

Work Motivation, Job Satisfaction and it's Effect toward Organizational Commitment to Honorary Employees (Contract Employees) at PT X

Azizah Anshori, Fendy Suhariadi and Samian
Faculty of Psychology, Universitas Airlangga, Surabaya, East Java, Indonesia

Keywords: Work Motivation, Job Satisfaction, Organizational Commitment, Honorary Employee, Contract Employees.

Abstract: This study aims to determine whether there is any effect method of work motivation and job satisfaction toward organizational commitment and honorary employees at PT X. Every organization always has a certain goal to obtain. One of the important things in achieving the goal is a strong and good human resource department. The Employees commitment is one of the keys for organization and productivity in order to face the competition, with 60 people as a subject consisting of 54 men and 6 women. The questionnaire used were 30 item of work motivation by Tan and Waheed (2011), 36 items of job satisfaction by Spector (1994) and 24 items of organizational commitment by Allen&Meyer (1991). Based on the result obtained, among work motivation, job satisfaction and organizational commitment indicates that work motivation and job satisfaction jointly had a significant effect on organizational commitment.

1 INTRODUCTION

Each established organization has a purpose described in its vision and mission. To help organization achieving their goals, it requires adequate human resources (HR) support. According to Arthur (1994) the success of the organization is influenced by the role of HR management. Regardless of the organization progress, it would be useless if there were no human resources support.

In the face of the competition, employee commitment is one of the keys to success (Barney, 1991). Commitment is a willingness to strive for the success of the organization as well as the individual. Commitment is demonstrated by a strong attitude of acceptance and confidence in the values and goals of the organization. Organizational commitment can be gained by working diligence, aligning personal life with work, promotion, and fairness. Organizations must continually strive to increase organizational commitment (Peter and Crawford, 1999).

Strong commitment, demonstrated by the decline in work-transfer behavior such as low employee turn-over, is of great value for the company or organization (low turnover). According to Raharjo (2009) commitment is one of the important variables, because it has the power to influence employee behavior.

Job satisfaction is one factor that can affect the entire company. Employees, who are satisfied with their work and work environment and feel engaged with the company's activities, will have a high commitment (Hodge & Anthony, 1988). Job satisfaction is an attitude that is a reflection of various aspects. Simply put, job satisfaction can be interpreted as the amount of employees like to their work (Spector, 2000).

The commitment of one's organization is closely related to perceived job satisfaction. Commitment and job satisfaction can be identified as an accumulation of interaction results that occur continuously between the person work and environment where they work. Employees who are environment satisfied with their work will have higher productivity rate. Motivation plays a very important role in encouraging employee job satisfaction (Pullins et al 2000).

Since the enactment of the labour law Number 13 of 2003, Indonesia has legalized the contract labour system, both carried out by local, foreign and private companies as well as government-owned companies. The phenomenon of contract workers is increasingly being chosen as an alternative to getting a cheap, fast and lower risk workforce. In contrast to permanent employees, honorary employees do not get benefits or severance payments from the

company even though the workload obtained is the same or even heavier than permanent employees.

The system of using honorary employees is considered to be quite profitable for the company, because of the above, the company will get a fast, cheap and minimal risk workforce. The company does not need to worry about career systems, payroll, retirement / severance pay and so on related to HR management. Honorary employees who are not in accordance with the company's target can also be replaced after the contract is over and the company will easily get a replacement from the labour provider company. Even though the contract employee system will benefit the company, this system can harm honorary employees. It is because of the absence of a clear career paths as well as their salary paid by the user company is sometimes unilaterally deducted by the parent company or labour service provider.

Differences in conditions experienced by contract and permanent employees, can affect the level of commitment. Permanent employees can work by using the facility without a burden to be dismissed, whereas contract employees have a greater risk of being terminated by the company. They (honorary employees) also get less convenience, benefits and compensation from the company. This uncertainty causes honorary employees to feel uncomfortable and leads to less than optimal work output.

2 LITERATURE REVIEW

2.1 Job Motivation, Job Satisfaction and Organizational Commitment.

Motivation is a process that determines the intensity, direction, and perseverance of the individual in an effort to achieve the goal (Robbins, 2006: 213) motivation is a process that generates, directs and maintains or maintains human behavior towards the company goal in order to be directed the goal (Greenberg and Baron, 1997). Based on the previous definition, then the motivation of work is the driving force or the power to do a business that is directed to the behavior that involves them with the job. Motivation of work is an effort that can lead to a behavior, direct behavior, and maintain or maintain behavior in accordance with the work environment of an organization.

