

Performance Optimization By Compensation, Organizational Commitment and Job Promotion Towards Job Satisfaction

Nasib¹, Abdul Rahmat², Sarinah³, Syaifullah⁴, Prianda Pebri⁵

¹Politeknik Unggul LP3M

²Universitas Negeri Gorontalo

³Universitas Prima Indonesia

⁴Universitas Putera Batam

⁵STIE Muhammadiyah Asahan

Correspondent Author: Abdul Rahmat

ABSTRACT: *One of the companies goals is preserving their existence from the intense competition, and also to keep their best employee. Employee is an important capital for achieving the companies goals. The objection of this research investigated the influence of compensation, organizational commitment and job promotion towards job satisfaction, also its influence to employee performance. . The population and samples were 210 employees of PT. Bukit Intan Abadi Medan with purposive sampling technique, so that the respondent of this research were 140. Primary data comes from questionnaire distribution and analyzed by path analysis model with SPSS 22nd version application programme.*

The result shows that all variables, compensation, organizational commitment and job promotion are directly positive and significant influencing job satisfaction. And also it indirectly compensation, organizational commitment and job promotion positively influencing performance through job satisfaction.

KEYWORDS: *compensation, commitment, job promotion, satisfaction, performance.*

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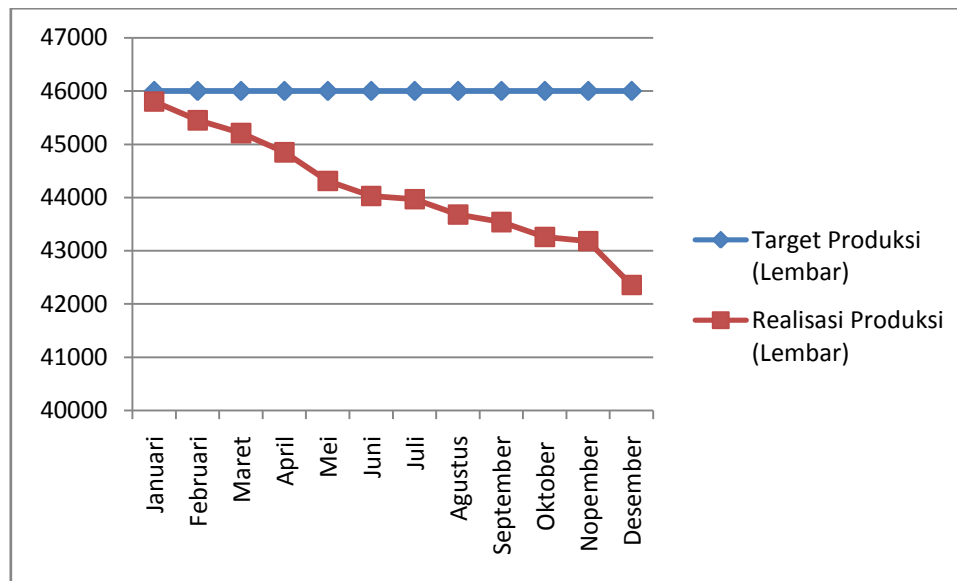
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I. INTRODUCTION

PT. Bukit Intan Abadi Medan is a manufacturing company in sustainable timber industry by producing plywood and demanded to improve employee performance. Human resource is a good capital that must be maintained and developed. Having reliable human resources will make it easier for companies to achieve its mission and vision (Wardani 2017). For this reason, the companies need to manage its human resources well. The objection is to improve the performance (Rulyati 2019). Furthermore, companies have to standard of performance on valuation their employee employment.

Performance is quality and quantity which achieved by employee on their duty in accordance of their job desk which given to them (Mangkunegara, 2013). Performance is an important role to the companies to develop and preserve their existence against their competitors. The companies will measure its employee according to quality and quantity of work, punctuality, attitude and attendance towards work (Mathis & Jackson, 2011).

