THE EFFECT OF EMPLOYEES SATISFACTION ON EMPLOYEE PERFORMANCE THROUGH ORGANIZATIONAL COMMITMENT

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ABSTRACT
This study purpose is to analyze the effect of job satisfaction and organizational commitment on performance. This research uses quantitative approach with explanatory research type where the aim is to test between hypothesized variables. This research has hypothesis that will be tested the truth. Samples are 86 respondents. Data is collected by questionnaires and documentation. The data is analyzed by Partial Least Square (PLS). The research result indicates that job satisfaction has direct effect on employee performance at PT Pindad (Persero). Job satisfaction has no direct effect on employee performance. Test Sobel results shows organizational commitment does not mediate the effect of job satisfaction on employee performance.

Keywords: job satisfaction, organizational commitment, performance.

INTRODUCTION
The organization success is strongly affected by performance of individual employees. Every organization seeks to improve employee performance to achieve goals. Performance is still a problem that is always faced by management. The management needs to know the factors affecting the employee performance. One measure of employee performance is intellectual ability, which is supported by mastered ability; manage self and ability to build relationships with others (Martin, 2000).

Performance is the result of work in quality and quantity achieved by an employee to perform their duties in accordance with responsibilities given (Mangkunegara, 2005). Indicators to improve employee performance are job satisfaction and organizational commitment. Job satisfaction is the first aspect to be achieved before an employee has an organizational commitment. Based on opinion of Davis, Wexley and Yukl in Mangkunegara (2005), job satisfaction is a feeling that supports or does not support the employee in associated with his work or with his condition. Gunlu et al. (2010) revealed that job satisfaction has a significant effect on organizational commitment. Therefore, job satisfaction and organizational commitment theoretically have a close relationship with employee performance.

Low job satisfaction can decrease employee performance. It can create slowness of work, strikes, absenteeism or employee turnover. If the company can improve the employee's performance, company will get many benefits. High employee performance will
be work faster, lower damage, low absenteeism, and low employee turnover (Hidayat, 2011).

Another factor to affect employee performance is organizational commitment. Steers and Porter (2001) defines organization commitment as a relative strength of identification and involvement of individuals in a particular organization as indicated by a strong belief in goals and values of organization, willingness to make certain efforts for organizations interest and a strong desire to continue to become members of organization.

Organizational commitment is important to company because it affects employee turnover and performance with assumption that commitment employees tend to develop greater efforts to company (Morrison, 1997). The relationship between commitment and performance has been stated by Benkhoff (1997) that employee’s commitment to organization has a positive relationship with performance, regardless of commitment of employees in organization to performance can deteriorate and eventually becomes a waste of money.

Research suggests that job satisfaction and organizational commitment tend to affect each other. Unsatisfied person to his job or less commitment to organization will withdraw from the organization, either through absence or turnover (Mathis and Jackson, 2001). This is supported by Yousef (2002) that employee satisfaction levels and work has positive correlation. It means higher satisfaction levels of work lead to better performance, stronger commitment to organization will lower turnover and absenteeism.

The relationship between job satisfaction and employee performance is also suggested by Dessler (2000) that job satisfaction has a role to achieve better productivity and quality standards, creating the possibility to build a more stable work force, and more efficient usage of human resources.

Several studies have focused their attention on job satisfaction as one variable to affect employee performance. Muslih (2012) shows that job satisfaction affect on employee performance. However, the study is different from Crossman and Zaki (2003) to show that a negative relationship between job satisfaction and employee performance. Sani (2013) revealed that job satisfaction does not positively affect on performance of employees. It is explained that there are things that cause comfort and satisfaction for someone in workplace, among others: challenging work, implementation of a fair reward system, supporting working conditions and colleague’s attitude. Above research still show contradictions that interested to re-examine.

Khan et al. (2010) showed that organizational commitment has a positive effect on employee performance. Rosita (2016) by using path analysis revealed that job satisfaction has a positive and significant effect on performance. Job satisfaction has a positive and significant effect on organizational commitment and organizational commitment has a positive and significant effect on employee performance. It can be concluded that organizational commitment as a mediator between job satisfaction and employee performance.

Based on above contradictions, this study aim is to examine the direct effect of job satisfaction on performance; job satisfaction on performance; the role of organizational commitment to mediate the effect of job satisfaction on performance.
LITERATURE REVIEW

Job Satisfaction

Job satisfaction is a positive emotional state from one's work experience evaluation. Job dissatisfaction arises when the expectations are not met (Mathis and Jackson, 2001). Job satisfaction is a feeling that supports or does not support the employee in associated with his work or his condition. Work-related feelings involve aspects such as wages, career development, and relationships with other employees, job placements, occupations, corporate organizational structures and quality of supervision (Mangkunegara, 2005).

