

## Analysis on Internal and External Factors

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**Abstract:** The purpose of the research is to analyze the effect of internal factors and external factors on the organizational performance in policy making and regulation drafting. The research is a quantitative descriptive study, using primary data sources derived from questionnaires distributed in the organizational scope and secondary data obtained from organizational performance report. The sample used is 61 of the population of 74. The method of data analysis using the test of validity, reliability and multiple regression analysis. The results showed that internal factors and external factors have a significant positive effect on the performance of policy making and regulation drafting. Internal factor is the most influential variable to the performance. Where the internal factors partially affect the organizational performance of 69.4%, where if the internal factor increases one unit, the performance of the organization will increase by 0.387. While external factor have influence equal to 6,9%, if the external factor increase one unit, the organizational performance will increase equal to 0,193.

**Keywords:** Performance, organization, energy policy, internal factors, external factors.

**INTRODUCTION**

Energy as natural resources is a very strategic and important for people life, especially in the increase in economic activity, employment and national resilience. Upon consideration of the energy resources in Indonesia was ruled by the State and used for the prosperity of the people.

In accordance with the data of the World Energy Council [1], population growth has always been and will continue to be one of the main drivers of energy demand, together with the economic and social development, where increasing population growth above 1.5 million in the last two decades. According to Kholiq [2], the condition of the current national energy teaches us that a serious and systematic effort is needed to be done in reducing dependency against fossil fuels and immediately implement the utilization of renewable energy. Where in the stages of implementation, need cooperation, intergovernmental coordination and technical support of the industry and the community. The efforts made by the Government to confront this condition is to devise management policies in the energy field. The Government of Indonesia in 2014 has issued a government regulation Number 79 of the year 2014 about national energy policy. National energy policy where this is an energy management policies based on the principle of equitable, environmentally sustainable, and to the creation of a National Energy Independence and Resilience.

After the national energy policy, there is a set policy of the implementation of the national energy policy, namely National Public Energy Plan. In

accordance with Rule number 1 Year 2014 President about the guidelines for preparing the National Public Energy Plan should already be established at the latest one year after the national energy policy is set.

The preparation of this policy carried out by the National Energy Council, with a fairly long time, which started in 2010 and a new set in the year 2014. The completion of this took long time because in the process of its compilation requires the views and considerations of the social, economic, cultural, political and technological developments, involving many parties, and related sectors in the energy field. The Secretariat General of the National Energy Council as a government agency that has the task of providing technical and administrative support to the National Energy Council, is required to provide good service in the implementation. Where the performance of the Secretariat was strongly influenced by the performance of the National Energy Council.

The research objective is to examine and analyse the effect of internal and external factors on policy making and regulation drafting for secretariat general of national energy council. Literature about the effect of internal and external factors on policy making

and regulation drafting for secretariat general of national energy council is limited, therefore the fundamental research required to explore the variables that contribute to establishment of policy making and regulation drafting. This research is a quantitative research utilizing the primary data. This study explored the variables that contribute to the policy making and regulation drafting for Secretariat General of national energy council in Indonesia. This research is an empirical research, therefore will contribute a recommendation for the policy maker especially on energy sector.

## LITERATURE REVIEW

### State of The Art

The issue of settlement policy and regulation in the energy field can be caused by internal and external factors of the Organization, namely: (a) the Organization's Strategy, in the completion of the task of policy formulation is still not so clear, so it will effect to the completion targets set. (b) the organizational structure of the Secretariat General is functioning in (budgeting, staffing, and governance) and responsible directly to the Minister of Energy and Mineral Resources. (c) An influential work in the system of operational activities is a system of control and monitoring of performance, which is currently still being done revamping. (d) As the new organizational unit, have human resources with limited analysis capabilities, this is due to the recruitment process comes from the officers of the Ministry of Energy and Mineral Resources and the new scholars. (e) The condition of the national economy, influence on policy in the field of energy that is produced by the National Energy Council. (f) In the process of drafting the energy policy, which involves several ministries and related agencies, organizations or regional center, an intensive coordination is required.

### Internal Factors

The internal environment is controlled by the principals of activities within an organization, so it can be directed in accordance with the wishes of the company/organization. The dimensions that are included in the internal environment is the management, human resources, marketing, production, finance, research and development. Internal environment was a determining factor in the success of the Organization in the achievement of the objectives Rivai and Darsono [3]. Peters and Waterman [4] developed the McKinsey 7s Framework, this model suggests that there are seven internal aspects of Strategy, Structure, Systems, Shared Value, Skills, Staff, Style can be used to improve performance companies as well as to determine the best way to set a strategy that will be run. Blackburn [5] said internal factors play a role in the progress and growth of a company is an entrepreneur, strategy and company. Blackburn [5] said internal factors play a role in the progress and growth of a company is an entrepreneur,

strategy and company. Thus there needs to be a collaboration of third parties to develop a company or organization leading to a competitive advantage.

