

Vol.2 No.6 http://www.jiemar.org

DOI: https://doi.org/10.7777/jiemar.v2i3 e-ISSN: 2722-8878

EFFECT OF COMPENSATION AND ORGANIZATIONAL COMMITMENT ON EMPLOYEE PERFORMANCE AT PT ASURANSI JIWASRAYA (PERSERO) JAKARTA TIMUR

Sonny Francisco¹, Helmut Martahi Saoloan²

#1 Lecturer, Bina Sarana Informatics University

2 Lecturer, Bina Sarana Informatics University

1 Sonny.sof@bsi.ac.id

2 Helmut.hms@bsi.ac.id

Abstract -This study aims to determine the effect of Motivation and Environment Work well by Partial nor simultaneous to Performance Employee at PT Asuransi Jiwas Raya (Persero) East Jakarta. Study this is causal and quantitative associative research. The sample of this research amounted to 58 people. The determination sample was done with the method of Random Sampling. Collecting data using questionnaires and interviews, while analysis data were done with use analysis regression linear multiple. Results research at the 5% significance level shows that: 1) The results of the F test at the variable of motivation and work environment is 0.000 which means that Compensation and organizational commitment have a significant effect simultaneously on performance employees of PT Asuransi Jiwas Raya (Persero) East Jakarta. 2) Result The t-test on the Compensation variable is 2.027, with a significance value of 0.008, which means that compensation has a positive and significant effect on the performance of employees of PT Asuransi Jiwas Raya (Persero) East Jakarta.. 3) Results in t-test on organizational commitment variable is 8.411, with a significance value of 0.000 which means that organizational commitment has a positive and significant effect on employee performance of PT Asuransi Jiwas Raya (Persero) East Jakarta.. 4) The coefficient of determination test (R2) for the variable X_1 , X_2^2 is 0.674 which means that the performance of employees of PT Asuransi Jiwas Raya (Persero) East Jakarta can be influenced by compensation and organizational commitment as big as 67.4%, while the remaining 32.6% is influenced by other factors that are not researched in research this.

Keywords: Compensation, Organizational Commitment, And Employee Performance



Vol.2 No.6 http://www.jiemar.org

DOI: https://doi.org/10.7777/jiemar.v2i3 e-ISSN: 2722-8878

I. INTRODUCTION

In today's business world, the most important issue that is often discussed is employee performance. An organization or company can be effective if various management functions which include planning, implementation, and supervision contained therein can run well, and are supported by various supporting elements that are available and meet the requirements of the various existing elements. One of the most important elements that can support the running of an organization is human resources (employees).

The company's success in facing competition can be influenced by the performance of human resources. Human resources (HR) is the most important factor and a valuable asset for the company. Human resources are actors from planning to evaluation. Every potential human resource in the company must be used to provide optimal output. The company's success in facing competition can be influenced by the performance of human resources. Human resources (HR) is the most important factor and a valuable asset for the company. Human resources are actors from planning to evaluation. Every potential human resource in the company must be used to provide optimal output.

There are several methods which could be used for acquiring, looking after and maintaining employee, wrong the only one is with giving compensation which in accordance on them. The company also expected notice with good gift compensation to employees as well as develop attractive compensation so that employees feel meaningful to herself alone and company. Wrong one purpose gift compensation by the company is Upgrade performance employee for support performance company. according to In its form, compensation is divided into two, namely financial compensation and non-financial compensation. In financial compensation, there is direct financial compensation which includes salaries, wages, bonuses, commissions, profit sharing, profit sharing, and options shares, and compensation financial not direct which covers insurance health, life insurance, employment insurance, pensions, entertainment, holidays and maternity leave. Meanwhile, non-financial compensation includes interesting tasks, challenges, responsibility, recognition, a sense of accomplishment, healthy policies, competent supervision, pleasant co-workers, and environment work which comfortable.

One that can affect employee performance is the organizational commitment of the employee. The phenomenon that often arises today is the lack of achievement of company effectiveness due to the high level of employee turnover in the company. And the high absenteeism rate indicates the low level of organizational commitment owned by employees. Employees who have high organizational commitment have different attitudes than those with low commitment. High organizational commitment will result in work performance, low absenteeism, and low employee turnover. Employees who are highly committed will have high work productivity. Organizational commitment encourages employees to keep their jobs and show satisfactory results. And conversely, if employee commitment is low, it has a negative impact. Every organization will experience difficulties if the commitment of its employees is low. Employees with low commitment will not give their best to the organization and easily leave the organization. In addition, employees with low organizational commitment can create a tense atmosphere and trigger conflict in the work environment.

