

THE ROLE OF JOB SATISFACTION AS AN INTERVENING VARIABLE THE EFFECT OF COMPENSATION AND JOB STRESS ON ORGANIZATIONAL COMMITMENT IN BADAN PENGELOLA KEUANGAN DAERAH KABUPATEN LUMAJANG

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Abstract

The purpose of this study is to determine the effect of compensation and job stress on organizational commitment by job satisfaction as an intervening variable. The type of this study is literature review. The result of this study showed that compensation has a positive effect and significant effect on job satisfaction, job stress has a negative and significant effect on job satisfaction, compensation has a positive and significant effect on organizational commitment, job stress has a negative and significant effect on organizational commitment, job satisfaction has a positive and significant impact on organizational commitment.

Keyword: Compensation, Job Stress, Job Satisfaction, Organizational Commitment

1. INTRODUCTION

Human resources is very important for every organization. This is related to the role of human resources in creating high productivity of an organization. Therefore managers must guarantee that the agency or an organization has a workforce that has a high commitment to the organization. Organizational commitment is an important thing today. When an organization is very difficult to find employees who have excellent qualifications in doing their jobs, organizational commitment is a one way to determine the employees who have qualifications, loyalty and

good performance. In other words, organizational commitment is used as an important thing in determining employees at the level of performance within an organization.

There are several factors related to the organizational commitment of the employees, one of them is job satisfaction. The relationship between job satisfaction and organizational commitment is more influenced by job satisfaction as an antecedent of organizational commitment (Lin and Ma, 2004; Tett and Meyer, in Iqbal et.al 2014: 4). If the job satisfaction increase then the organizational commitment of the employees will increase. On the contrary, if the job satisfaction decrease, then the organizational will reduce (Puspitawati and Gede, 2014: 3).

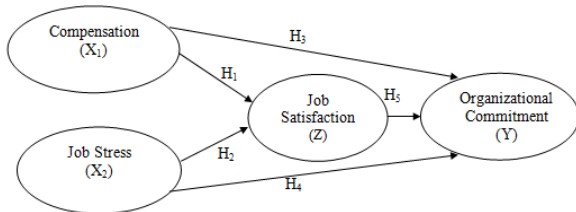
The other factor related to organizational commitment is compensation. The compensation is everything that an employee receives as a remuneration that is able to provide satisfaction to employees for work that has been completed. Compensation is divided into two types of financial compensation and non-financial compensation. Inadequate compensation reduces a sense of employee organizational commitment, job satisfaction and work motivation (Fatimah, 2013: 2)

The other Factor related to organizational commitment is job stress. Kreitner and Kinicki (2005: 351) stated that job stress is an adaptive response connected by characteristics or individual psychological processes. The Ackfeldt & Malhotra (2013: 1). The excessive stress will cause these employees to be frustrated and can reduce their performance. So, job stress need to be

managed as good as possible to achieve the organization's goals.

2.CONCEPTUAL FRAMEWORK

The purpose of this study was to determine the effect of compensation and job stress on organizational commitment by job satisfaction as an intervening variable.



Conceptual Framework of Research

3.DISCUSSION

3.1. The Effect of Compensation on Job Satisfaction

The compensation is a reward that given by the company to workers for their services performed, these service benefits are financial and non-financial compensation aimed to provide job satisfaction for employees. The compensation has an influence on job satisfaction, the higher compensation obtained by employees, the employee will feel valued and finally job satisfaction can be achieved, according to research conducted by Pratama et al (2016: 1) which stated that compensation has a positive and significant effect on job satisfaction, so if the employee compensation increase, then the job satisfaction will increase.

3.2. The Effect of Job Stress on Job Satisfaction

Robbins (in Fadhilah, 2010: 63) stated that one of the psychological effects of job stress can reduce employee's job satisfaction. Job stress can cause dissatisfaction. Stress is a serious problem in the organization. The job stress that experienced by employees will cause a negative impact on employee job satisfaction. The results of the research conducted by Wibowo (2014: 1) stated that job stress has a negative effect on job satisfaction, it means if the job stress

increase, then the job satisfaction of employees will reduce.

3.3. The Effect of Compensation on Organizational Commitment

Alamelu, *et al.* (2015) in the manufacturing industry in India showed that the employee's compensation has a significant and positive effect on organizational commitment. Then, Kee, *et al.* (2016) in the banking industry in Malaysia showed a significant influence between the relationship of compensation and commitment. In the food industry in Kenya conducted by Milgo, *et al.* (2014), there is a significant influence between compensation and commitment. After that, research conducted by Nawab and Bhatti (2011) in the education industry in Pakistan showed that compensation has a positive and significant effect on organizational commitment.

3.4. The Effect of Compensation on Organizational Commitment

Job stress has a negative impact and a positive impact on organizational commitment. When employees do not experience stress, these employees can generally work well and their work results are also satisfactory. However, when work stress exceeds the maximum limit, the employee's performance will decrease automatically. Job stress according to Handoko (2006: 200) is a condition of tension that affects emotions, thought processes and one's condition. As a result, too much stress can threat a person's ability to deal with the environment, which ultimately interferes with the implementation and completion of his duties. Based on research conducted by Ariawan (2018) which showed a negative influence of the job stress on organizational commitment.

3.5. The Effect of Job Satisfaction on Organizational Commitment

According to David Mc. Clelland (in Mangkunegara, 2006: 28), one of the characteristics of individuals who have high achievement motivation to achieve performance is an individual who gains low satisfaction if his job is very easy. It means that someone with high job satisfaction will also have higher performance in

completing his work. The high job satisfaction will have a good impact on organizational commitment in accordance with research conducted by Puspitawati and Riana (2014: 1) which showed that the job satisfaction has a positive effect on organizational commitment. It means, if the job satisfaction increase, then the organizational commitment will also increase.

4.CONCLUSION

The compensation has a positive effect and significant effect on job satisfaction, job stress has a negative and significant effect on job satisfaction, compensation has a positive and significant effect on organizational commitment, job stress has a negative and significant effect on organizational commitment, job satisfaction has a positive and significant impact on organizational commitment.

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