Luthans (2006) suggests several indicators of job satisfaction. They are (a) Satisfaction with payment system, (b) Satisfaction with promotion (c) Satisfaction with co-workers (d) Satisfaction with supervisor and (e) Satisfaction with work itself.

Organizational Commitment

Organizational commitment is a measure of an employee's willingness to stay with a company in future. Commitment often reflects employees' confidence in mission and goals of organization, willingness to do business in completing the work, and desire to continue to work there (Kaswan, 2012). According to Mathis and Jackson (2001), organizational commitment is trust level and acceptance labor to organizational goals and desire to remain in organization. Organizational commitment places particular emphasis on continuity of commitment factors that suggest decisions to stay or leave the organization.

Luthans (2006) defined organizational commitment as a strong desire to remain as a member of a particular organization, a desire to strive according to wishes of organization, as well as certain beliefs and acceptance of organizational values and goals. In other words, it is an attitude to reflect employees' loyalty to organization and ongoing process in which members of organization express their concern for organization and its continued success and progress.

Meyer and Allen (1991) defined organizational commitment as a concept that has three dimensions namely affective, continuance, and normative commitment. Affective Commitment relates to employees' emotional attachment, employee identification and employee engagement to organization. Continuance commitment relates with desire to keep working or leave the organization; normative commitment is a mandatory feeling to keep working in organization. This means, employees with high normative commitment feel that they are ought to survive in organization.

Employee Performance

Simamora (1995) said that employee performance is the level where employees reach job requirements. Employee performance is defined as the employee ability to do certain skills. Employee performance is very necessary, because with this performance will be known how far the ability of employees in carrying out the tasks assigned to him. Therefore, it needs to establish clear and measurable criteria and set together as a reference (Sinambela, 2012).

Performance according to Supriyanto and Maharani (2013) was a manifestation of work performed by employees and is usually used as a basis for assessment of employees or organizations. Improved performance depends on suitability of given task and time set. Robbins (2002) said that almost all performance measurement consider the quantity, quality and timelines. Quantity is the amount to be completed or achieved. Quantitative measurement involves calculating the output of process or the execution of activity. This is related to number of outputs generated. Quality is the minimum standard quality that must
be produced. Timeliness is consistence with planned time. Measurement of timeliness is a special type of quantitative measurement to determine the timeliness of an activity completion.

Hypothesis

The Relationship between Job Satisfactions on Employee Performance

Maharani et al. (2013) revealed that job satisfaction affects on performance. Similarly, Robbins (2006) states that satisfied employees will speak positively about the organization, helping each other that will ultimately improve performance. Based on description above, the study hypothesis is follows:

H1: Job satisfaction (X) has positive and significant effect on employee performance (Y).

The Relationship between Job Satisfaction, Organizational Commitment and Employee Performance

Hsiao and Chen (2012) concluded that job satisfaction has a positive and significant effect on organizational commitment. Employees will be more committed to organization if they are satisfied with their work. Azeem (2010) states that job satisfaction, age and duration of work are important factors to affect organizational commitment. Based on above description, the study hypothesis is follows:

H2: Job satisfaction (X) has positive and significant effect on Employee Performance (Y).

Rosita (2016) revealed that job satisfaction directly has positive and significant effect on employee performance. Job satisfaction directly has positive and significant effect on organizational commitment and organizational commitment has a positive effect on employee performance. Based on description above, the study hypothesis is follows:

H3: Organizational commitment (Z) mediate the effect of job satisfaction (X) on employee performance (Y).

METHODS

This research uses quantitative research approach. It is emphasizes on theories testing through measurement of research variables with numbers and data analysis using statistical procedure (Indrianto and Supomo, 1999). Based on the research objectives, this is an explanatory research type. Supriyanto and Machfudz (2010), explanatory research does not test the hypothesized variables. This research has a hypothesis that will be tested the truth.

Research Location

This research will be conducted at PT. Pindad (Persero), one of state-owned company in Indonesia, at Jalan Panglima Sudirman, No 1 Turen, Malang.

Population and Sample

This study population is all fulltime employees of General Department Manager of PT. Pindad (Persero). It consists of several parts namely Administration Personnel, Public Administration, Human Relation, Distribution, K3LH and Affairs, totaling 106 people. This study uses samples of 86 people. They are selected by proportional random sampling technique, where all members have equal opportunity to be sampled, according to proportion (Supriyanto and Maharani 2013).
Data and Sources

The research data can be divided into two sources namely primary data and secondary data. The research instrument is questionnaires. Questionnaires are a way of collecting data in form of questions sent or given directly to be filled and returned.

Definition of Operational variables

Independent variable in this research is job satisfaction (X). The indicators are follows: Satisfaction with payment system; Satisfaction with promotion; Satisfaction with co-workers; Satisfaction with supervisor; and job satisfaction itself.