According to Hariss in Umi [6] the internal environment are factors in the organization that can be controlled, including a work structure, business strategy and technology affecting human resources effectiveness, while the effectiveness of human resources can affect the internal environment. As it says Milkovic and Boedreau [7] that the internal environment of the Organization include the condition of the strategies and objectives of the Organization, financial conditions, technology and corporate culture, the ability to affect human resources the effectiveness of the organization. Wood [8] describes the variables that represent the internal factors of the company are the characteristics of the Organization, performance measurement, activity, and employee training, quality management and finance.

### Strategy

Strategies can be defined as a way to achieve the goal. The strategy is deliberately chosen way to achieve a particular goal. The purpose of a non-profit organization such as ministries/government agencies are mandated to be achieved Tukiran [9]. According to Michael Porter [10], the strategy is a set of activities that are selected by an organization in order to generate specific values as well as different or more compared to competitors. Porter also argue that the strategy is a way to add value to the customer. The strategy is a series of activities to create, win, maintaining the leading value added Davis [11]. In the opinion of Davis is seen that there are two dimensions that are built into the strategy, i.e. the dimension of the present and future time; as well as the dimension of the space of the internal and external organizations. Siagian [12] described the strategic policy is a decision making process for the determination of the purpose and the way or the best alternative in achieving the objectives based on a particular strategy or tactics. Policy strategies need to be run given that many factors must be considered and effect on the end product is a policy, be it internal factors or external factors. Almost all organizations have a strategy, but only a few are implemented properly. According to Tukiran [9], an important indicator to note on implementing the strategy, namely the process of strategy and operational processes.

### Organization Structure

The organization is a group of people who have the same goal. The organization is divided into two major groups based on the goals to be achieved, namely the Organization of social and business organizations Davies [13]. Robbins [14] defines the structure of the Organization as the determination of how a task and the work divided and grouped formally. Whereas Ivancevich [15] extended the organizational

structure as the process of determining the decision to choose an alternative framework, project and work. Decisions and actions are selected this will generate an organization chart. To improve the performance of an organization need to know form an organisation which can support tasks and functions. Basic dimensions in the determination of the structure of the organization including delegations (authority), the Division of labor and the span of control, Sugiyono [16].

Sutarto [17] the delegation of authority was the surrender of most of the rights to take the necessary actions so that the tasks and responsibilities can be executed from officials to other officials. Delegation of authority is something vital in the Organization of the company. When an organization is greater then the problems encountered will be more complex. In such circumstances the leadership tasks more complex, as a result of the whole task becomes his load will become less effective and efficient. So the delegation authority started to think about as an attempt to reduce the workload placed on one individual alone, so by delegation of authority will provide opportunities to managers and employees to focus more on the job Sartika [18]. It also has been said by Hazairin [19], that the absence of effective labor is highly influenced by the construction, arrangement, management, utilization and development organization that has great influence in improving the effectiveness of the work employees, which in turn can improve the performance of the organization. From the results of research conducted Franli I *et al.*, [20] shows that the Division of labor has a positive and significant influence on performance of employees. According to Budi Santoso [21] that the execution of the work there should be a division of labor in accordance with the work carried out by the people who will be working on it. In other words there should specialisation between work with the skills of people who practise in order to achieve the objectives and organizational performance.

### **Organizational System**

Organizational system includes all of the procedures and processes required in realizing the good performance of the product. According to Iswanto [22], in the Organization's system there are two variables to note that is a system for controlling and Monitoring performance. In general the control system is the order of the physical components that are assembled in such a way so that it is able to set up their own systems or systems outside. According to Tukiran [9], control as one of the functions of management are activities that compares the implementation of activities with existing plans. Increasingly intensive controls implemented more likely to minimize the deviation or gap between the plan and its implementation can be made. Control consists of monitoring activities, measurement, analysis and evaluation. One form of control is the performance of the internal audit activity.

Internal control designed and influenced by the Board of Directors, management, and other personnel to provide adequate confidence about the achievement of objectives in the following categories of entities: 1) reliability of financial reporting, 2) operating effectiveness and efficiency, and 3) compliance with applicable laws and regulations [23]. Internal control comprises policies and procedures designed to make management gets adequate confidence that the company is achieving the objectives and goals. From an understanding of the experts that all internal controls are used to help monitor activities inside a company or organization Arens [24]. Whereas Farisa [25] States that environmental control together with risk assessment, control activities, information and communication and monitoring, effect on performance of employees that will ultimately affect the performance of the organization. Act No. 25 of the year 2004 of the national development planning system of control and evaluation of the implementation of the mandated development. It is said that monitoring is an activity rigorously observing a State or condition, including also certain activities or behavior, with the goal of all the data and information obtained from the results of the observations can be reference in subsequent decision making. Whereas the purpose of monitoring is to observe/know the development and progress. Identification and issue as well as effort solution.

