Organizational Commitment And Employee Performance At Distributor Companies

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ABSTRACT

This research was conducted in Jakarta which aims to see the extent to which the consequences that will be caused by job satisfaction and organizational commitment to employee performance. The design of this research is to use a survey method by collecting cross-section data through a questionnaire. The number of respondents used as samples in this study, is as many as 120 employees who work in a Public Distribution company located in DKI Jakarta Province with a simple random sampling method. The data analysis method used in is Structural Equation Modeling (SEM) used for the design analyzes the data in testing the research hypothesis. The results of the study provide evidence that job satisfaction possessed by employees influences positively and significantly and can increase organizational commitment, high job satisfaction also impacts the high achievement of employee performance, then high organizational commitment turns out to have a positive and significant effect on employee performance.

Keywords: Job satisfaction; organizational commitment; and employee performance.
INTRODUCTION

At present there are 1,153 chicken poultry slaughterhouses (TPA) and 219 chicken poultry shelters (TpnA) or scattered in several locations and 5 regions with supply of stocks and supplies supplied in to DKI area is as much as 700,000 head / day and with a stock capacity that can be accommodated at 452,460 head / day. The birds will be distributed to consumers allocated according to the wishes and demands of consumers, the distribution of which is 80 percent in the form of live spider, and 20 percent or around 200 tons / day of portion distributed in frozen poultry form which is generally distributed to supermarkets and restaurants (Mariam, 2016).

The areas in DKI Jakarta Province which are the locations or centers of TPA and TpnA are located around Cempaka Putih (for the Central Jakarta area), Pulo Gadung, Matraman, Cakung, Jatinegara (for the East Jakarta area), and Kemayoran (for the Central Jakarta area). In addition to these areas, TPA and TpnA are also scattered in Tanang Abang, Menteng, Gambir, Senen locations (for the Central Jakarta area), Pasar Rebo, Kramat Jati (for East Jakarta), Kalideres, Cengkareng, Grogol, Petamburan, Palmerah (for Jakarta Barat), Pesanggrahan, Kebayoran Lama, Pasar Minggu, Pancoran, Tebet (for the area of South Jakarta), and for the area around North Jakarta in Pademangan, Tanjung Priok, Kelapa Gading, Cilincing (Data Center and Agricultural Information System (PDSIP), Secretariat General of the Ministry of Agriculture, 2016).

TPA and TpnA businesses are businesses that are interrelated and need each other. So the distance between the landfill location and the market and landfill with TpnA will certainly greatly affect the smooth running of the business. The distance of landfill with a market of less than 1 km is considered to be in a reasonable state (Ramli, 2012b; Ramli & Sjahruddin, 2015). However, if the distance is more than 1 km is a distance that is less conducive for the cutter and carcass itself. In addition to having to allocate a portion of the funds for transportation, it is likely that the level of freshness of the marketed carcass will decrease. No different from TPA, the entrepreneurs who build TpnA are mostly old players. According to survey data it was found that 38% started their business in the 2000s, 34% started businesses in the 1980s, the rest started businesses before the 1980s and after 2009. From these data it can be concluded that most TPA and TpA entrepreneurs are old people who have pursue the business well (Mariam, 2016).
Although the poultry distribution business is carried out by the average businessman who has long been active in this business, from the interviews with several owners, employees and leaders of poultry distributor companies in 2017, it shows that some of these companies are very conventional and very informal. Especially in the management of human resource management (HR) who work as employees in most of the distributor companies. HR management practices such as recruitment, training and development, compensation, performance evaluation and career development of its employees are still very conventional and not regulated in accordance with formal HR management, as is done by modern and advanced business today.

This certainly makes it difficult for companies to manage their workforce, especially in improving employee performance to improve company performance even better (Ramli, 2013; Ramli, 2016a). Recommendations from the results of research conducted by Mariam and Ramli (2017) to the leaders of poultry distributor companies in DKI Jakarta province are that Satisfaction work that must be considered more in the management of its HR, especially in providing freedom and openness to receive complaints from employees. According to Sinulingga & Aseanty (2017), one way to find out what is needed and expected by employees is to know the level of job satisfaction. So that the business environment in the company can also significantly improve the performance of the company (Ramli, 2016b).

Masihabadi, et al. (2015), explained that in order to achieve organizational goals, the company must manage its human resource management well, and what needs to be maintained is the extent of employee job satisfaction by identifying their needs, desires and making appropriate policies to coordinate the work goals of each individual with organizational goals as an important step towards efficiency and effectiveness of organizational performance (Ramli, 2017).

