THE ROLE OF MOTIVATION AS THE MEDIATING INFLUENCE OF ORGANIZATIONAL COMMITMENT AND COMPENSATION TOWARD JOB PERFORMANCE OF HONORARY EMPLOYEE CATEGORY II AT TRANSPORTATION OFFICE OF PAMEKASAN

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Abstract

The purpose of this study is to determine the influence of organizational commitment and compensation toward job performance of honorary employee category II at Transportation Office of Pamekasan by motivation as mediating. This research is an explanatory research that aims to determine the causal relationship between dependent and independent variables. The 112 sample were determined by simple random sampling technique. The data obtained were analyzed using Partial Least Square (PLS). The result of this study showed that organizational commitment and compensation have a positive and significant influence motivation, organizational on commitment and compensation have a positive and significant influence on job performance, and motivation has a positive and significant influence on job performance.

Keyword: Organizational Commitment, Compensation, Motivation, Job Performance

1.INTRODUCTION

The organization arranges programs or activities periodically to achieve a goals. The level of achievement in implementing а program leads to good organizational performance. Organizational performance is closely related to employee

performance, where they have an active role as the main actors of the organization to achieve organizational goals (Pasolong, 2010: 375). Therefore, every employee must have a good performance. Individual performance is the work (quality and quantity) achieved by employees in carrying out their duties in accordance with the responsibilities given to them (Mangkunegara, 2012: 9). Job performance can be influenced by various factors such as organizational commitment, compensation, and motivation.

Organizational commitment is defined as individual attitudes that reflect their identification with and attachment to the organization (Griffin, 2013:74). Highly committed employees are willing to make sacrifice for the organization because of a sense of organizational loyalty or attachment (Robbins and Judge, 2018: 50). So, it will have implications for the high performance of employees. The research conducted by Thamrin (2012), Utama et al. (2018), and Winarja et al. (2018), stated that organizational commitment has positive and significant influence on performance. It means if the organizational commitment of employee increase, the job performance will increase. However, there is a gap research was found in research conducted by Eliyana et al. (2019), and Murty and Hudiwinarsih (2012), stated that organizational has insignificant influence on job performance.

Besides organizational commitment, compensation can give influence to job performance. Compensation is the benefit provided to employees for their work (Handoko, 2010:155). Compensation is a description of social status and sources of income for employees (Sunyoto, 2013: 81). Providing compensation is not an objective, but a driver to achieve the desired goal, and has implications for improving performance (Edison et al., 2016: 164). If the employees see a reward system for a payment for good performance, then giving a high compensation will encourage good performance in reinforcement theory (Robbins and Judge, 2017: 271). This statement is supported by empirical studies conducted by Abadi and Renwarin (2017), Widayanti et al. (2018), and Widyastuti and Riana. (2019), stated that compensation has positive and significant influence on performance. It means if compensation received by the employee increased, the job performance will increase. Contrast to research conducted by Riang and Rahmat (2019), and Murty and Hudiwinarsih (2012), that stated compensation has insignificant influence to job performance.

Motivation is the driving force that makes employees willing to mobilize ability (expertise or skills), energy and time to achieve organizational goals (Siagian, 2004: 137). Motivation can also be interpreted as the attitude of leaders and employees in responding to work situations (work relationships, work facilities, work climate, and working conditions) in an organizational environment (Mangkunegara, 2017:13). A positive attitude in responding to work situations will have an impact on high work motivation. Therefore, providing motivation is needed to encourage passion and morale so that employee performance increases, and employee and company goals can be achieved (Hasibuan, 2007:97). This is supported by research conducted by Taghipour and Dejban (2013), Tanjung et al. (2018), and Utari et al. (2018) which stated that motivation has positive and significant influence on job performance. It means high motivation of employees, the job performance will improve. Another research conducted by Hidayat et al. (2018), and Lutfi et al. (2018) stated that motivation has insignificant influence on job performance.

In addition, motivation of employee can be influenced directly by organizational commitment and compensation. Employees who have low commitment, their motivation is not enough to achieve organizational goals (Edison et al., 2016: 225). The research conducted by Arifah and Romadhon (2015), and Wahyuni et al. (2014) stated that organizational commitment has positive and significant influence on motivation. Employees will also be motivated if the organization provides appropriate compensation (Edison et al., 2016: 164). Employees will get justice in their workplace, with appropriate compensation, such as salaries and rewards (Robbins and Judge, 2017: 263). The research conducted by Laminingrum (2016), Candradewi and Dewi (2019), and Gungor (2011) agree with the statement, where the higher the compensation given by the organization to employees, the motivation will increase.