Performance (performance) is the result of work achieved by someone based on job requirements (job requirements). Good employee performance is aimed at quantity, as well as employee responsibility by improving the work system carried out by every component in the company, namely with a good performance management system. The performance management system is a process to identify, measure and evaluate the performance of employees in the company. In addition to having good performance, employees are expected to maximize their responsibilities for their work because employees have been equipped with education and training which are certainly related to the implementation of their work. Employee performance is not only influenced by the ability to work but can also influenced by



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compensation, the organizational commitment that aims to increase productivity and the number of employees in the company.

2. LITERATURE REVIEW

Compensation

One way to acquire, maintain and maintain employees which could be done company is with existence compensation. Compensation is something that employees receive in exchange for their service contribution to the company. The issue of compensation is sensitive because it motivates someone to work also affects the morale and discipline of the workforce. Therefore, any company/organization should be able to provide compensation that is balanced with the workload borne by the workforce. Compensation is one of the implementations of human resource management (HRM) functions related to all types of individual awards in exchange for carrying out organizational tasks (Rivai, 2011). (Handoko, 2011) states that compensation is important for employees as individuals because the amount of compensation reflects the size of their work among the employees themselves, their families, and the community. Compensation is often also called an award and can be defined as any form of award given to employees as a reward for the contributions they make to the organization. Compensation is an award or reward for workers who have contributed to realizing their goals, through activities called work (Nawawi, 2013)

Compensation is an expense and expense for the company, the company expects that the compensation paid will get a higher performance reward from the employee. So, the value of the employee's achievement or work must be greater than the compensation provided by the company, so that the company gets (Hasibuan, 2011). According to (Dessler, 2015) compensation is any form of award given by employees as a reward for the contributions they make to the organization. Hasibuan (2015) argues that compensation is all income in the form of money, goods directly or indirectly received by employees in return for services provided to the company.

Organizational Commitment

Organizational commitment is a condition in which an employee sided with a particular organization and the goals and desires to maintain membership in the organization. So high job involvement means taking sides in a particular job of an individual.

Organizational commitment is a condition in which an employee sided with a particular organization and its goals and desires to maintain membership in that organization (Samsuddin, 2018). A worker with high or low organizational commitment will have a different attitude towards the organization. Employees with high organizational commitment will produce work performance that is in line with expectations, low levels of absenteeism, and low levels of employee turnover. When commitment is given to the organization, the expected psychological behavior will emerge through the relationship between organizational goals and employees (Frimayasa & Lawu, 2020).

(Robbins & Judge, 2017) defines commitment as a condition in which an individual sided with the organization and its goals and desires to maintain its membership in the organization. Organizational commitment is the degree to which employees believe and are willing to accept the goals of the organization and will stay or will not leave the organization. Organizational commitment is an agreement to do something for oneself, another individual, group, or organization. Organizational commitment is built based on workers' trust in organizational values, workers' willingness to help realize organizational goals, and loyalty to remain members of the organization (Frimayasa & Lawu, 2020).

Commitment shows a strong belief in and support for the values and goals to be achieved by the organization. High organizational commitment can be needed in an organization because the creation of



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high commitment will affect a professional work situation. Organizational commitment can grow because individuals have emotional ties to the organization which include moral support and accepting existing values and determination from within the individual to do something to support the success of the organization. commitment to the organization reflects three main dimensions, namely, commitment is seen as reflecting an effective orientation to the organization, consideration of the disadvantages of leaving the organization, and the moral burden of staying in the organization.

Employee Performance

The company can be said to be successful if the performance of human resources seeks to improve employee performance to achieve the company's goals that have been set. Successor failure in an organization in carrying out tasks is closely related to employee performance, the achievement of performance in the organization is a factor that must be considered to realize the company in achieving the goals that have been set.

In general, performance is defined as a person's success in carrying out a job. Performance comes from performance or actual performance of work performance or actual achievements achieved by someone. The definition of performance is the appearance of work in quality and quantity that is served by an employee in carrying out his duties following the responsibilities given to him. Performance can be seen in terms of skills, skills, knowledge, and sincerity of the employee concerned. Performance that is done with hard work will produce the expected organizational goals. In addition, performance can be selfmotivated for employees with the abilities possessed by a person which will lead to competitive competition to conduct assessments, resulting in good performance achievements. (Lawu et al., 2019). Performance is the result in quality and quantity achieved by an employee in carrying out his duties by the responsibilities given to him. (Mangkunegara, 2017). Performance is a real behavior that is displayed by everyone as work performance is produced by employees according to their role in the company (Frimayasa et al., 2020). According to (Simamora, 2004) employee performance refers to a person's achievement which is measured based on the standards and criteria set by the organization. Management to achieve high human resource performance is intended to improve the organization as a whole. According to Mudjiati, the term performance is often identified with the term achievement. The term performance or achievement is a language transfer from English performance. Performance or performance is organizational behavior that is directly related to work activities, the achievement of tasks where the term task comes from thinking about the activities needed by workers. (Irfiani, 2015). Employee performance is the achievement of employee results in a process of carrying out their duties by the responsibilities given. By improving employee performance, it will have a positive impact on the company, so that employees have a good and optimal level of performance to help realize company goals (Sosrowidigdo et al., 2011).

