

THE INFLUENCE OF COMPENSATION AND COMMITMENT OF ORGANIZATION TOWARD EMPLOYEES' PERFORMANCE

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ABSTRACT

This study aims to determine the effect of compensation and organizational commitment on employee performance. research shows that: 1) Compensation and Organizational Commitment simultaneously have a significant effect on employee performance, 2) Compensation and Organizational Commitment partially have a significant effect on employee performance, 3) Organizational Commitment Variable is a variable that influences employee performance.

Keyword: compensation, commitment, Employees' Performance

1. INTRODUCTION

In every organization it can be said that one of the important resources is a human who is located as an employee, laborer or worker. It is said to be the most valuable because of all the resources contained in an organization, only human resources have dignity that must be respected and upheld.

Human resources are the most important capital that greatly influences the achievement of company goals, therefore human resources need to be managed properly, and pay enough attention to the workforce, so that employees are involved in operational activities.

company in order to achieve company goals as expected.

In addition, only human resources have the ability to think rationally According to Notoadmojo, (Lolowang et al 2016:177-186). Meanwhile, according to Aurelia, (Istiani 2016: 1) Human Resources are a central factor in managing an organization. Competent human resources with good performance can support business success. On the other hand, incompetent human resources and poor performance are competitive problems that can put the company at a loss. In Human Resource Management there is a main target, namely the company's efforts to improve employee performance. Employee performance needs to be considered in a company or organization to find out whether the employee's work has been carried out properly, namely by evaluating the performance of Mangkunegara employees (Bintari and Budiono 2018: 620). Meanwhile, according to Sikula in Marwansyah (Kharismawati 2018: 5) Human Resource Management is the withdrawal, selection, placement, indoctrination, training and development of human resources in a company. According to Mangkunegara, (Bintari and Budiono 2018: 628) Performance is the work of something that is obtained by an employee both in quality and quantity in carrying out the tasks assigned to him. Besides that, according to Robbins, (Kharismawati 2018: 5) is what has been produced by individual employees. So it can be concluded that performance is something that is produced by individual employees both in quality and quantity in accordance with the responsibilities given. As for measuring employee performance according to Priansa (Theodore and Lilyana 2017: 7), namely: Quality, Quantity, Implementation of tasks, Responsibility. Compensation can affect employee performance.

Employee commitment is something that is better than just passive loyalty but implies an active employee relationship with the company, the willingness of employees to do their job sincerely and well and can be accounted for. Commitment is very important to develop the company and the desire of employees to maintain work performance by trying to work to achieve target realization. Sopiah (2008: 156), argues that employee commitment to the organization as an individual psychological bond to the organization includes work involvement, loyalty and feelings of trust in organizational values.

According to Purwanto (2006:3), communication is a process of exchanging information between individuals through a common system, both symbols, signals and action behavior. Employee communication is very important in an organization that will improve company performance, either directly or indirectly. Communication It is the process of creating information and exchanging messages in relationships networks

that depend on each other to cope with an always-on environment capricious. So in that communication there is a process, and symbols. Meaning or. The meaning of the symbol of course depends on the understanding and perception of communication, so that there is feedback for communication after receiving a message.

The work environment is everything that is around the workers/employees can affect employee job satisfaction in carrying out their work so that maximum work results will be obtained, where in the work environment there are work facilities that support employees in completing assigned tasks to him in order to improve the work of employees in a company. According to Sedarmayanti (2017: 9) what is meant by the work environment is all the tools and materials encountered, the surrounding environment where a person works, his work methods, and work arrangements both as individuals and as a group.

Apart from compensation, another factor that influences performance is organizational commitment. Yousef, (Wartini and Imaniyanti 2016: 190), Organizational Commitment is an important construction that is maintained for years, because organizational commitment is closely related to increased job satisfaction, higher performance, and low levels of absenteeism and turnover intention. Meanwhile, according to Marthis and Jakson (Septiani et al 2016: 99). Organizational Commitment is the level of trust and acceptance of the workforce towards organizational goals and has a desire to remain in the organization. From the definition above, it can be concluded that organizational commitment is the ability and willingness to align personal behavior with the needs, priorities and goals of the organization. Several factors affect Organizational Commitment According to Heidjrachman and Husman (Kertiasih 2016:14), namely: Discipline, Attendance, Cooperation, Satisfaction. Performance is the basis for achieving an organizational goal. The success of an organization in improving its performance is very dependent on the quality of the human resources concerned in working while in the organization.

