a real contribution to improve organizational commitment in Regional Water Company.

VI. SUGGESTIONS

Based on research results and conclusions, it may put forward suggestions and recommendations as follows:

[1] *Tri Hita Karana* Culture as an organizational culture of RWC can improve the quality of leadership, and increase organizational commitment and be able to improve RWC performance. Therefore, board of directors and management in Bali RWC should further promote a culture embraced even be used as guidelines for organ RWC in Bali.

[2] Management of *RWC* in Bali province should improve the implementation of leadership, through: self-control to achieve the company's goals, should focus on targets, and always conduct the evaluation and continuous improvement.

[3] Development of organizational commitment by *RWC* management should concern to conditions related to employee dismissed because of this specific type of work makes them difficult to obtain same job.

[4] It should be reexamined the weight of each indicator of performance appraisal based on Kepmendagri No. 47 1999. On Article 3, paragraph 2, the weight of each indicator: 45% of financial, operational 40 %, and 15 % administration. Based on respondents' assessment and analysis of results, it should be reviewed performance indicator weighting sequence starting from the operational indicators with greatest weight, followed by financial indicators, and last is administration indicator.

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