### **Human Resource**

To achieve the best organizational performance needed resources that support and in accordance with the needs of the organization. Griffin [26] says that there are four (4) types of organizational resources, namely human resources, financial resources, physical resources and information resources. Human resources (HR) is an important factor in an organization. Any organization, business or governmental organizations wants its own HR can give the maximum contribution for the Organization Wibowo [27]. Although the recruitment system has been carried out through a good selection but in the execution of his duty is still always face problems that cannot be solved by themselves. The role of leader indispensable in increasing the capabilities and performance of the workers. As for dimensions that need to be observed for the variables of Human Resources is the leadership style and intellectual ability. Leadership has a very important role in an organization. With good leadership and be accepted by the subordinate organization goal then would be more easily achieved. Rivai and Mulyadi [28] looks at leadership as a process affecting the objectives of the Organization in determining behaviour, motivating followers to achieve that goal, to correct the Group and influenced the culture. Leadership is a process of leaders in creating the vision, influence the attitudes, behaviours, opinions, values, and norms of the follower to merealisir vision Wirawan [29]. Besides J.P. Kottler

in Robbins [30] also argue that leadership comes to handle the changes, leaders set the direction by putting together a vision of the future, bringing together people with communicating the vision and inspire in order to able to overcome the problems and obstacles. It can be said that leadership style is applied to a leader will be effective if tailored to the conditions of his subordinates. No one leadership style that is best for all situations. According to Tukiran [9], style of leadership is a pattern of behavior that is deliberately done by a leader to influence a member of the Organization for the realization of his vision. Some scholars use the term such as the leadership behavior or also the leadership style. Leadership style was also influenced by the orientation of a person in the exercise of his duties as a leader. Some of the facts suggest that leaders who are more oriented on employees in some ways will provide more effective results. The results of research conducted by Robert [31] shows that leadership style has a strong influence towards the improvement of organizational performance. Similar things are also delivered by Dani [32], that there was significant influence between the leadership and career development towards organizational performance.

The ability is taken from birth or learned that allows one to complete its task Gibson [33]. The ability of an employee in the performance of his duties is the embodiment of knowledge and skills. Gondokusumo [34] suggests that the ability of work consists of physical ability and mental abilities. Physical abilities is physical state, State of health, power levels, and good bad biological functions of specific body parts, while the mental abilities of mechanical ability, the ability is social, and intellectual abilities as well as concerned also the talent, skills and knowledge. According to Hersey and Blanchard [35] suggests there are three types of basic capabilities a must-have, both as a leader and as executor, namely: 1). Technical capabilities, including the ability to use knowledge, methods, technical and the necessary equipment to carry out certain jobs gained from the experience, education and training. 2). Social capabilities, including the ability to work with through the motivation of other people which includes an understanding of the motivation and the application of effective leadership. 3). conceptual Capabilities, is the ability to understand the complexities of the Organization as a whole. It is this ability that allows someone to act in accordance with the objectives of the Organization is good.

### **Coordination**

The effectiveness of the work is a State that indicates the level of success in achieving the objectives of management activities is effective and efficient. The level of success includes the quantity of work, timeliness in completing the work, as well as the good quality work Hasibuan [36]. Coordination of activities is directing, uniting, and integrating the efforts and

works of the employees in the achievement of the objectives of the organization. A good coordination will occur if the presence of the delegation of authority, a clear division of labor, as well as the existence of good communication among the employees. Coordination is a very important factor in achieving the effectiveness of work. Whereas Handoko [37] defines as coordination process of further integration of objectives and activities in a separate unit of an organization to achieve the goals of the Organization efficiently.

Further mention the purpose and benefits of John Greenwood of coordination are: 1). To realize the coordination, integration, synchronization, and simplification in order that the objectives of the Organization are achieved effectively and efficiently. 2). Resolve conflicting interests of various parties concerned. 3). So the Manager is able to integrate and synchronize the execution of tasks with stakeholders. The greater the reliance of the unit, the greater the necessity pengkoordinasian. 4). In order to be able to integrate the functional activity of the managers and the goals of the separate organizational units to achieve common goals with limited resources effectively and efficiently. 5). The existence of a clear division of labor, the more Division of labor, the necessity of coordination is getting bigger, so that it will be able to avoid duplication and overlap of work which resulted in the occurrence of waste. 6.) In order to develop and maintain good and harmonious relationships between activities, both physical and non-physical by the stakeholders. 7). Prevent the occurrence of conflicts as well as internal and external competition.

In the implementation of policy formulation in the field of energy, the National Energy Coundperform coordination with ministries/agencies that have an interest with the energy field from either side of the provision to the energy utilization side. With this condition, there are few constraints and challenges in the implementation of the coordination in the involvement of policy formulation in the field of energy are cross-cutting in nature. Similar things are also delivered by Amanda [38] that revealed there were four types of difference in attitude and way of working which complicates the task of coordination, i.e.: 1). Differences in orientation towards a particular goal. Members from different departments develop their own views on how to achieve the interests of the organization. For example on the sale would assume that the product diversification should be more prominent than on the quality of the product, whereas in the accounting will see that cost control as the most important factor in the success of an organization. 2). the differences in the orientation of the time. Can be described a production manager will pay more attention to problems that must be solved in a short period of time, whereas in the R & D will further lead to the settlement of the problem in the long term. 3).