When a person feels high satisfaction, he or she will be positive, but on the contrary if they feel unhappy or dissatisfied, they tend to show a negative

attitude toward the job (Robbins, 2006). Job satisfaction generally refers to an employee's attitude which is a relish or relative feeling that is usually relative to their objective thinking and behavior. Job satisfaction is the result of an employee's assessment of various aspects of their work. The result of the assessment is a satisfied and dissatisfied attitude. The degree of satisfaction can be from very satisfied to very dissatisfied.

Organizational commitment is demonstrated by loyalty and self-identification in the organization or company. Organizational commitment can be summed up as a person's desire to settle down with the organization, trust and accept the values and objectives of the organization and be willing to make the best effort possible for the company. There are three component models of commitment that are characteristic of workers' commitment to the organization, namely: Affective Commitment, Continuance Commitment, and Normative Commitment (Meyer and Allen, 2007).

2.2 Relationship among Motivation, Job Satisfaction and Organizational Commitment

Motivation is able to encourage employee job satisfaction (Pullins et al 2000). Good commitment will drive performance, which in turn will increase job satisfaction (Peter & Crawford, 1999). Job satisfaction is mostly associated with achievement and turn over. Job satisfaction is one factor that can affect the commitment of productivity. Employees, who are satisfied with their work and work environment, feel engaged with company activities, will have high commitment (Hodge, Anthony & Gales, 2003).

The result of the previous research showed that work motivation has positive effect and job satisfaction have positive effect on organizational commitment, either partially or simultaneously (Low, 2000, Hidayat, 2005, Chandraningtyas, et al., Kris, 2009, Windra, 2012, Tania and Sutanto, 2013.

3 METHODOLOGY

This research used quantitative approach, with multiple regression model. The subject of the research was honorary employee at PT.X with 62 samples. The level of education was from high school (SMA) to bachelor (S1). The collected data was by 3 questionnaire instruments. The first work

motivation questionnaire adapted from Tan and Waheed (2011) as much as 30 items. Second, a job satisfaction questionnaire that was adapted from Paul (1994) totaled 36 items. The three organizational commitment questionnaires from Meyer and Allen's (1997) were 24 items.

4 RESEARCH RESULT

The results of descriptive analysis, showing all data, 60 valid, no data lost. These apply to all research variables. Standard deviation below means no outlier data. The significant level in this research is 5%.

Table 1: Descriptive statistics.

		Motivation	Satisfaction	Commitment
No	Valid	60	60	60
	Missing	0	0	0
Mean		115.016	112.733	76.783
Std. Error of Mean		1.439	1.182	.850
Std. Deviation		11.153	9.157	6.584
Variance		124.390	83.860	43.359
Skewness		.685	-.575	.791
Std. Error of Skewness		.309	.309	.309
Kurtosis		.827	1.242	1.002
Std. Error of Kurtosis		.608	.608	.608
Range		53	49	32
Minimum		93	84	64
Maximum		146	133	96
Sum		6901	6764	4607

The value of F the organization's commitment is 16.397 with a significance of 0.000. It means that work motivation and job satisfaction simultaneously have a significant effect on organizational commitment.

Table 2: ANOVA^b.

Model	Sum of Squares	f	Mean Square	F	Sig.
Regression	1930.374	2	965.187	16.387	.000 ^a
Residual	5124.348	87	58.901		
Total	7054.722	89			

- a. Predictors: (Constant), SATISFACTION, MOTIVATION
- b. Dependent Variable: COMMITMENT

In regression analysis and partial test of each independent variable to the dependent variable, it was found that work motivation significantly influenced organizational commitment with β coefficient of 0.364, t-value 2.96 and significance level 0.004. Job satisfaction has a significant effect on organizational commitment with β coefficient of 0.060, t-value .488, and significance level of .627.

Table 3: Coefficients^a.

Model	Unstd Coefficients		Stndr Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	47.181	12.840		3.675	.001
MTV	.215	.073	.364	2.960	.004
STF	.043	.088	.060	.488	.627

- a. Dependent Variable: COMMITMENT

Based on the results of F test and ANOVA test depict that work motivation and job satisfaction simultaneously have positive effect to organizational commitment. The results of this research supported the results of previous research conducted by Low (2000), Hidayat (2005), Chandraningtyas, et. al (2007), Kris (2009), Windra (2012), and Tania & Sutanto (2013). In his research, Low used 4 variables of motivation, job satisfaction, organizational commitment and intention to leave. Motivation is able to encourage employee job satisfaction (Pullins et al 2000). Good commitment will drive performance which in turn will increase job satisfaction (Peter & Crawford, 1999). Job satisfaction is mostly associated with achievement and turn over. Job satisfaction is one factor that can affect the commitment of productivity. Employees, who are satisfied with their work and work environment, feel engaged with company activities, will have high commitment (Hodge, Anthony & Gales, 2003)

5 CONCLUSIONS

The results showed that the motivation of work and job satisfaction affect the commitment of honorary

employee organization at PT. X. It means that employee motivation and employee satisfaction in work can influence level of employee commitment to company as well as the companies' success and productivity level. The drive of wages and incentives can be one of the factors that affect satisfaction and increase employee motivation in work. Social impulse in the form of a good friendship relationship between colleagues can also help employees to improve motivation and satisfaction in work that will help improving the company's commitment and long-term goal.