3. METHOD

Descriptive analysis is a statistic used to analyze data by describing or describing the data that has been collected as it is without the intention of making conclusions that apply to the public. Descriptive analysis can be used if the researcher only wants to describe the sample data, and does not want to make conclusions that apply to the population where the sample is taken. Multiple Linear Regression Analysis. According to (Sugiyono, 2013) Simple regression is based on a functional or causal relationship of one independent variable with one dependent variable. This test aims to test how the partial effect of the independent variable on the dependent variable

JIEMAR

Journal of Industrial Engineering & Management Research

Vol.2 No.6 http://www.jiemar.org

DOI: https://doi.org/10.7777/jiemar.v2i3 e-ISSN: 2722-8878

(Ghozali, 2016) is by comparing t $_{table}$ and t $_{arithmetic}$. Each t result of this calculation is then compared with that obtained by t $_{-table}$ using a significance level of 0.05.

The F test aims to find out whether the independent variables simultaneously (simultaneously) affect the dependent variable. The F test was conducted to see the effect of all independent variables together on the dependent variable. The level used is 0.5 or 5%, if the significant value is F < 0.05, it can be interpreted that the independent variable simultaneously affects the dependent variable or vice versa (Ghozali, 2016). Simultaneous F test (Simultaneous Test) is used to determine whether or not there is a joint or simultaneous influence between the independent variables on the dependent variable. ANOVA statistical testing is a form of hypothesis testing which can draw conclusions based on data or statistical groups that are concluded. Decision-making seen from this test is done by looking at the F value contained in the ANOVA table, the significance level used is 0.05.

4. RESULT

Validity test

According to (Sugiyono, 2013) validity shows how much real testing measures what should be measured. Test validity for test data which got is valid or not with tool measuring which used that is questionnaire. Validity testing is carried out outside of the number of samples, in Case this taken as much 58 employees of PT Asuransi Jiwas Raya (Persero) East Jakarta, validity is done with use program SPSS with criteria as follows: If $r_{count} \Box r$ -table, so question declared valid and If $r_{count} < r$ -table, so question declared no valid.

Table 1. Test Validity

				Tuble 1. I				
Variable	Scale mean if Items deleted	Note.	Variable	Scale Mean if Items deleted	Note.	Variable	Scale mean if Items deleted	Note.
	Compen			rganizationa			Perfor	
	sation			ommitment			mance	
K1	0.737	Valid	KO1	0.537	Valid	KK1	0.607	Valid
K2	0.737	Valid	KO2	0.549	Valid	KK2	0.621	Valid
K3	0.685	Valid	KO3	0.561	Valid	KK3	0.602	Valid
K4	0.685	Valid	KO4	0.532	Valid	KK4	0.691	Valid
K5	0.450	Valid	KO5	0.551	Valid	KK5	0.754	Valid
K6	0.427	Valid	KO6	0.551	Valid	KK6	0.769	Valid
K7	0.393	Valid	KO7	0.466	Valid	KK7	0.714	Valid
K8	0.397	Valid	KO8	0.466	Valid	KK8	0.714	Valid
K9	0.536	Valid	KO9	0.636	Valid	KK9	0.727	Valid
K10	0.460	Valid	KO10	0.616	Valid	KK10	0.727	Valid
K11	0.499	Valid	KO11	0.545	Valid	KK11	0.676	Valid
K12	0.450	Valid	KO12	0.524	Valid	KK12	0.710	Valid
	l .					KK13	0.715	Valid
						KK14	0.715	Valid
						KK15	0.676	Valid



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			_
KK16	0.676	Valid	l

Source: Data Processing SPSS 24.0

Test variable validity compensation, organizational commitment, and performance obtained all $_{calculated\ r}$ $_{values}$ are greater than r $_{tables}$, namely 0.2586, at The table above can be said that the respondents' answers to all variable items are valid.