Based on the researcher observation, it realized that realization of PT. Bukit Intan Abadi production is experience a decline. It certainly will affect sales volume in the next years and becomes serious threats, especially for reaching its profitability. There is a list of PT. Bukit Intan Abadi Medan target and product realization during 2019 which is illustrated below



The decline of production is related to job satisfaction (Susilo 2018). Job satisfaction which felt by employee encourage them to work hard and maximum. The employee will pull out of their ability to the further of the companies. It caused by personal job satisfaction which influence the work behavior which is so important in the organization.

Compensation that employee get is can create job satisfaction of the employee (Rambe 2018). Compensation system must be obvious valuation and standardized by companies, and also it become companies rules. The objection to prevent complains by it employee for what they get, and give them extra compensation performance who is work beyond the companies expectation and maintained it.

Organizational commitment have to emphasized since they are officially accepted in the companies. Emotional relation between employee and the companies its depend on employee behavior. The companies who had the employee with it, work with full dedication of their duties and responsibilities (Supiyanto 2015). It also causing a trigger to do best for the companies growth in the future.

Job promotion will create job satisfaction to the employee, an opportunity to get promotion is proved that the employee performance is good. Furthermore, job promotion make the employee satisfied with their sacrifice (Harini 2018). For giving some opportunity of job promotion to the employee, the companies have to consider based on appropriateness of the employee. To prevent conflict, rules and terms have to clear and straight, and it also have to be knowed by the employee.

II. LITERATURE REVIEW

Performance

The companies expect their employee have a good and maximum performance. The employee is expected to do their job according to their job desk on that companies. Some employee behavior must be fit with their job desk and responsibilities (Sutrisno, 2013). Performance its also as similar as the result of work process. which its done by achieving the result, but it have to a good performance (Wibowo, 2014). Many companies leader struggling to increasing their employees performance. With it, the leaders ease their way to delegate the job that employee have to do (Chaniago 2018). There are some way to do especially by management to upgrading and fixing their employee performance. The ways are not discriminating the employee, giving some reward who have a maximum performance, and give a chance or an opportunity to develop their soft skills and do an effective communication to the employee (Sutrisno, 2013).

When the leaders have to do the ways to fixed it, but sometimes that it doesnt make it, it necessarily to be reviewed again. Is that the ways are really to do with a good execution. It is important to know, which are the factors that influence the employee performance. According (Mangkunegara, 2013), that factor is competencies factor. Physiologically, the ability of the employee consist of potential ability (IQ) and reality ability (knowledge + skill). The second is motivation. Motivation is a condition that drive employee directly to accomplish the goals on an organization or the objection. Mental attitude is a mental condition that encourage the employee to achieving their maximum achievement.

Compensation towards Job Satisfaction

Every employee hopes get some compensation for what he done. Its normal, if some employee claims what companies has been promised. Compensation can tend on financial or non financial form (Hasibuhan, 2012). Compensation have to be given by the rules of the companies and the existing law in some region. this compensation must be assessed based on it in order to give some worth remuneration to the employee, the compensation becomes fair and structured remuneration and accelerate the payroll administrative and motivated the employee to increasing their performance (Kismono, 2011). the purpose of compensation is to rewarding their organizational commitment and cause to emerging job satisfaction. The previous research were done by (Purnamasari 2013)(Teguh Retnoningsih; Bambang Swasto Sunuharjo; Ika Ruhana 2016a)(Wardani 2017) explained that compensation have positive influence towards increasing job satisfaction.

Job Promotion towards Job satisfaction

Every employees hope get an opportunity to get promotion to higher level. Optimization of capability that employees owned and it responsibility make a chance to get some promotion. A promotion means moving from some job level to the other level of job, wich is more higher and more responsibility (Nasib 2020). Promotion means increasing level of position, responsibilities and more power than before (Manullang, 2010). In giving an opportunity of promotion, companies considered it from performance, diciplinary aspect, integrity aspect, team work aspect, capability, leadership and communication to others (Hasibuhan, 2012). Previous research by (Gultom 2017)(Kurniawan 2017)(Sudharma 2017)(Harini 2018) showed that job promotion is influencing job satisfaction.