2. RESEARCH METHOD

This research was conducted using a qualitative approach with data collection techniques through observation, interviews and documentation studies. Data collection techniques are carried out by: 1). Library Studies (Library Research), 2). Field Studies (Field Research) consisting of observations (observations), interviews (interviews) and documentation. Interviews were conducted in a structured and unstructured manner. The informants of this study are Division Heads and Divisional Staff who are at the Corporate Secretary & Strategic Planning.

3. RESULTS AND DISCUSSION

Definition of Compensation

In general, the notion of compensation is anything that is received by someone, whether physical or non-physical and must be calculated and then given to someone. Compensation is a natural thing that usually happens in a company to reward their employees. Compensation is similar to rewards. But in the world of work or business, compensation is more often seen in the form of salary and/or benefits. Usually related to appreciation for employees who have supported business development in a positive and sustainable manner. For example, when you are surfing for information on job search sites, recruiters from a company offer many benefits to their prospective workers if they are accepted to work later. Things that are included outside of the basic salary such as free parking, health insurance, or others can be included in compensation. This compensation is an attraction that is highlighted by companies in looking for new job candidates in order to attract qualified job seekers.

Ariandi (2018) says that the notion of compensation is all the rewards that employees receive for their hard work for the company/organization. Compensation can be physical or non-physical and must be calculated and then given to employees in accordance with the sacrifices they have made to the company/organization where they work. Handoko (2017) says that the notion of compensation is everything received by employees as remuneration. Husein Umar (2002) argues that the notion of compensation is the sharing of things that an employee receives, whether in the form of salaries, wages, incentives, insurance, bonuses, and the like which are paid directly by the company. Dessler (2012) says that the notion of compensation is any form of appreciation given to employees as a contribution or remuneration they provide to the organization.

Compensation Indicator

Compensation Indicators According to Afandi (2018: 194) suggests that compensation indicators include: 1. Wages and Salaries Wages are usually related to hourly salary rates. Wages are the most frequently used pay base for production and maintenance workers. Salary generally applies to a weekly,

monthly, or yearly pay rate. 2. Incentives Incentives are additional compensation above or beyond the salary or wages provided by the organization. 3. Benefits Examples of benefits are health and life insurance, vacations paid by the organization, pension plans, and other benefits related to employment relationships. 4. Facilities Examples of facilities are enjoyment/facilities such as organizational cars, club memberships, special parking spaces, or access to organizational aircraft that are obtained by employees. Facilities can represent a substantial amount of compensation, especially for highly paid executives. Based on the above opinion, it is concluded that the indicators used to measure employee compensation in the organization are wages and salaries, incentives, benefits, and facilities.

Definition of Commitment

Commitment is a word that a lot of people talk about. However, not everyone who says it understands the meaning of the word. Commitment is a word that is easy to say but hard to put into practice. As previously mentioned, commitment is an attachment to doing something. This can be an attachment to oneself or others to do something. Commitment is a word that often appears when someone wants to have a serious relationship, when doing work, to commit themselves to do something, for example regular exercise, and so on.

According to John Mayer and Natalie (Wibowo 2016) argued that commitment is an individual condition in which individuals become bound by their actions. Through this action will generate beliefs that support the activity and involvement. According to Mathis and Jackson (2001) in Busro (2018: 71), organizational commitment is the level of trust and acceptance of the workforce towards organizational goals and has a desire to remain in the organization.

Organizational Commitment Indicator

The Organizational Commitment Indicator in Busro (2018: 86) states that:

1. Indicators of Affective Commitment include: Strong belief in and acceptance of organizational values and goals, loyalty to the organization, and willingness to use efforts for the benefit of the organization.
2. Continuous Commitment indicators include: Calculating the benefits of continuing to work in the organization, calculating the losses if leaving the organization.
3. Indicators of Normative Commitment include: Willingness to work and responsibility for advancing the organization.

There are also those who put forward Organizational Commitment Indicators in general, namely according to Shaleh (2018: 51) that organizational commitment has three indicators, namely as follows:

1. There is a willingness of employees, where there is a desire of employees to try to achieve the interests of the organization.
2. There is employee loyalty, in which employees wish to maintain their membership to continue to be a part of the organization.
3. The existence of employee pride in the organization, marked by employees feeling proud to have been part of the organization they participate in and feel that the organization has become a part of their life.

4. CONCLUSION

The conclusion from this research is that in every organization it can be said that one of the important resources is human beings who are located as employees, laborers or workers. It is said to be the most valuable because of all the resources contained in an organization, only human resources have dignity that must be respected and upheld. The success of an organization in improving its performance is very dependent on the quality of the human resources concerned in working while in the organization.

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