Test Reliability

according to (Sugiyono, 2012), Reliability shows the size something stability, and consistency of respondents in answer Cases which are related to a list of questions which is the dimension of a variable that is compiled in a shape questionnaire. The test is done with the user program SPSS, a variable is said to be *reliable* if a value of > 0.60. The results of the reliability test for the variables used in research using SPSS *for windows version* 24 are seen in the following table:

Table 2. Test Reliability

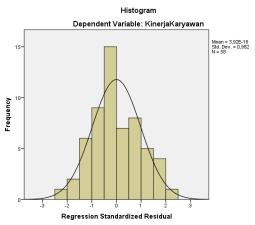
Variable	Cronbach's Alpha	Note.
Compensation	0.958	Reliable
Organizational commitment	0.958	Reliable
Performance Employee	0.957	Reliable

Source: Data Processing SPSS 24.0

Based on the results of the reliability test using the SPSS for program Windows version 24.0 shows that the resulting Cronbach alpha on every variable study is bigger than 0.60. It means whole statement items in each variable are reliable.

Test Normality

The normality test of this study was carried out by graphical analysis, namely by Histogram and *Normal PP Plot of Regression Standardized Residual graphs*. Besides that test normality is also done with the use of test *Kolomogorov-Smirnov*. Results test normality showed as following:



Based on the picture above, it can be seen in the histogram graph, so it can be concluded that the histogram graph gives a normal distribution pattern. This is indicated by the distribution of the data does



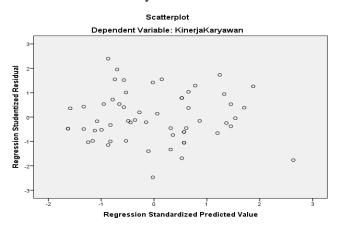
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not deviate to the left or right.

Test Heteroscedasticity

The Heterosdecasticity test is intended to determine the level of spread or variation from all variables observed. Criteria test heteroscedasticity, i.e. if the points spread randomly and do not shape pattern certain as well as spread in on nor in lower number zero onaxis Y so concluded a model regression considered there is no problem heteroscedasticity.



Source: data processing SPSS 24.0

On Picture on a show that dot, dot, dot spread by random, then could conclude no occur heteroscedasticity.

Test Multicollinearity

Symptoms of multicollinearity can be seen from the value of *Tolerance* and VIF (*Variance Inflation Factor*). These two measures show each variable which independent variables are explained by the other dependent variable. *Tolerance* is measure variability variable free which selected which no explained variable free other. With value: *Tolerance Value* < 0.1 or VIF > 10, so occur multicollinearity. *Tolerance Value* \square 0.1 or VIF \square 10, so no occur multicollinearity.

Table 3. Results Test Multicollinearity

Coefficients a

Model		dardized icients	Standardized Coefficients	t	Sig.	Collinearity Statistics	
	В	Std. Error	Beta			Tolerance	VIF
(Constant)	3,654	3.544		1.031	,307		
Compensation	,282	,139	,175	2,027	0.048	,764	1,308
Organization al	1.125	,134	,728	8,411	,000	,764	1,308
Commitment							

a. Dependent Variable: Employee Performance



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Source: data processing SPSS 24.0.

The table above shows all Mark variable free own *Tolerance Value* 0.1 or VIF 10. So it can be concluded that no occur multicollinearity.

Analysis Regression Linear Multiple

Analysis regression linear multiple addressed for determining connection linearbetween several independent variables consisting of compensation (X1), organizational commitment (X2), and the dependent variable is Employee Performance (Y). This will be useful later for knowing the influence positive or negative from factors.

Table 4. Results Analysis Regression Linear Multiple

Coefficients a

Model			dardized icients	Standardized Coefficients	t	Sig.
		В	Std. Error	Beta		
1	(Constant)	3,654	3.544		1.031	,307
	Compensation	,282	,139	,175	2,027	0.048
	Organizational Commitment	1.125	,134	,728	8,411	,000

a. Dependent Variable: Employee Performance

Source: SPSS 24.0. data processing

Based on the results of data processing in the table above (*Unstandardized Coefficients*) part B obtained model equality regression linear multiple as follows:

$$Y = 3,654 + 0.282 X_1 + 1.125 X_2$$

On equality the could be outlined as follows:

- 1. constant (β_0) = 3,654 this shows that Compensation and Organizational Commitmentæworth constant. Where if variable Compensation (X_1) and Organizational Commitment (X_2) = 0, then performance employee will as big as 3,654
- 2. Regression coefficient ₁ (X ₁) = 0 .282 indicates that compensation affects positively the performance of the employee. So that if compensation is raised as big as one unit so employee performance will be increased by 0 .282
- 3. Regression Coefficient 2 (X 2) = 1.125 shows that Organizational commitment positive effect on employee performance. So that when the environment Of work is increased by one unit, employee performance will increase as big as 1,125.