Organization Commitment Towards Performance

Employee that have an emotional relation to the companies showed that are have a good organizational commitment. Cares about companies growth and it also are the leaders expect from their employee. It reflecting their attention to the organization and the succes and contiuning growth of the companies(Luthans, 2012). But not at all of the employee have similarities on it. It caused by rules, capability, organization, income, and facilities (Hasibuhan, 2012). Previous research showed that organizational commitment is influencing job satisfaction (Dewi 2008)(Setiawan 2013)(Evienia.P.P 2015)(Wulani 2017).

Organization Commitment Towards Performance Trough Job Satisfaction

Organizational commitment is a positive behavior that employee owned to the companies. Organizational commitment, job satisfaction and performance are related thing that are can't be separated, because it can be motivated the employee to do their work best. Furthermore, the goals of the organization can be fulfilled and get the best results. The previous research were done by (M. Aditya Putra Pratama 2017)(Suprayetno 2008)(Supiyanto 2015) proved that organizational commitment indirectly influencing performance through job satisfaction.

Job Promotion Towards Performance Through Job Satisfaction

Procedures to get a promotion to the higher level have to be known by the employee. The employee who had just accepted in some companies have to get explanation about their right and responsibilities, one of it is a promotion rules. A good promotion procedure can increasing job satisfaction of the employee and also its performance. The previous research were done by (Paramarta 2015)(Maulana 2018)(Rulyati 2019)proved that job promotion influencing performance through job satisfaction.

III. METHOD

This research using causal approach , an assosiative research is a research to find out degree of the relationship and pattern of influence between two variable or more, furthermore with it, it can be construct a theory to explain, forecast and controls some phenomenon(Rusiadi, Subiantora, & Hidayat, 2017). Population of this research were 210 employees of PT. Bukit Intan Abadi. The sampling technique is using purposive sampling, where the respondent were 140.

Primary data is sourced from questionnaire which are shared to the research sample. The questionnaire using Likert scale, that scale consist of 1 to 5 alternative choice, and being analyzed by path analysis and processed by SPSS 22nd version application programme.

IV. RESULT

Direct Influence

1. Compensation (X_1) towards Job Satisfaction (Y_1)

Be discovered that significancy of compensation variable (0,000) is smaller than 5 % (0,05) of alpha. Based on that result, H_0 is denied, and accept H_a for compensation variable. it refers to compensation is partially positive and significant influencing job satisfaction on PT. Bukit Intan Abadi.

2. Organizational Commitment (X_2) towards Job Satisfaction (Y_1)

Be discovered that significancy of organizational commitment variable (0,004) is greater than 5 % (0,05) of alpha. Based on that result, H_0 is denied, and accept H_a for organizational commitment variable. it refers to organizational is partially commitment positive and significant influencing job satisfaction on PT. Bukit Intan Abadi

3. Job Promotion (X_3) towards Job Satisfaction (Y_1)

Be discovered that significancy of job Promotion (X_3) variable (0,000) is smaller than 5 % (0,05) of alpha. Based on that result, H_0 is denied, and accept H_a for job Promotion. It refers to job Promotion is partially positive and significant influencing job satisfaction on PT. Bukit Intan Abadi.

Indirect Influence

1. Compensation (X_1) Towards Performance (Y_2) Through Job Satisfaction (Y_1)

a. Direct influence of compensation towards performance with observing regression value P_4 is 0,238

b. Indirect influence of compensation towards performance through job satisfaction can be seen from multiplication between coefficient regression of compensation and coefficient regression of job satisfaction through performance are $P_1 \times P_7 = 0,639 \times 0,537 = 0,343$.

c. It refers to indirect coefficient value is $P_1 \times P_7 > P_4 (0,343 > 0,238)$. It means job satisfaction indirectly influencing performance.

2. Organizational Commitment (X_2) Towards Performance (Y_2) Through Job Satisfaction (Y_1)

a. Direct influence of organizational commitment towards performance with observing regression value P_5 is 0,219.

b. Indirect influence of organizational commitment towards performance through job satisfaction can be seen from multiplication between coefficient regression of organizational commitment and coefficient regression of job satisfaction through performance are $P_2 \times P_7 > P_5 (0,0275 > 0,219)$

c. It refers to indirect coefficient value is $P_2 \times P_7 > P_5 (0,0275 > 0,219)$. It means organizational commitment indirectly influencing performance.