Differences in interpersonal orientation. For example production manager requires communication and making quick decisions and immediately so that all the production process can run smoothly. While the research and development section has enough time to take a decision, in which everyone involved can discuss and put forward opinions. 4). The difference in the formulation of the structure. Each organization unit type has different standards and methods in the conduct phase of activity from both the planning process up to the stage of the evaluation, as well as in terms of granting rewards for employees.

So also in the implementation of policy formulation in the field of energy that is both national and cross-sector coordination in the settlement, where it is really needed. According to Handyaningrat [39] the dimension of the coordination that is important is communication, agreement and commitment. Human resources is the most important element in an organization, it is necessary to create a good relationship that continuously matching between the dam managers and employees within an organization. The maintenance relationship is concerned the effective communication in an organization with the purpose of achievement of employee job satisfaction. One of the reasons that used employee in fond work is effective communication between managers and employees. Sudiro [40], it is important for managers to initiate the creation of effective communication in organizations. Because the Organization's communication effectively it will spur an increase in job satisfaction of employees, so as to increase productivity and reduce labor costs due improvement attitudes and behaviour of employees.

A program of activities which require coordination will not be successful without the support of the human resources which have good quality and sufficient quantity. The quality of human resources required in the coordination of activities is related to the skills, professionalism, and competency in their field that will eventually give rise to a commitment to the organization. As for the quantity relates to the amount of human resources sufficient to encompass the entire target group Irfan [41]. Human resources capability to communicate between personnel in an organization also affects organizational performance Zusron [42]. The individual nature of the commitment, attitude or behavior that is owned by any individual. While every individual's commitment to organizations where in work can be said as the organizational commitment Wibowo [27]. Organizational commitment can be divided into three individual characteristics, among others, namely a strong belief and acceptance of the values and goals of the Organization, is eager to provide the best possible results for the benefit of the Organization and trying to maintain membership in the Organization, hence the commitment of a person against her will greatly affect its activities in the works

shown, through its performance Allen and Meyer [43]. From research conducted Mamik [44], shows that there is a trend of increasingly good organizational commitment felt by employees against the company will improve the performance of employees. To increase the commitment of the employees against the company they work for, efforts can be made to grow a sense of belonging of the employees against the company. In this regard, the management company strives to meet what became needs employees. High organizational commitment shown by employees with their willingness to work more actively, more thorough, and more quickly, so that the company's goals are achieved. So it can be said that internal factors represents everything that is in an organization and can be controlled by the Organization itself that is affected by the strategy, organizational structure, organizational systems, human resources and coordination.

#### **External Factors**

The external factor is the power that is outside of a particular organization that could potentially affect the performance of the organization. As for external environment consists of two components, namely the special environment and the General environment. Robbins [30]. Special external environment is an outside force that have a direct impact and changeable following the change of conditions such as customers, suppliers, competitors and suppressor. While the external Environment includes general economic conditions, political/legal, socio – cultural, technological, demographic and other conditions that affect the organization. A similar case is also expressed by Rivai and Darsono [3], that the external environment which affect the success of the organization consists of scientific, technological, economic, political, cultural and social competition.

According to Harris (in Umi [6], which is the external environment is the environmental conditions outside the organization that is difficult to control. External environment needs to be analysed so that it anticipated its effects on the company. In addition to bad influence, opportunities are also emerging in the external environment. Devi Yulianti [45] says that the external environment is indeed difficult to be controlled because it involves other parties that are not directly related to the company. Therefore the analysis of the external environment is urgently needed by the company especially in the process of formulation of the strategy.

Nilasari [46] argues that the external environmental factors, generally divided into two, namely, macro and micro environment. It is generally included in the external macro environment is the condition of politics, economy, society, and technology. According to Hidajati [47], external environmental analysis is the analysis of the external factors or

situations and conditions that are outside the organization directly or indirectly may affect the performance of the organization. External environmental organizations are divided into four major categories, namely economic, social, technological and environmental.

### **Technology**

In a fairly rapid technological development, there is a diversity of opinion stating that technology is transforming (changing shape) from nature, technology is a reality of the world of ideas, technology within the meaning subjective is overall equipment and procedures are perfected, to the statement that technology is everything, and everything is technology M Setiadi, Elly [48]. According to Carmona and Gronlund [49] that the factors which will affect the Organization of which is the utilization of technology. Mulyadi [28] States that the advanced technology, especially information technology, will cause a radical and sustainable change in an organization. With application technology then an organization going through change management system, which was originally from the traditional system in the direction of contemporary management systems.

Technological developments evolved significantly and continue to evolve until now and increasingly worldwide. This can be evidenced by the large number of innovations and inventions that are simple to very complex. This condition also occurs in energy development. Where is the energy required in the management of energy technologies to face the fulfillment of the requirement for energy? Energy technologies are areas ranging from source, generation, storage, energy conversion and its utilization for human needs. At the moment the sector is the largest energy user is transportation and industrial sectors. Where the industrial sector uses the energy of 41% and the transport sector uses energy amounted to 34% of the total national energy needs amounted to 144 million tonnes of Oil Equivalent [50].