Determinant Coefficient (R²)

Coefficient determinants aim for knowing significant variables. The determinant coefficient sees how much influence the *independent variable has on the dependent* variable. The coefficient of the determinant ranges from 0 (zero) until with 1 (one), $0 < R2^- < 1$. Mark coefficient determination in a studythis can be seen on The following table:



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Results Test Coefficient Determination (R ²)

Model Summary

Model	R	R Square	Adjusted R Square	tiio
1	,828 a	,685,	,674	4,6022 3

a. Predictors: (Constant), organizational commitment, Compensation

Source: Results processing SPSS 24.0

The table shows that Mark coefficient correlation (R) is as big as 0.828 a whichmeans that the correlation or relationship of employee performance (*dependent variable*) with Compensation and Organizational Commitment (*independent* variable) has a connection that closes that is as big as 82.8%. the size influence Compensation and organizational commitment to Performance Employee showed by Mark *AdjustedR Square is* 0.674, meaning that the variable Compensation and Organizational commitment able to explain Employee Performance of 67.4% and the remaining 32.6% influenced by factors other which no including in study this.

Test Hypothesis

Test Significant Simultaneously (F-Test).

Results Test Simultaneously (F-Test)

ANOVA a

	Mode 1	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2533,004	2	1266.502	59,79	,000
	Residual	1164,927	55	21,180	6	b
	Total	3697,931	57			

a. Dependent Variables: Employee performance

b. Predictors: (Constant), Work environment, Motivation

Source: Results processing SPSS (2018)

Based on the table above, the results of the calculated F test show the calculated F value = 59.796 with a level significance of 0.000. Mark F table = 3.18. Mark F count > F table (59,796 > 3.18) and level significance (0.000 < 0.05) with hypothesis H $_0$ rejected andHa is accepted so that it can be concluded that the independent variable is Compensation (X $_1$) and Organizational commitment (X $_2$) by together take effect positive and significant to employee performance (Y) as variable bound.



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Test Significant Partial (t-test)

t-test used for knowing influence variable *independent* namely Compensation (X1) and Organizational Commitment (X2) to the *dependent* variable, namely performance employee (Y) by Partial. t-test own level significance as big as 0.05, if level significance t is at under 0.05 so variable *independent* individually have a significant effect on the *dependent variable*. If t arithmetic shows a value greater than t table, then the regression coefficient variable *independent* is significant.

Results Significant Partial (t-test)

Coefficients a

Mode 1	(dardize d icients	Standardize d t Coefficients		Sig.
_	В	Std. Error	Beta		
1 (Constant)	3,654	3.544		1.031	,307
Compensation	,282	,139	,175	2,027	,008
Organizational Commitment	1.125	,134	,728	8,411	,000

a. Dependent Variables: Employee performance

Source: Results processing SPSS 24.0

With this influence every variable by Partial as follows:

- Variable Compensation takes effect by positive and significant toemployee performance. This can be seen from the significant value (0.008 < 0.05) and Mark t count (2.027) > Mark t table (1.673) it means if variable Compensation increases, then performance employees will increase.
- The organizational commitment variable has a positive and significant effect on employee performance. This can be seen from the significant value (0.000 < 0.05) and Mark t count (8,411) > Mark t table (1,673) it means if variable Organizational commitment increases, so performance employees will also increase.

5. CONCLUSION

Based on the results of the analysis that has been done, it can be concluded as follows:

- 1. Based on the results F-test variable Compensation and organizational commitment, together have a positive and significant effect on employee performance at PT Asuransi Jiwa Raya (Persero) East Jakarta
- 2. Based on the results t-test Compensation variables and variables Organizational commitment take to effect positive and significant to Performance Employees at PT Asuransi Jiwas Raya (Persero) East Jakarta
- 3. The results of testing the coefficient of determination (R2) obtained the value of *Adjusted R Square* 0.674 means Compensation variable and Organizational commitment can explain Performance Employees at PT Asuransi Jiwas Raya (Persero) East Jakarta amounted to 67.4%. Whereas the rest as big as 32.6% explained byfactors others who not researched in a study this.



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DOI: https://doi.org/10.7777/jiemar.v2i3 e-ISSN: 2722-8878

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