The focus of this research is employee performance at local government agencies. Local government agencies that have underachievement such as The Transportation Office of Pamekasan, need performance improvement. The agency has not fully realized their performance achievements in 2018. The main performance indicators that have not realized are transportation service quality and transportation safety. Therefore, the human resources within the agency determine how the agency grows. A common obstacle that occurs, The Transportation Office has extensive work units while the resources are limited. Recruitment of workers with a limited budget, called honorary employees category two, is a way out of the problem. Therefore, there are problems that arise such as the granting of employment status that can have an impact on organizational commitment and also the compensation that under the regional wages. Based on the situation, how does organizational commitment and compensation affect employee motivation and their performance.

2.LITERATURE REVIEW

2.1. Organizational Commitment

Organizational commitment is how individuals favor an organization and its goals and keep to maintain membership in the organization (Robbins and Judge, 2018: 50),. According to Luthans (2010:147), Organizational commitment is an attitude regarding employee loyalty to the organization and continous process where the organization members show their concern for the organization and also for the welfare and organizational success.

2.2. Compensation

According to Rachmawati (2008:146), compensation is rewards such as money, leave, and holiday allowances as a remuneration received by employees from work carried out in the organization. Subekhi (2012:176), compensation is a reward as a return given by the company for employee contributions. Compensation is a reward for services or contributions to the achievement of organizational goals in the form of awards or rewards received directly or indirectly, financially and non-financially, which are fair and appropriate to employees (Marwansyah, 2014: 268).

2.3. Motivation

Motivation is the driving force that results in members of the organization willing to mobilize their energy, time, and ability (expertise or skills) to carry out activities that are their responsibility and fulfill their obligations, in order to achieve the goals and objectives of the organization that have been previously determined (Siagian, 2004: 137). The process that explains the strength, direction, and perseverance of someone in an effort to achieve goals is the definition of motivation (Robbins and Judge, 2017:247). Motivation is the energy or conditions that make employees move themselves who are directed at the achievement of organizational goals (Mangkunegara, 2012: 61).

2.4. Job Performance

Performance is the work result achieved by employees in quality and quantity in carrying out tasks in accordance with the responsibilities given (Mangkunegara, 2012: 9). According to Hasibuan (2002:160), performance is the work result on the effort, skills and opportunities achieved by individuals in carrying out their work. Moeheriono (2012:96) performance is the work result qualitatively or quantitatively achieved by one or a group of individuals in an organization, in accordance with the duties, responsibilities, and authorities of each in an effort to achieve the company's goals. Marwansyah (2014: 229), performance is the achievement of individuals related to the tasks assigned.

3.CONCEPTUAL FRAMEWORK

The purpose of this study was to determine the influence of organizational commitment and compensation on job performance by motivation as

mediating. The conceptual framework showed the direct effect and indirect effect of organizational commitment (X1) and compensation (X2) on job performance (Y) by motivation as an intervening variable (Z).

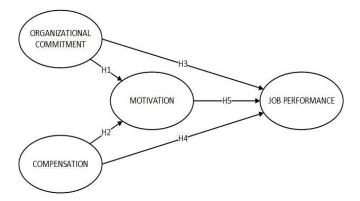


Figure 1: Conceptual Framework of Research

3.RESEARCH HYPOTHESIS

3.1. The Influence of Organizational Commitment on Motivation

Commitment is a group of energetic forces that contribute to motivate the behavior (Sinani, 2016). Commitment reflects how someone's attitude always gives attention to organizational success. Good commitment will increase work motivation. It supported by research conducted by Arifah and Romadhon (2015), and Wahyuni et al. (2014) which stated that organizational commitment has positive and significant influence on motivation of emplyee. It means if employees are highly committed then employees motivation also increase.

H1: Organizational commitment has significant influence on motivation of honorary employee category two at Transportation Office of Pamekasan

3.2. The Influence of Compensation on Motivation

Compensation is one of the factors that can increase employee motivation. Managers can motivate employees easily if the compensation provided is attractive to employees (Hasibuan, 2012: 121). Fair and appropriate compensation given by the companies will make employees more motivated (Edison et al., 2016: 164). The research conducted by Laminingrum (2016), Candradewi and Dewi (2019), Gungor (2011), stated that compensation has posotove and significant influence on motivation. It means high compensation received by employees will have an impact on increasing employee motivation.