### **The economy**

Amid weak global conditions and the fall in the price of export commodities, Indonesia's economic growth is still relatively good. Indonesia has taken a number of steps in improving the product in the economic and social fields. Efforts are being made include the strengthening of market goods production, improvement of business climate and cleansing actions of corruption [51]. Economic conditions have a strong impact on performance of any business because it can affect the revenue or the burden of an organization. The global economy is the economy of a country which is involved globally in countries in the world in the activity of the economy. This activity can be either a trade such as export and import goods from and out of the country. Indonesia is a country which has now

become one of the entrance in the era of globalization, in which Indonesia currently is also one of the countries that became the implementing process of globalization even impact. Indonesia is a country that relate well with other countries because of the conduct of international trade. In addition, there are still many international activities undertaken globally in addition to trade, such as socio-cultural activities, student exchange between countries, exchange of expertise, technology transfer, and many more activities to its Global.

Economic globalization is considered to be the only way that can be used by the human race in the world to achieve the well-being, prosperity, social justice, and peace through international bodies such as the WTO, the World Bank and the IMF, with agenda economic reforms in all fields. Economic globalization is global economic activities which are not limited by territorial region, or global economic life that is free. Does that mean we can just set up a business in any area was no exception abroad for example. With the globalization of the economy such as this can only cause a negative impact as well as a positive impact for economic life. Positive impact of economic globalization include: global production can be increased, increasing the prosperity of the community in a given country, improve technology, acquiring additional funds for infrastructure development, make it easier to get the necessary Community and have not been manufactured in Indonesia as well as giving a broad opportunities to compete in free trade. The negative effects of the condition of the global economy such as the difficulty of competing with products from overseas, turn off efforts in the country, making the event the speculation simply put as well as investors pull back the investments that already implanted in the country, the threat of entry of foreign labor, the weakening of the national industrial development as a result of the influx of some industries from overseas, and worsen the prospects of long-term economic growth.

With economic growth of 6-7 percent currently, Indonesia being one of the countries with a fairly strong economic potential in Asia. Moreover, in the last few years, in the midst of the global crisis that hit the world, Indonesia was still able to grow economically. However, the actual economic potential of Indonesia still rests on the level of domestic consumption is high. While the level of productivity of Indonesia still not strongly marked with still weak competitiveness of Indonesia compared with the surrounding countries. One of the factors of production that are currently important in fostering the productivity level is energy. At this time, the function of energy become more strategic, not only as a source of reception of the country but also can serve as a catalyst for economic growth and even as important aspects that determine a country's national resilience [52].

Sugiono [53], examines the impact of rising energy prices against households, industrial and macro economy in the citizens of developing countries including Indonesia, where the results of the study showed that the increase in the price of diesel oil cause a decrease of the use of diesel oil in the industrial sector. Kerosene price increases led to a decline in welfare households sector and macroeconomic basis with price hikes in national revenue target will be achieved. Thus the growth of energy consumption has a positive correlation against economic growth. These conditions show that in drawing up the national energy policy really need to pay attention to the conditions of global and national economies. From the results of previous research, external factors are situations and conditions outside the organization that directly or indirectly may affect the performance of the Organization, namely the development of technology and the economy.

### **Organizational Performance**

Wibowo [27] said the performance of the organization is the implementation of a plan that has been drawn up. Implementation performance conducted by human resources that have the capacity, competence, motivation, and interest. How organizations respect and treat its human resources will affect attitudes and behaviour in running performance. Performance is also called result Cash and Fischer [54] which means that what has been produced by individual employees, which can be measured from productivity, absence, turnover, citizenship and satisfaction Robbins [30]. While according to Cash and Fischer [54], the component organization comprised of organizational development, leadership style, organizational structure, policies and procedures. Organizational performance is an indicator of the level of achievements reached an organization, or it can also be said to form the success of an organization. For an organization, performance is the result of cooperation between members or organizational components in order to realize the objectives of the organization. According to Surjadi [55] "organizational performance is the totality of the work achieved an organization which can be seen from the level of the extent to which the organization can achieve a goal that has been set before".

Organizational performance is also indicated by how the process of the ongoing activities to achieve those goals. In the process of implementation of the activity should be always done monitoring, assessment, and review the performance of human resources. Performance measurement was conducted to find out what there are deviations between the planned progress with reality. If there is progress in the form of

deviations lower than plan, necessary measures to spur activities in order for the expected objectives can be achieved. While Rivai [28] explains that the performance is the result or the person's overall success rate during a certain period in carrying out the task compared to a range of possibilities, such as the standard of work, target or objectives or criteria specified in advance agreed upon together.