According to Hasibuan (2014), job satisfaction is a key driver of employee work performance in supporting the realization of company goals, namely the achievement of company performance. Job satisfaction describes an employee’s feelings towards his job, this can be seen from the employee’s positive attitude towards his work which is a result of evaluating his characteristics (Robbins & Judge, 2017). Job satisfaction is considered important because when the employee is satisfied with his job, then satisfaction can affect the overall running of the company (Puteri & Ramli, 2017). This is
in accordance with the research of Mersi & Koeshartono (2014) which explains that if the employee's needs are well met by the company, his satisfaction will increase.

Job satisfaction in a certain degree is an analogy of customer satisfaction which is the attitude of employees in assessing their work. When an employee makes a comparison between the income received is greater than the expected income, it can be said that the job satisfaction gained is greater (Widnyantara & Ardana, 2015). Employees who are satisfied with their work look healthier, easier and faster in learning new jobs, lower workplace accidents, rarely complain and have low stress levels (Manurung & Ratnawati, 2012).

With the fulfillment of the needs and expectations of employees, there will be a feeling of satisfaction which in turn will arise an attitude of commitment to employees of the company. Organizational commitment is needed on every employee in a company because with the organizational commitment to each employee (Ramli, 2010; Ramli, 2012a), employees will be more enthusiastic to advance the company (Meyer & Allen, 1997). Organizational commitment reflects the level of trust and acceptance of labor towards company goals and has the desire to remain in the company (Mersi & Koeshartono, 2014). Employees who have organizational commitment are more responsible in carrying out their work. And if an employee has organizational commitment save confidence in the company's goals, the desire to keep working as long as possible and become an organ part of the organization or company (Ni, Yin, Yee, Sin, Ling, 2011).

This opinion confirms the findings that explain that job satisfaction remains a very effective structure construction associated with various employee behaviors that are often carried out in the workplace to support work performance (Judge, Thoresen, Bono, & Patton, 2001), and their strong relationship with commitment organization as a related part in upholding employee performance achievement (Meyer, Stanley, Herscovitch, & Topolnytsky, 2002).

Therefore, so the authors are interested in examining how HR management practices in poultry distributor companies in DKI Jakarta Province, because it is still very conventional and informal management of employee performance in this type of business.
LITERATURE REVIEW

Effect of Job Satisfaction on Organizational Commitments

Puspitawati & Riana (2014) conducted a test on organizational commitment to Bali Hyat Hotel employees, the result was a positive and significant effect of job satisfaction on organizational commitment. Furthermore, Ismail & Razak (2016) explained that when employees are satisfied in their work intrinsically or extrinsically from their work conditions it can lead to greater organizational commitment.

Kell & Motowidlo (2012) states that job satisfaction and organizational commitment are attitudes that determine certain behaviors. The perception that employees feel about their work is called job satisfaction. If the perception is positive then he will feel job satisfaction, conversely if his perception is negative then he will feel job dissatisfaction. Meanwhile, organizational commitment is a condition of someone who sided with a particular organization and the purpose and desire to maintain membership in the organization (Bryan, Karlan, & Nelson, 2010).

Many previous studies tried to examine the relationship of job satisfaction and commitment of Puspitawati & Riana (2014) organization to 166 respondents of Bali Hotel Hyat employees, Ismail & Razak (2016) to 100 respondents from employees of Fire and Rescue Department Malaysia, and Hsiao, Chang, & Tu (2012) of 300 respondents who are employees of one of the largest cellphone component manufacturing companies in Taiwan.

Puspitawati & Riana (2014) explained that job satisfaction is an antecedent of organizational commitment and has a positive correlation. Job satisfaction is measured by workload, promotion, supervisors, and coworkers. The results of the study show that the five indicators of employee job satisfaction have been carried out perfectly and contributed greatly to organizational commitment. Employees assess that both managers, colleagues and opportunities for employee promotion all go well. Ismail & Razak (2016) states that job satisfaction reflects employees' feelings about their work and is committed to the organization.

In the Ismail & Razak (2016) study, an employee's satisfaction is divided into two types based on the source, namely intrinsic satisfaction and extrinsic satisfaction. Intrinsic satisfaction is a situation when an employee accepts job satisfaction that comes from internal work factors, such as motivational factors (recognition, achievement,
opportunity to use and develop capacity, progress and responsibility). While extrinsic satisfaction, also called cleanliness factor, is satisfaction derived from compensation, interpersonal relations, supervision, policy and administration, safety and health, opportunities to continue to grow, social integration, and so on. Hsiao, Chang, & Tu (2012) also display the same results, namely commitment is a consequence of job satisfaction and has a positive relationship.