H2: Compensation has significant influence on motivation of honorary employee category two at Transportation Office of Pamekasan

3.3. The Influence of Organizational Commitment on Job Performance

Luthans (2010:147) stated that Organizational commitment is an attitude regarding employee loyalty to the organization and a continuous process where members of the organization show their concern for the organizational success. The higher commitment is directly proportional to the high performance so that it will make easier for organization to achieve strategic goals (Edison et al., 2016: 227). Previous research supports this statement, conducted by Thamrin (2012), Utama et al. (2018), and Winarja et al. (2018) stated that organizational commitment has positive and significant on job performance. It means the higher the commitment of employees, their performance will increase.

H3: Organizational commitment has significant influence on job performance of honorary employee category two at Transportation Office of Pamekasan

3.4. The Influence of Compensation on Job Performance

Compensation is anything that is received by employees in return for their work (Handoko, 2010:155). Compensation is explained as an impetus in achieving goals, and impacts on performance improvement (Edison et al., 2016:164). The reasearch conducted by Abadi and Renwarin (2017), Candradewi and Dewi (2019), Gungor (2011), Widayanti et al. (2018), and Widyastuti and Riana (2019) stated that compensation has positive and significant influence on job performance. It means high compensation received by employees, job performance will increase.

H4: Compensation has significant influence on job performance of honorary employee category two at Transportation Office of Pamekasan

3.5. The Influence of Motivation on Job Performance

Employee and organizational goals can be achieved if the enthusiasm and morale of employees is high, which is driven by providing motivation by the leadership so that the work is done optimally (Sunyoto, 2013: 17-18). According to Robbins (1996) in Shaleh (2018: 8), increasing motivation is a technique to improve employee performance. The research conducted by Candradewi and Dewi (2019), Gungor (2011), Taghipour and Dejban (2013), Tanjung et al. (2018), and Utari et al. (2018), stated that motivation has positive and significant influence on job performance. It means the higher employee motivation, the job performance will increase.

H5: Motivation has significant influence on job performance of honorary employee category two at Transportation Office of Pamekasan

4.METHODS

The research is an explanatory reseach that aims to determine the causal relationship between dependent and independent variables. Study population was 155 kategory two honorary employees, 112 sample were determined by simple random sampling technique. Data type is qualitative data which is quantitative. Primary data is used in this study. The data collection method uses a questionnaire. The data obtained were analyzed using Partial Least Square (PLS).

5.RESULT AND DISCUSSION

Hipotesis di uji dengan menggunakan PLS bootstrap agar diperoleh nilai t statistik dengan rincian sebagai berikut.

Corelation	Original Sample	T Statistics	T Table	P Values
Organizational Commitment-> Motivation	0,470	4,432	1,982	0,000
compensation-> Motivation	0,452	3,958	1,982	0,000
Organizational Commitment-> Performance	0,412	6,574	1,982	0,000
compensation-> Performance	0,393	5,692	1,982	0,000
Motivation-> Performance	0,323	3,517	1,982	0,000

Table 1. T Statistics

5.1. The Influence of Organizational Commitment on Motivation

Hypothesis 1, organizational commitment (X1) has positive significant influence on motivation (Z), because the beta coefficient value on original sample of 0,470>0and t-statistic value of 4,432 greater than t-table value of 1,982. Based on the result, hypothesis H0 is rejected and Ha is accepted, it means that the higher organizational commitment will increase motivation of honorary employee category II at Transportation office of Pamekasan.

The dimension of organizational commitment such as affective commitment, continued commitment, and normative commitment get the excellent assesment. It shows that employees will maintain membership at the Pamekasan Transportation Office with two perceptions about the importance of loyalty and the value of the investment they have made over the years. The importance of loyalty to keep working at the office because employees think that people who leave the agency are considered to have no morals or ethics. Employees also think that they are willing to stay in the agency for years, because they have invested their time, energy and thoughts in the interests of the agency. Enough work experience makes honorary employees always involved in activities in the agency. Both of the perspectives and their involvement in agencies make employees able to exert their abilities, energy, time and knowledge to make maximum efforts to improve their performance. Their performance achievements will have an impact on the rewards employees receive and in accordance with their personal goals, thus manifesting in high motivation.