3. Job Promotion (X_3) Towards Performance (Y_2) Through Job Satisfaction (Y_1)

a. Direct influence of job promotion towards performance with observing regression value P_6 is 0,293.

b. Indirect influence of job promotion commitment towards performance through job satisfaction can be seen from multiplication between coefficient regression job promotion and coefficient regression of job satisfaction through performance are $P_3 \times P_7 = 0,723 \times 0,427 = 0,309$.

c. It refers to indirect coefficient value is $P_3 \times P_7 > P_6 (0,309 > 0,293)$. It means job promotion indirectly influencing performance.

V. CONCLUSION

Compensation towards Job Satisfaction

Based on the result of this research showed that compensation is positively and significantly influencing job satisfaction which compensation variable (0,000) is smaller than 5 % (0,05) of alpha. This research is similar to previous research by (Purnamasari 2013) (Teguh Retnoningsih; Bambang Swasto Sunuharjo; Ika Ruhana 2016a) (Wardani 2017) explained that compensation has positive influence towards increasing job satisfaction. The implication showed that employees complain about overtime pay. There is not synchronized data between production section and employees overtime hour, it is one of factor that make a decline of job satisfaction.

Organizational Commitment towards Job Satisfaction

Based on the result of this research showed that organizational commitment variable (0,004) is greater than 5 % (0,05) of alpha. It refers to organizational is positive and significant influencing job satisfaction. This research is similar to previous research by (Dewi 2008) (Setiawan 2013) (Evienia.P.P 2015) (Wulani 2017) proved that organizational commitment indirectly influencing performance through job satisfaction.

Job Promotion Towards Performance Through Job Satisfaction

Based on the result of this research is showed that significancy of job Promotion variable (0,000) is smaller than 5 % (0,05) of alpha. It refers to job promotion positive and significant influencing job satisfaction. This research is similar to previous research by (Gultom 2017) (Kurniawan 2017) (Sudharma 2017) (Harini 2018) showed that job promotion is influencing job satisfaction.

Compensation Towards Performance Through Job Satisfaction

Based on the result of this research showed indirect coefficient value is $P_{1 \times P_7} > P_4$ (0,343 > 0,238). It means indirectly compensations influencing performance. This research is similar to previous research by (Robby Christian Wangsa 2016) (Verawati 2016) (Adnyani 2016) (Teguh Retnoningsih; Bambang Swasto Sunuharjo; Ika Ruhana 2016b) explained that compensation has positive influence towards increasing job satisfaction. It implicates that when compensation is getting better, it is increasing job satisfaction and influencing performance.

Organizational Commitment towards Performance Through Job Satisfaction

Based on the result of this research showed indirect coefficient value is $P_{2 \times P_7} > P_5$ (0,0275 > 0,219). It means indirectly organizational commitment influencing performance. This research is similar to previous research by (M. Aditya Putra Pratama 2017) (Suprayetno 2008) (Supiyanto 2015) proved that organizational commitment indirectly influencing performance through job satisfaction. It implicates that organizational commitment on the employees is increasing and its influencing performance.

Job Promotion towards Performance through Job Satisfaction

Based on the result of this research showed indirect coefficient value $P_{3 \times P_7} > P_6$ (0,309 > 0,293). It means job promotion indirectly influencing performance. This research is similar to previous research by (Paramarta 2015) (Maulana 2018) (Rulyati 2019) proved that job promotion influencing performance through job satisfaction.

CLOSING

The conclusion of this research are directly compensation, organizational commitment, and job promotion on P. T. Bukit Intan Abadi positive and significant influencing job satisfaction and indirectly positive and significant influencing performance through job satisfaction.

Suggestion

1. Enhancement of compensation from the current compensation, synchronized data between financial and production section and integrated system in order to minimize fraud about overtime report.
2. Maintain of organizational commitment with decreasing fraud and error during of duties and cares about companies growth.
3. Reliable job promotion with a good and based on the rules by companies to get an opportunity of a job promotion.

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