Previous research provides evidence that job satisfaction is an antecedent to organizational commitment as a result in several companies tested in Bali, Malaysia, and Taiwan (Ismail & Razak 2016; Puspitawati & Riana, 2014), so it can be concluded from this finding that job satisfaction has a positive effect and significant to organizational commitment. Based on these empirical evidence, the hypothesis is proposed as follows:

**H1:** *Job satisfaction has a positive and significant effect on organizational commitment.*

**Effect of job satisfaction on employee performance**

Employees who have a high level of job satisfaction, will have good employee performance (Sinulingga and Aseanty, 2017). Research conducted by Fontannaz and Oosthuizen (2007) and Yang and Hwang (2014) have tried to test the effect of job satisfaction on employee performance whose findings actually show that organizational performance is an element that will be collectively born from the achievement of the performance of each employee. And to become a company whose business is successful, the organization must ensure job satisfaction is fulfilled among its workers (Markovits et al., 2014). According to Robbins, (2003) if we can find out the causal relationship between employee performance achievement and organizational performance, it will be able to help managers direct the limited organizational resources in the right direction, namely the cause of increased employee performance, so that organizations with more labor will satisfied and more efficient.

Previous research has provided data and the fact that functional significance and positive satisfaction with employee performance. This result is evidenced by findings from Iqbal et al., (2012), Sinulingga and Aseanty (2017), Mai Ngoc Khuong and Vu Hai Yen, (2016) and on the research conducted by Edi Suryanto, Leonardo Budi Hasiolan, and Azis Fathoni, (2015), as well as Putri and Ramli (2017). Based on these empirical evidence, the following hypothesis was proposed:

**H2:** *Job satisfaction has a positive and significant effect on employee performance.*
Effect of organizational commitment on employee performance

An individual or employee who has determined and committed effectively to an organization will mobilize all the power and high-level efforts that they have so that it will produce a positive reaction such as achieving work performance as an employee (Ahmad, et al., 2016). According to Yousef, (2016) organizational commitment is an antecedent that can function to determine job performance. While Jarmillo et al. (2005) states that organizational commitment has a positive correlation with overall job performance. The same idea is supported by Sharma & Dhar (2016). Research conducted by Barrick, Stewart, Piotrowski, (2002), confirms the opinion of Judge (2001), which explains and establishes a positive relationship and a direct impact between organizational commitment and employee performance. Research conducted by Jaramillo et al., (2007) shows that organizational commitment has a significant and positive influence on employee performance. Likewise, Jamal (2011) shows that organizational commitment has a significant effect on employee performance. Based on these empirical evidence, it is proposed hypothesis as follows:

H3: Organizational commitment has a positive and significant effect on employee performance.

RESEARCH METHODS

The research design uses quantitative methods to determine the effect of job satisfaction on organizational commitment and employee performance on poultry distributors in the DKI Jakarta Province, then confirms the conclusion to reject or accept the theory and the results of previous studies. Data analysis methods used in hypothesis testing are Structural Equation Modeling (SEM) uses a Self Least Square (PLS) tool.

The indicators used to measure the variable job satisfaction are those developed by Munandar, (2010). The indicators used to measure organizational commitment are those described by Kreitner & Kinicki, (2014). And the indicators used to measure employee performance are those built by Fogarty, et al. (2000). The population in this study were employees of poultry distributor companies located in DKI Jakarta Province with more than 2000 people. As for the number of samples used in this study were 120 respondents, the sampling method used the theory recommended by Hair et al. (2010). That for a population that is not known for certain amounts, the minimum number of
samples is five times the number of indicators. In this research 21 indicators were used. Then the minimum number of samples was \(21 \times 5 = 110\). So the number of respondents in this study was 120, meeting the minimum sample limit.

Data collection by distributing questionnaires. After the questionnaire was distributed to respondents, then the data quality test was carried out. The results of testing the instrument validity of job satisfaction variables are in table 1 below:

**Table 1**: Variable Validity Test Results for Job Satisfaction

<table>
<thead>
<tr>
<th>INSTRUMENT NUMBER</th>
<th>r COUNT</th>
<th>INSTRUMENT NUMBER</th>
<th>r COUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.44</td>
<td>6</td>
<td>0.80</td>
</tr>
<tr>
<td>2</td>
<td>0.63</td>
<td>7</td>
<td>0.54</td>
</tr>
<tr>
<td>3</td>
<td>0.57</td>
<td>8</td>
<td>0.38</td>
</tr>
<tr>
<td>4</td>
<td>0.67</td>
<td>9</td>
<td>0.40</td>
</tr>
<tr>
<td>5</td>
<td>0.73</td>
<td>10</td>
<td>0.56</td>
</tr>
</tbody>
</table>

*Source*: Results of data processing (SPSS)

Table 1 above shows that all instruments in the job satisfaction variable are valid. This is because the calculated \(r\) value is greater than \(r_{table} 0.23\) (Sugiyono, 2013). The results of this validity test show that all instruments are the right instruments.