Intervening variable in this research is organizational commitment (Z). They are follows: Affective Commitment; Continuous Commitment and Normative Commitment (Allen and Meyer, 1991).

The dependent variable is employee performance (Y). According to Robbins (2002), there are three indicators to measure employee performance (Y), namely: Quality; Quantity and Timelines.

Data analysis method

Validity and Reliability

The validity instrument test was conducted on 86 respondents. For decision making based on respondents and rtable value of 0.2120 at 5% significance level. Instrument item is valid if the Corrected Item-Total Correlation value is greater than 0.2120.

Reliability is an index to indicate reliability of the instrument. This reliability test uses the Alpha Cronbach formula (Supriyanto and Maharani, 2013). Instruments can be said reliably if the coefficient value of alpha ≥ 0.6.

PLS Analysis

PLS (Partial Least Square) is a variance-based structural equation analysis (SEM) that can simultaneously perform measurement models test and structural model test. The measurement model is used to test validity and reliability, while the structural model is used to test causality (hypothesis testing with prediction model). The model is shown in figure 1 below.
The main function of path diagram is to visualize the relationship between the indicator and the constructs and the relation between constants. It will easier researcher to see the model as a whole.

RESULTS

Structural Equation Result with PLS Approach

Testing the linearity Assumptions

Linearity relationships between variables are tested by Curve Estimation. It is a figure of linear relationship between the dependent variable and independent variable. If the value of sig f <0.05, then the independent variable has a linear relationship with dependent variable.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Sig.</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>X → Y</td>
<td>0.000</td>
<td>Linear</td>
</tr>
<tr>
<td>Z → Y</td>
<td>0.000</td>
<td>Linear</td>
</tr>
</tbody>
</table>

Source: Data processed, 2017

From table 1 shows that value of sig 0.000 <0.05. Therefore, linearity assumption is met.

Test results of Loading factor (Outer Model)

Job Satisfaction

Job satisfaction variable is measured by reflective indicator. The result of loading factor of job satisfaction indicators can be seen in following figure 2.

Job satisfaction is created from 10 items with 5 indicators, namely satisfaction with payment system, satisfaction with promotion, satisfaction with colleagues, satisfaction with superiors and satisfaction with work itself. The analysis results indicate that the ten items are significant to form job satisfaction and item X1.2 from job satisfaction to payment system become dominant indicator. Based on Table 1 and Figure 2, highest factors loading are 0.945 and 0.935. It shows payment system is the most dominant indicator to form job satisfaction. This means that main reason to reflect job satisfaction is payment system. It can be interpreted that employees at PT Pindad (Persero) are satisfied with salary received or consistent with employees expectations as evidenced by a good sense and on time of responsibility of assigned tasks.
Organizational Commitment

Organizational commitment variable is measured by reflective indicator. The factors loading of job satisfaction indicators can be seen in following figure 3.

![Figure 3. Measurement Model of Organizational Commitment (Y)](image)

Employee Performance

Performance variable is measured by reflective indicator. The result of loading factor of indicators of job satisfaction variable can be seen in following figure.

![Figure 4. Measurement Model of Performance (Y)](image)

Figure 4 shows that these three indicators significantly create performance and timeliness of not go home earlier become the dominant indicator to form performance with highest loading factor of 0.932. This means that timeliness most reflect the performance. This description provides an understanding that every employee always follows the rules of office hours to not go home earlier.

The Result of Hypothesis test (Inner Model)

Hypotheses tests are done by t test on each direct effect path. The results of PLS analysis can be seen in Table 2 below.

<table>
<thead>
<tr>
<th>Independent variable</th>
<th>Dependent Variable</th>
<th>Path Coefficient</th>
<th>T-statistic</th>
<th>p-value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Job Satisfaction</td>
<td>Performance</td>
<td>0.653</td>
<td>8.010</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>Job Satisfaction</td>
<td>Organizational Commitment</td>
<td>0.578</td>
<td>8.442</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td>Organizational Commitment</td>
<td>Employee Performance</td>
<td>0.116</td>
<td>1.145</td>
<td>0.253</td>
<td>Insignificant</td>
</tr>
</tbody>
</table>

Source: Data processed, 2017
Direct Effect of Job Satisfaction on Employee Performance

The path coefficient analysis results of inner model show the direct effect of job satisfaction on performance has value of 0.653 with p-value 0.000 <5%. It means there is enough empirical evidence to accept first hypothesis, that Job satisfaction (X) has positive and significant effect on employee performance (Y).

