

PERFORMANCE MODEL: Satisfaction, Commitment and Reward Based

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ABSTRACT

Performance is considered important, because for a company performance means achieving targets, increasing sales, increasing profits, advancing the company, and so on. Aware of the need for performance, the company seeks to maximize the factors that influence it, including increasing satisfaction, work commitment, and compensation. Departing from this phenomenon, this study tries to look at the probability of job satisfaction factors on increasing performance. The method used is quantitative with the number of respondents as many as 92 employees. The data sources are employees of PT. IKAD through a simple random sample technique. The results of the research show that the estimation value is either simultaneous or partial, that the best model in improving performance is to grow job satisfaction. However, self-satisfaction will be born if the company can provide good compensation.

Keywords: HR Maintenance, Satisfaction, Compensation System, Work Results, Commitment

INTRODUCTION

Business development in the manufacturing sector is currently growing rapidly. The increase in business in the manufacturing sector cannot be separated from the needs of the community to fulfill their lives and quite a lot of demand. The manufacturing industry is considered more productive and can have a wide chain effect so that it can increase the added value of raw materials, increase workforce, generate the largest source of foreign exchange, as well as the largest contributor to taxes and customs duties. The Ministry of Industry also noted several sectors that have a performance percentage above GDP nationally, including the base metal industry at 9.94%, the textile and apparel industry at 7.53%, and the transportation equipment industry at 6.33%. This is also influenced by the increasing purchasing power of people for various types of products, so that the production process will also increase according to demand. Indonesia has become the largest manufacturing industrial base in ASEAN with a contribution of 20.27% in the national scale economy. The development of the

manufacturing industry in Indonesia is currently able to shift the role of commodity based to manufacture based. The government seeks to transform the economy to focus more on the development process of the non-oil and gas industry.

To get superior performance the organization must be able to manage its human resources well, one thing that must be a concern is how to manage and form the commitment of human resources owned by the organization (Darmawan, et, al., 2021). Organizational commitment can be interpreted as emotional attachment, identification and involvement of individuals with the organization and the desire to remain a member of the organization, that a strong commitment can have a positive impact, especially in increasing achievement, organizational commitment, tenure, and work productivity (Gazali, & Wahyuni, 2021).

In addition to organizational commitment that has an impact on performance, the next issue is compensation. Compensation is the overall arrangement of providing services for "employers" and "employees" both directly in the form of money (financial) and indirectly in the form of non-monetary (non-financial) (Fitri, & Endratno, 2021). According to (Haviz, 2022) states that if compensation is managed properly, then compensation can help the company to achieve its goals and obtain, maintain, and keep employees well. On the other hand, without adequate compensation, existing employees are very likely to leave the company and reassignment is not easy. The result of dissatisfaction in payment may be reduced performance.

Besides affecting performance, organizational commitment and compensation can also affect employee job satisfaction. According to (Fitri, & Endratno, 2021) state that job satisfaction is a general attitude towards a person's job, or the difference between the amount of reward a worker receives and the amount they believe they should receive. Meanwhile (Wiranata, 2021) explains that job satisfaction is an emotional attitude that is pleasant and loves his work which is reflected by work morale, discipline, and work performance.

If a manager will be very concerned about the aspect of job satisfaction, because he has a moral responsibility whether he can provide a satisfactory environment for his employees and believes that the behavior of satisfied workers will make a positive contribution to the organization. Managers feel that their efforts and performance are

successful if fairness in rewards provides a level of job satisfaction and improves performance (Sari,et, al., 2022).

The next phenomenon is related to compensation issues, factors that can affect job satisfaction include fair and decent compensation programs, job security, flexible work schedules, and employee engagement programs. Providing better and more productive compensation will encourage employees to work better and more productively (Haviz, 2022).

Furthermore, state that the facility is included in the form of indirect financial compensation. Based on the author's observations from the observations and pre-interviews of 10 employees of PT. IKAD researchers obtained data that the existing facilities indicated that they were not in accordance with the wishes of employees, especially physical work facilities. This is shown from 10 respondents who were interviewed, 6 people stated that the color arrangement of the room made them less enthusiastic at work because the colors were already dull. And the equipment provided by the company is still inadequate, such as computers that are often damaged, thus hampering the work process.

Meanwhile, in terms of employee performance, based on the annual sustainable report issued by PT. IKAD Jakarta branch in 2017 and 2018, based on the results of interviews conducted showed that the Employee Engagement Index (EEI) data of PT. IKAD is at a score of 4.1 which is the same as the achievement in 2017 and an increase of 0.18 points from the score in 2016. There is no significant increase in the score on the Employee Engagement Index (EEI) of PT. IKAD. On the other hand, with a scale range of 1-5, this value indicates that employees enjoy the working atmosphere at PT. IKAD and have felt bound as an inseparable part of the company.

THEORETICAL BASIS

Management

According to (Anggara, et, al., 2022) states that management is the science and art of regulating the process of utilizing human resources and other resources effectively and efficiently to achieve a certain goal. Meanwhile, according to (Fitri, & Endratno, 2022) management explains management (*management*) is a matter with regard to people who carry out responsibilities within an organization, and the process of running

an organization, namely the use of resources to achieve organizational goals. Management is a process of planning, organizing, coordinating, and supervising/controlling existing resources in order to achieve goals effectively and efficiently.

HR Management

(Gazali, & Wahyuni, 2021) states that the notion of human resource management is the science and art of regulating the role of work relations in order to be effective and efficient in order to achieve the goals of the company, workers, and society. Meanwhile, (Haviz, 2022) states that the notion of HR management is a management process consisting of organizing, planning, leadership and controlling activities related to job analysis, procurement, job evaluation, development, promotion, compensation and termination of employment in the context of achieve the company goals that have been set.