**Table 2**: Variable Validity Test Results Organizational Commitment

<table>
<thead>
<tr>
<th>INSTRUMENT NUMBER</th>
<th>r COUNT</th>
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<th>r COUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.44</td>
<td>4</td>
<td>0.80</td>
</tr>
<tr>
<td>2</td>
<td>0.63</td>
<td>5</td>
<td>0.54</td>
</tr>
<tr>
<td>3</td>
<td>0.57</td>
<td>6</td>
<td>0.38</td>
</tr>
</tbody>
</table>

*Source*: Results of data processing (SPSS)

From table 2 we can know that all instruments in the organizational commitment variable are valid, this is because \(r_{count}\) compared to \(r_{table} 0.23\) (Sugiyono, 2013). This shows that all instruments are appropriate instruments for measuring
organizational commitment variables. Next to find out the validity of the turnover intention variable is in table 3 below

Table 3: Validity Test Results of Employee Performance Variables

<table>
<thead>
<tr>
<th>INSTRUMENT NUMBER</th>
<th>r</th>
<th>COUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>0.44</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>0.63</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>0.57</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>0.8</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>0.545</td>
<td></td>
</tr>
</tbody>
</table>

Source: Results of data processing (SPSS)

Based on table 3, all instruments in the turnover intention variable are valid, this is because r table 0.23 is smaller than the calculated r value (Sugiyono, 2013). The results of this validity test show that all instruments are the right instruments to measure the variable turnover intention.

Next is the reliability test, the results of the reliability tests of the three variables are as follows:

Table 4: Instrument Reliability Test Results

<table>
<thead>
<tr>
<th>Variable</th>
<th>N of Item</th>
<th>Cronbach's Alpha</th>
<th>Cronbach's Alpha Standardized</th>
<th>Based Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job satisfaction</td>
<td>0.78</td>
<td>0.89</td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>Organizational commitment</td>
<td>0.83</td>
<td>0.87</td>
<td></td>
<td>6</td>
</tr>
<tr>
<td>Kinerja karyawan</td>
<td>0.85</td>
<td>0.76</td>
<td></td>
<td>5</td>
</tr>
</tbody>
</table>

Source: Results of data processing (SPSS)
These three variables are reliable, because Cronbach's alpha value is above 0.7 (Sugiyono, 2013).

**RESULTS AND DISCUSSION**

Testing of the proposed hypothesis is done using Structural Equation Modeling (SEM) with the help of PLS software. Hypothesis test decision making is to look at the results of t-value, where if the value is positive it means that the variable has a positive effect, while to see its significance is to refer to the t-statistic value between variables, if the t value obtained is greater than t-table amounting to 1.96, meaning that the effect is significant (Hair, et al. 2010). The results of this study, can be seen in the table below:

**Table 5: Hypothesis Test Results**

| Variables                        | T Statistics (|O/STERR|) |
|----------------------------------|--------------|
| Job satisfaction -> Organizational commitment | 2.6189       |
| Job satisfaction -> Employee performance | 2.7432       |
| Organizational commitment -> Employee performance | 2.3591       |

Source: PLS Data Results, 2017

In the table above shows that all the influence between one variable to another variable shows positive values, including:

- Effect of job satisfaction on organizational commitment is positive and significant because the value of t-value is 2.6189 which means positive and significant because it is greater than the t-table of 1.96.
- The effect of job satisfaction on employee performance is positive and significant because the t-value is 2.7432 which means positive and significant because it is greater than t-table of 1.96.
- Effect of employee performance on organizational commitment is positive and significant because the value of t-value is 2.3591 which means positive and significant because it is smaller than t-table of 1.96.
CONCLUSION

The conclusions of this study are formulated based on the results of hypothesis testing, namely:

**Job satisfaction has a positive and significant effect on organizational commitment.**

These results indicate that if the organization wants to get employee commitment to the company, then one of the things that must be done is to pay attention to the job satisfaction of its employees. With high organizational commitment, it will make employees work hard and seriously to improve their performance and ultimately will have an impact on improving the performance of the company.

**Job satisfaction has a positive and significant effect on employee performance.**

By looking at the results of the data shows that this influence is the highest of the other three hypotheses, the company must make job satisfaction for these employees as the main preference and the highest concern for leaders to increase employee performance.

**Organizational commitment has a positive and significant effect on employee performance.**

These results indicate that even if it is not the top priority, because the effect is the smallest among existing hypotheses, but this study proves that companies that always try to pay attention to organizational commitment held by their employees, will be able to enjoy employee performance as expected by the organization or company.

REFERENCES


Psychology, 87(1), 43.