Indirect Effect of Job Satisfaction on Employee Performance

The path coefficient analysis results of inner model show the effect of job satisfaction on organizational commitment has value of 0.578 with p-value of 0 <5%. It means there is enough empirical evidence that job satisfaction has direct effect on commitment organizational. The path coefficient analysis results of inner model show the effect of organizational commitment on performance has value of 0.116 with p-value 0.253 > 5%. It means there is enough empirical evidence to state that effect of organizational commitment to performance is not significant.

Above description shows job satisfaction affect on organizational commitment, while organizational commitment does not affect on performance. It can be concluded that there is no indirect effect of job satisfaction on employee performance through organizational commitment.

Organizational Commitment mediates the effect of Job Satisfaction on Employee Performance

The mediation hypothesis test is needed to detect the position of mediator variable in model. The test can be done with a Sobel test. Sobel test is done by testing the indirect effect of independent variable (X) to dependent variable (Y) through the intervening variable (Z), as shown in table 3 below.

<table>
<thead>
<tr>
<th>Path</th>
<th>A</th>
<th>B</th>
<th>SE_a</th>
<th>SE_b</th>
<th>T count</th>
<th>Sig</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>X – Z</td>
<td>0.578</td>
<td>0.116</td>
<td>0.069</td>
<td>0.101</td>
<td>1.138</td>
<td>0.255</td>
<td>Insignificant</td>
</tr>
</tbody>
</table>

Description: X = Job Satisfaction, Z = Organizational Commitment, Y = Employee Performance

DISCUSSION

Direct Effect of Job Satisfaction on Employee Performance

Inner line model analysis shows that job satisfaction (X) has a significant effect on employee performance (Y). This result is proved by path coefficient of 0.653 and p-value 0.000. The positive path coefficient means that the relationships of these two variables are positive. It means the higher job satisfaction will increase the employee performance.

Research results show that job satisfaction affects on employee performance. It supports Maharani et al. (2013) that job satisfaction has a significant and positive effect on employee performance. More satisfied employees will show their best performance. Conversely, unsatisfied employees will create lazy feeling that lowers the performance.

Indirect Effect of Job Satisfaction on Employee Performance

The indirect effect of job satisfaction on employee performance through organizational commitment can be seen from the direct effect of job satisfaction on employee performance, while the effect of job satisfaction on performance through
organizational commitment is not significant. Because one path is not significant, indirect
effect of job satisfaction on employee performance through organizational commitment is
rejected.

Observations and research results show that job satisfaction indirectly does not affect
on employee performance. It is supported by Tsai, Cheng and Chang (2010) that employee
job satisfaction directly and positively affects Organizational Commitment, but indirectly
does not affect performance. The results of research Suswati and Budianto (2013) show
that affective commitment and continuance commitment partially has a positive and
significant effect on performance while normative commitment does not affect on
employees performance.

Organizational Commitment as Mediation the Effect of Job Satisfaction on Performance

The mediation test was done by Sobel test and getting the value of 1.137 < 1.96. It
means organizational commitment does not mediate the effect of job satisfaction on
employee performance. So that job satisfaction can be increased to improve employee
performance level without mediation from organizational commitment. This means that
organizational commitment level has no effect on employee performance.

The study results support the research of Subejo et al. (2013) that Commitment has no
significant effect on employee performance, Organizational commitment built by affective,
continuity, and normative cannot improve employee performance maximally. Employee
performance based on the result cannot increase maximally due to limited human
resources, infrastructure and circumstances.

Research result shows the organization organizational commitment quite high but it does
not affect on performance. The phenomena today are the performance of a company that
has been so good can be damaged either directly or indirectly due to various employee
behaviors that very difficult to prevent. One form is turnover intentions that led to
employee decisions to leave the job. it can be seen from the mean for item of feel loss if
leave the organization in lowest position. Employees who work in this organization are very
satisfied with salary given by organization. But it also become a trigger for employees to
resign and for employees who work for 1-5 years (54.7%) and employees who are classified
as young of 26-33 years (47.7%), they still have low commitment but hard work. Therefore
the high turnover rate in company will increasingly lead to various potential costs as
training cost invested to employees, lower performance and recruitment and retraining
cost.

CONCLUSION

This research has three conclusions. First, the job satisfaction is the general attitude of
individual towards his work results. Satisfied employees will have an impact on
performance. Job satisfaction improvements need motivating factors, including:
appropriate salary payments, supportive colleagues, job suitability with skills and abilities.
These are important factors to create good performance for employees. Second, Job
satisfaction can increase and affect on employee performance without mediated by
organizational commitment. It means that satisfaction can be achieved without any
organizational commitment. Therefore, company should continue to improve employee
work satisfaction, especially in payment system. Third, organizational commitments cannot
mediate the effect of job satisfaction on employee performance. This means that
satisfaction can be increased without the mediation of organizational commitment.
REFERENCES