5.2. The Influence of Compensation on Motivation

Hypothesis 2, compensation (X2) has positive significant influence on motivation (Z), because the beta coefficient value on original sample of 0,452>0 and t-statistic value of 3,958 greater than t-table value of 1,982. Based on the result, hypothesis H0 is rejected and Ha is accepted, it means that the higher compensation will increase motivation of honorary employee category II at Transportation office of Pamekasan.

The compensation indicators are salary, incentives, and bonuses. The majority of employees have the perception that the money obtained from agencies is considered sufficient to meet the needs of life. Employees compare the salary is still better when they become honorary employees rather than being freelance workers. The incentives received by employees are obtained if the work unit exceeds the achievement of the target income per day. Targeted income will be submitted to the head office and the remainder will be distributed to honorary employees in the work unit. Employees also get bonuses in the form of extra money if they work outside their working hours. The compensation received by the employee makes the employee highly motivated. They put more effort in doing their tasks so that performance will increase. With high performance, the benefits received by employees can also satisfy them.

5.3. The Influence of Organizational Commitment on Job Performance

Hypothesis 3, organizational commitment (X1) has positive significant influence on job performance (Y), because the beta coefficient value on original sample of 0,412>0 and t-statistic value of 6,574 greather than ttable value of 1,982. Based on the result, hypothesis H0 is rejected and Ha is accepted, it means that the higher organizational commitment will increase job performance of honorary employee category II at Transportation office of Pamekasan.

employees have high organizational commitment because of employee loyalty. Employees show loyalty to the agency because of the mutual relationships. The agency also considers honorary employees as part of the agency. This is seen from the agencies efforts to clarify their employment status so that the policies made later will not complicate employees. On the other hand, they are also not willing if the time and energy they have invested for more than ten years is wasted if they choose to leave the agency. Employees are also always involved in operational activities of the agency, if the role of honorary employees are needed. Their involvement in the agency's operational activities is shown in their presence during working hours. They also complete tasks with operational standards and work together so that they are on time and in accordance with the desired targets of the agency.

5.4. The Influence of Compensation on Job Performance

Hypothesis 4, compensation (X2) has positive significant influence on job performance (Y), because the beta coefficient value on original sample of 0,393>0 and t-statistic value of 5,692 greather than t-table value of 1,982. Based on the result, hypothesis H0 is rejected and Ha is accepted, it means that the higher compensation will increase job performance of honorary employee category II at Transportation office of Pamekasan.

Compensation obtained by Honorary employees has an impact on improving employee performance, seen in

the indicators. The compensation indicators are salary, incentives, and bonuses. The salary given by the Pamekasan Transportation Office is received by employees every month for one million rupiah. Employees also receive additional money if the work unit gets fees that exceed the target. The bonus can be obtained if employees get more work hours. Compensation provided by agency influences honorary employees to have good performance, seen from the execution of tasks in accordance with operational procedures, their presence, ability to work together, accuracy of task completion, and achievement of targets in accordance with the goals of the Pamekasan Transportation Office.

5.5. The Influence of Motivation on Job Performance

Hipotesis 5, motivation (Z) has positive significant influence on job performance (Y), because the beta coefficient value on original sample of 0,323>0 and tstatistic value of 3,517 greather than t-table value of 1,982. Based on the result, hypothesis H0 is rejected and Ha is accepted, it means that the higher motivation will increase job performance of honorary employee category II at Transportation office of Pamekasan.

Employees' perceptions on motivation indicators get very good appraisal. This shows that employees always try to use their abilities and energy so that the desired performance of agencies can be achieved. The higher the effort they give, the greater the completion of their work in accordance with the desired target of the Pamekasan Transportation Office. Their work can also be completed well in accordance with the time determined by the agency because their attendance is according to working hours, the use of operational standards, and supported by their ability to work with colleagues. High performance shown by employees can affect the achievement of desired results that can increase motivation. For example, if employees can complete their tasks well, employees get recognition from superiors. Employee motivation can also increase if the rewards that employees get satisfy the employee's personal goals. The majority of honorary employees think that rewards such as the salary they receive can satisfy their personal goals, because they can meet the necessities of life. This indicates that employees have high motivation which has implications for improving performance.

6.CONCLUSION

The organizational commitment has a positive and significant influence to motivation. Compensation has a positive and significant influence toward motivation. Organizational commitment has a positive and significant influence to job performance. Compensation has a positive and significant influence to job performance. Motivation has a positive and significant influence to job performance.

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