Organizational Commitment

Organizational commitment is seen as a value orientation towards the organization that shows individuals are very concerned about and prioritize their work and organization. Individuals will try to give all the effort they have in order to help the organization achieve its goals. (Mauliah, & Indayani, 2021) state that *organizational commitment* is a state of employees who are in favor of certain organizations and their goals and desires to defend themselves in the organization.

Compensation

(Misbahuddin, et, al., 2021) states that compensation is something that is received by employees as a reward for their services to the company. An employee appreciates a hard work and will show his loyalty to the company and the compensation reflects the size of their work among the employees themselves, their families and society. (Munthe, 2021) states that one way to improve work performance, motivate and improve employee performance is through compensation. Compensation is a service reward provided by the organization to its employees for carrying out their obligations by fulfilling all their duties. Compensation can be either financial or *non-financial*. Compensation in the form of financial in the form of salaries, wages, bonuses, commissions, employee insurance, employee social assistance, allowances, holidays, or leave is still paid, while in the form of *non- financial*, in the form of interesting tasks,

task challenges, responsibilities, opportunities, recognition, work environment interesting.

Job Satisfaction

Every employee who works expects to get satisfaction with the work produced from his workplace. Each individual's job satisfaction has its own standard or measure because each individual is different. This level of satisfaction is of course in accordance with what the employee has produced with reciprocity from the company. (Yerita, 2022) states that job satisfaction is an emotional attitude that is pleasant and loves his job. This attitude is reflected by work morale, discipline and work performance. Job satisfaction is enjoyed on the job, outside of work, and a combination of inside and outside workers. Job satisfaction is seen as something relative, which is different from objective thinking and behavioral desires.

Performance

(Sumiatik , et, al., 2021) states that performance is the same as work performance, namely the process used by organizations to evaluate or assess employee performance with certain considerations. (Sudalyo, 2021) argues that performance is the result of work produced by employees or real behavior that is displayed according to their role in the organization. In this case, performance is the result achieved by a person both in quality and quantity in accordance with the responsibilities given to him.

METHOD

Population is a generalization area consisting of objects or subjects that have certain qualities and characteristics determined by researchers to be studied which then draw conclusions (Jufrizen, & Sitorus, 2021). PT IKAD Jakarta Branch Office which consists of 120 permanent employees. The sample is part of the number and characteristics possessed by the population (Nazara, & Fajrillah, 2021). In this study, the sample was determined by probability (probability sampling) with a simple random sampling method (*simple random sampling*).

Research is an activity that is carried out in a planned and systematic way to get problem solving answers to certain phenomena. This research has been determined, so this type of research is quantitative research with an explanatory approach.

RESULT

Normality Test Results

Based on the Kolmogorov-Smirnov test, it can be seen that the residual unstandardized value has an asymp.sig value. (2- tailed) 0.200 which means > 0.05 , this proves that the data is distributed normally.

Heteroscedasticity Test Results

From the scatterplot test, it can be seen that the points spread randomly, and are spread above and below zero on the Y axis. It can be concluded that there is no heteroscedasticity in regression model.

Multicollinearity Test Results

Based on the output SPSS, from the results of the Variance Inflation Factor (VIF) test on the output results of SPSS.23.0 coefficient, each independent variable has a VIF 10, namely for the organizational commitment variable 1.019 the compensation variable is 1.615 and job satisfaction is 1,596. So it can be concluded that there is no multicollinearity. While the value of Tolerance 0.10 for organizational commitment is 0.981, the compensation variable is 0.619 and job satisfaction is 0.627. So it can be stated that the multiple linear regression model does not have multicollinearity between the dependent variable and other independent variables so that it can be used in this study.

Autocorrelation Test

Based on the results of the autocorrelation test using the Durbin-Watson (DW) test show that the DW test value is 1,750. This value lies between -2 to +2 which indicates that the results of the autocorrelation test using the Durbin-Watson (DW) test do not occur.

The effect of organizational commitment (X1) on employee performance (Z)

The results of the t test for the organizational commitment variable (X1) on employee performance (Y) show a significant value of 0.000 this value is smaller than 0.05 ($0.000 < 0.05$) and tcount is greater than ttable ($4.101 < 1.662$). This shows that the hypothesis in this study accepts Ha1 and rejects H01. Thus means Ha1 "organizational commitment partially significant effect on employee performance".

The effect of compensation (X2) on employee performance (Z)

The results of the t-test for the compensation variable (X2) on employee

performance (Y) show a significant value of 0.017 this value is smaller than 0.05 ($0.017 < 0.05$) and tcount is greater from ttable ($2.093 > 1.662$). This shows that the hypothesis in this study rejects H02 and accepts Ha2. Thus means Ha2 "Compensation partially significant effect on performance.

The effect of job satisfaction (Y) on employee performance (Z)

The results of the t-test for the variable job satisfaction (Y) on employee performance (Z) show a significant value of 0.006 this value is smaller than 0.05 ($0.006 < 0.05$) and tcount greater than ttable ($6,680 > 1,662$). This shows that the hypothesis in this study rejects H04 and accepts Ha4. Thus means Ha4 "Job satisfaction partially significant effect on employee performance".

CONCLUSION

The following conclusions can be drawn:

1. Organizational commitment has a positive and significant effect on employee performance.
2. Job satisfaction has a positive and significant effect on employee performance.
3. Organizational commitment and compensation simultaneously have a positive and significant effect on job satisfaction.
4. Job satisfaction has a positive and significant effect on employee performance.
5. Compensation has a positive and significant effect on job satisfaction.
6. Organizational commitment has a positive and significant effect on job satisfaction.
7. Organizational commitment and compensation simultaneously have a positive and significant effect on employee performance through job satisfaction.

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