Factors that can affect the performance of the Organization, be it internal factors or external factors Ruky [56] Technology that includes work equipment and working methods which are used to produce the products or services generated by the organization. The more qualified the technology used, it will be increasingly high levels of organizational performance. 2). Quality of inputs or materials used by the organization. 3. The quality of the physical environment) which include safety, structuring, and cleanliness. 4). Organizational culture as patterns of behaviour and work patterns that exist in the organization concerned. 5). Leadership in an effort to control the members of the Organization to work in accordance with the standards and objectives of the organization. 6). human resource management which includes aspects of compensation, rewards, promotions and more. While according to Prawirosentono [57], factors affecting performance are; 1). Effectiveness and efficiency. 2.) authority. 3) discipline. 4.) initiative.

In the measurement of organizational performance that looks simple, but not so in reality, because up to now have not found agreement on the size of public organization performance. According to Agus Dwiyanto [58], public service organization measurement difficulties arise because the goals and mission of the organization is often blurred and multidimensional. It is also caused due to public organizations have complex and stakeholders often have different interests and collide with each other, and result in a measure of the success of an organization before the stakeholders be different.

### **RESEARCH METHODS**

This study uses a survey to analyze the influence of external factors and internal factors on performance of organizations in the preparation of policies and regulations in the field of energy either singly or together. The survey was conducted in Indonesia, the population in this research is the entire employee in National Energy Council 74 people and the sample is 61 people. The constellation model the effect of independent and dependent variables can be described as follows:

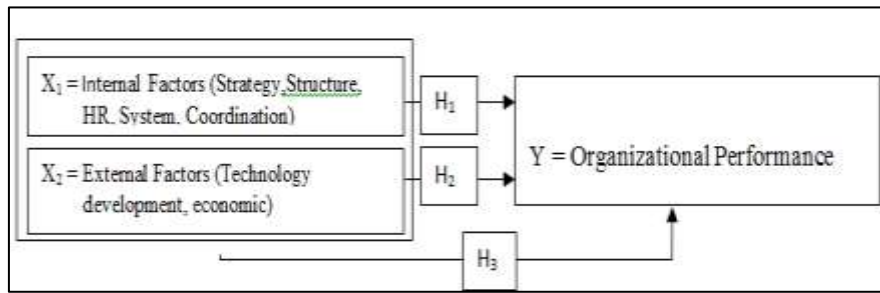


Fig-1: Research Model

**Hypothesis**

- Hypothesis 1: there is the influence of internal factors on performance of the Organization in the preparation of policies and regulations in the field of energy.
- Hypothesis 2: there is the influence of external factors on performance of the Organization in the preparation of policies and regulations in the field of energy.
- Hypothesis 3: there are internal and external factors influence jointly on performance of the Organization in the preparation of policies and regulations in the field of energy.

**FINDINGS AND ARGUMENT**

The assessment of the respondent against the variable Internal factors of 4.10. The highest assessment items contained on the statement of "Secretariat" has its own distinctiveness National Energy Council "in the performance of his duties, due to technical and administrative support to the National Energy Council" with an average of 4.69. While the lowest assessment found in the statement "there is a clear procedure on

reporting of the implementation of the tasks of everyday life" with an average of 3.54.

The assessment of the respondent against the variable external factors amounted to 4.31. The highest assessment items contained on the statement "the process of drafting a national energy policy should pay attention to energy technology implementation plan and controlled" with an average of 4.62, while the lowest is found on penilaian the statement "currently Indonesia already have capable human resources in implementing energy technology development" with an average of 3.85.

The assessment of the respondent against the variable performance of the organization amounted to 3.91. The highest scoring item on the statement "there is a policy drawn up by the extremely useful for national energy management interests" with an average of 4.50 whilst the lowest assessment contained in the statement "All employees know SOP execution tasks "with an average of 3.50.

Variance Inflation Factors (VIF) value of internal and external factors are summed up 0.905 < 10 that there was no multicollinearity in the data.

Table-1: Test Heteroscedastic

| Model |                                    | Coefficients <sup>a</sup>   |                           |       | T      | Sig. |
|-------|------------------------------------|-----------------------------|---------------------------|-------|--------|------|
|       |                                    | Unstandardized Coefficients | Standardized Coefficients |       |        |      |
|       |                                    | B                           | Std. Error                | Beta  |        |      |
| 1     | (Constant)                         | 1,500                       | 1,887                     |       | ,794   | ,431 |
|       | Internal Factors (X <sub>1</sub> ) | -,021                       | ,020                      | -,159 | -1,074 | ,288 |
|       | Esternal Factors (X <sub>2</sub> ) | ,045                        | ,048                      | ,139  | ,937   | ,353 |

a. Dependent Variable: Abs\_Res

The output from the table above it can be seen that the influence of each variable Internal factors (X<sub>1</sub>) and external factors (X<sub>2</sub>) against the residual absolute

no significant. It is seen from the value of the p-value (Sig) greater than 0.05. So that can be inferred is not going heteroskedastisitas on regression models.