REFERENCES

- Arthur, J.B, 1994, "Pengaruh dari Sistem Sumber Daya Manusia terhadap Kinerja Produksi dan Perputaran", *Academy of Management Journal*, 37:p 670-687.
- Barney, J.B, 1991,"Firm Resources and Sustained Competitive Advantage", *Journal Management*, Vol. 17, No. 1, p.99-120.
- Chandraningtyas, Iva. M.Al Musadieq, Hamidah Nayati Utami, 2007. "Pengaruh Kepuasan Kerja dan Motivasi Kerja terhadap Kinerja Karyawan Melalui Komitmen Organisasional, (Studi pada karyawan PT. Kusuma Karya Persada yang *outsourcing* di PT. Sasa Inti Problinggo), *Jurnal Pofit*. Vol. 6, No. 2, p.32-43
- Greenberg, Jerald and Robert A. Baron. 1997. Behavior in Organizations: Understanding and Managing The Human Side of Work. New Jersey: Prentice Hall
- Hidayat, 2005. "Pengaruh Motivasi terhadap Kinerja Karyawan dengan Variabel Moderator Etos Kerja Spiritual", *Disertasi*, Surabaya: Pascasarjana Universitas Airlangga
- Hodge, BJ, William P. Anthony, Lawrence M. Gales, 2003. Organization Theory: A Strategic Approach, 6th Edition, Florida: Pearson
- Kris, Eva Diana Devi, 2009. "Analisis Pengaruh Kepuasan Kerja dan Motivasi terhadap Kinerja Karyawan dengan Komitmen Organisasional sebagai variabel moderator", Tesis, Semarang: Universitas Diponegoro.
- Low, George S. 2000, "Antecedents and Consequences of Salesperson Burnout", *European Journal of Marketing*, Vol.35 No.5/6 p.587-611.
- Meyer and Allen, 2007. Meyer and Allen Model of Organizational Commitment: Measurement Issues. https://www.researchgate.net/publication/228467099_Meyer_and_Allen_Model_of_Organizational_Commitment_Measurement_Issues. January, 2007
- Meyer, J., Stanley, D., Herscovitch, L., Topomytsky, L.2002. Affective, Continuance and Normatif Commitment to the Organization : A Meta-analysis of Antecedents , Correlates, and Consequences. *Journal of Vocational Behaviour*, Volume 61, 20-52.
- Peter, Lok and John Crawford. 1999. "The relationship between commitment and organizational culture, subculture, leadership style and job satisfaction in organizational change and development". *Leadership & Organization Development Journal* 20/7. Sidney: MCB University Press.
- Pullins, Ellen Bolman, Curtis P. Haugtvedt, Peter R. Dickson, Leslie M. Fine, Roy J. Lewicki, (2000), "Individual differences in Intrinsic Motivation and the Use of Cooperative Negotiation Tactics", *The Journal of Business & Industrial Marketing*, Vol. 15 No.7, pp.466-478.
- Robbins, P. Stephen. 2006. *Organizational Behavior*, 10th Edition, New Jersey; Prentice Hall.
- Spector, Paul E. (1994). *Job Satisfaction Survey*. Department of Psychology. University of South Florida.
- Tan, Teck, Hong, Waheed, Amna, 2011. Herzberg's motivation-hygiene theory and job satisfaction in the Malaysia retail sector: the mediating effect of love of money. *Asian Academy of Management Journal*, Vol. 16, No. 1, 73–94, January 2011.
- Tania, Anastasia dan Eddy M. Sutanto, 2013. "Pengaruh Motivasi Kerja dan Kepuasan Kerja terhadap Komitmen Organisasional Karyawan PT Dai Knife Di Surabaya. *Agora*, Vol. 1, No. 3, <http://repository.petra.ac.id/16260/1>
- Windra, Haryanto Mai, 2012. "Analisis Pengaruh Motivasi, Komitmen Organisasi dan Kepuasan Kerja terhadap Kinerja Karyawan (Studi Kasus PT Bank DKI)". Tesis, Bogor: Institut Pertanian Bogor.