Table-2: Multiple Correlation Analysis

| Model Summary <sup>b</sup>   |                   |          |                   |                            |
|--|-------------------|----------|-------------------|----------------------------|
| Model  | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
| 1  | ,873 <sup>a</sup> | ,763     | ,753              | 1,75444                    |
| a. Predictors: (Constant), Faktor Eksternal (X2), Faktor Internal (X1) |                   |          |                   |                            |
| b. Dependent Variable: Kinerja Organisasi (Y)                          |                   |          |                   |                            |



Based on the results of the above software SPSS output, obtained the correlation coefficient (R) of 0.873. This shows that there is a very strong

relationship between the Internal factors (X<sub>1</sub>) and external factors (X<sub>2</sub>) with organizational performance (Y).

**Table-3: The Magnitude of The Influence of Partially**

| Variable       | Standardized Coefficients | Correlations | The Magnitude of The Influence of Partially | The Magnitude of The Influence of Partially (%) |
|----------------|---------------------------|--------------|---|---|
|                | Beta                      | Zero-order   |   |   |
| X <sub>1</sub> | 0,808                     | 0,859        | 0,694                                       | 69,4%   |
| X <sub>2</sub> | 0,166                     | 0,416        | 0,069                                       | 6,9%  |
| <b>Total</b>   |                           |              | 0,763                                       | 76,3%   |

Influence of partial is obtained by multiplying the component's beta with zero-order. Based on the table above, it can be seen that the magnitude of the influence of internal factors (X<sub>1</sub>) against the performance of the Organization (Y) is partially of 69.4%, the magnitude of the influence of external factors (X<sub>2</sub>) against the performance of the Organization (Y) is partially 6.9%. Thus, the overall total of the influence of internal factors (X<sub>1</sub>) and external factors (X<sub>2</sub>) against the performance of the Organization (Y) together is of 76.3%.

The magnitude of the influence of Internal factors (X 1) and external factors (X 2) against the performance of the Organization (Y) can be shown by

the determination coefficient with the following formula:

$$\begin{aligned}
 DC &= R^2 \times 100\% \\
 &= (0,873)^2 \times 100\% \\
 &= 76,3\%
 \end{aligned}$$

The value of the coefficient of determination of 76.3%. This means that the variable Internal factors (X<sub>1</sub>) and external factors (X<sub>2</sub>) together provide the influence of 76.3% against organizational performance (Y). While the rest of 23.7% is the contribution of the other variables besides the Internal factors (X<sub>1</sub>) and external factors (X<sub>2</sub>).

**Table-4: Testing the hypothesis Partially (t-test)**

| Coefficients <sup>a</sup> |                                    |                             |            |                           |        |      |
|---------------------------|------------------------------------|-----------------------------|------------|---------------------------|--------|------|
| Model                     |                                    | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig. |
|                           |                                    | B                           | Std. Error | Beta                      |        |      |
| 1                         | (Constant)                         | -5,529                      | 3,339      |                           | -1,656 | ,104 |
|                           | Internal Factors (X <sub>1</sub> ) | ,387                        | ,035       | ,808                      | 11,045 | ,000 |
|                           | External Factors (X <sub>2</sub> ) | ,193                        | ,085       | ,166                      | 2,273  | ,027 |

a. Dependent Variable: Organizational Performance (Y)

From the table above the regression Equation can be found as follows:  $Y = -5,529 + 0,387 X_1 + 0,193 X_2$ . Based on the above t test table it can be seen that the Variables X 1 has the value t calculate of 11.045 value sig of 0.000. Because the value t calculate (11.045) > t table (2.010) and the value of the sig (0.000) 0.05, then < Ho denied and H<sub>1</sub> are accepted. So it can be concluded that there is significant influence partially from Internal factors (X<sub>1</sub>) against the performance of the Organization (Y). From the regression equation above can note that the coefficient of regression variables are Internal factors (X<sub>1</sub>) of 0.387. The coefficient indicating a positive influence, which means that the variable Internal factors (X<sub>1</sub>) has a direct relationship with the performance of the Organization (Y), where if the Internal factors (X<sub>1</sub>) increased one unit then the performance of the Organization (Y) will increase of 0.387.

The second hypothesis you are testing is the influence of external factors on performance of the

organization. Based on the above t test table it can be seen that the Variable X<sub>2</sub> has the value t calculate of 2.273 value sig of 0.027. Because the value t calculate (2.273) > t table (2.010) and the value of the sig (0.027) 0.05, then < Ho denied and H<sub>2</sub> are received. So it can be concluded that there is significant influence partially from external factors (X 2) against the performance of the Organization (Y). From the regression equation above can note that the coefficient of regression variables external factors (X<sub>2</sub>) by 0.193. The magnitude of the coefficient indicates a positive influence, which means that variables external factors (X<sub>2</sub>) have direct relationships with organizational performance (Y), if external factors (X<sub>2</sub>) increased one unit then the performance of the Organization (Y) will increase amounting to 0.193.

The third hypothesis tested is the influence together internal factors and external factors on performance of the organization.

**Table-6: Hypothesis Testing In Overall (F Test)**

| ANOVA <sup>a</sup>  |            |                |    |             |        |                   |
|---|------------|----------------|----|-------------|--------|-------------------|
|   | Model      | Sum of Squares | Df | Mean Square | F      | Sig.              |
| 1   | Regression | 485,406        | 2  | 242,703     | 78,849 | ,000 <sup>p</sup> |
|   | Residual   | 150,825        | 49 | 3,078       |        |                   |
|   | Total      | 636,231        | 51 |             |        |                   |
| a. Dependent Variable: Organizational Performance (Y)   |            |                |    |             |        |                   |
| b. Predictors: (Constant), External Factors (X <sub>2</sub> ), Internal Factors (X <sub>1</sub> ) |            |                |    |             |        |                   |

From table-6 retrieved value F count of 78.849 and the value of sig of 0.000. Because the value of F count (78.849) is greater than F table (3.187) and the value of the sig (0.000) less than 0.05, then  $H_0$  denied and  $H_3$  are accepted. This shows that the independent variable, that variable is internal factors and external factors influential organizations significantly to the dependent variable, namely the performance of the organization. Thus it can be concluded that the hypothesis ( $H_3$ ) stating that there are internal factors influence ( $X_1$ ) and external factors ( $X_2$ ) jointly towards organizational performance (Y) in the completion of drafting policies and regulations in the field of energy.

Based on the results of hypothesis testing is obtained that the variable internal factors and external factors together may take effect on performance of the Organization in the preparation of policies and regulations in the field of energy. There is significant influence partially internal variables on performance of the Organization, and there are variables may influence of external factors on performance of the organization. Internal factors comprising the organisation conditions include organizations that includes the strategy and objectives of the Organization, financial conditions, corporate culture, human resources and the ability to influence organizational effectiveness Milkovich and Boedreau [8]. According to Hidajati [47] the external environment is the situation and the conditions that are outside the organization that directly or indirectly can influence organizational performance include economic, social, technological and environmental. Furthermore according to Surjadi [55], the performance of the organization is the totality of the work achieved an organization which can be seen from the level of the extent to which the organization can achieve a goal that has been set before. Ruky [56] argues that organizational performance of the factors that can affect, both internal factors and external factors.

Hypothesis testing proved that internal factors and external factors effect significantly to organizational performance, seen from the test results that showed the value of sig (0.000) less than 0.05. Internal and external factors influence jointly on performance of the Organization has been in accordance with the results of research conducted by Sidarta *et al.*, [59] shows that internal factors and external factors affecting the performance of the

Organization and the the most dominant influence is internal factors namely HR capability, knowledge in the field of finance and business plan.

Based on the results of research, internal factors significant effect against the Organization, an average assessment of the respondent against internal factors is 4.10, which States that agree that internal factors influence on performance the organization. The highest assessment of 4.69 is on dimensions of organizational structure with an indicator of the delegation of authority. While the lowest valuation of 3.54 was on the dimension of the system organizations with control indicator. Variable internal factors significant value 0.000 results  $< 0.05$ , so it was concluded that internal factors significant positive effect on performance of the Organization in the preparation of policies and regulations in the field of energy. This means that when the internal factor is getting better then the performance of the Organization will increase, so does the opposite. Internal factors influence on performance of the organization is in compliance with the results of the research conducted by Zusron *et al.*, [42] which showed that the dominant internal factors affecting the performance of the organization is the organization management, the ability human resources and corporate culture.

The research results showed that significant external factors influential to organizations, which based on the results of the study stated that on average the respondents assessment against the external factors is 4.31. the highest scoring on dimensions of technological development with energy technology readiness indicators of 4.62, and lowest assessments amounting to 3.85 on indicators of competent human resources. Variables external factors obtained significant value of 0.027  $< 0.05$ , so  $<$  concluded that significant positive effect of external factors on performance of the Organization in the preparation of policies and regulations in the field of energy. It is when external factors improve the performance then the Organization will increase, and vice versa. The influence of external factors on performance of the organization is also in accordance with the results of research conducted by Mardiyono [60], stating that the positive effect of the external business environment on performance of the company, including the political, legal, economic, social and technological forces. The influence of external factors are indeed difficult to be

controlled because it involves other parties outside the Organization, so that the external environment analysis needed especially in the process of drafting the strategy Yulianti [45].

## CONCLUSIONS

Internal factors and external factors in partial effect significantly to the performance of the Organization in the preparation of policies and regulations in the field of energy. The contribution of the biggest influence comes from internal factors in terms of control of reporting the results of work of employees. While the influence of external factors significantly affect the Organization's performance still looks from the existence of weaknesses in the application of technology implementation limitations in the field of energy. Test results showed that internal factors influential 69.4%, while influential external factors of 6.9% against the performance of the organization. While the rest of 23.7% is the contribution of the other variables. Internal factors and external factors together effect significantly to the performance of the Organization in the preparation of policies and regulations in the field of energy, it is apparent from the need for improvements in the control of the execution of the tasks and system reporting on internal organization, and the need for improved human resource capabilities that can implement the development of energy technologies.

## Research Limitation

The limited research on external factors by using two dimensional and four indicators. The results of this research are not the absolute size, so the factors that affect organizational performance can be different circumstances in which other agencies have a job and function as well as the problems of a different organization.

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