

# THE EFFECT OF COMPENSATION AND ORGANIZATIONAL COMMITMENT ON EMPLOYEE PERFORMANCE AT AKADEMI KESEHATAN JOHN PAUL II PEKANBARU

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**Abstract:** The research aims to determine the effect of Compensation and Organizational Commitment on Employee Performance, of 42 research populations, and then a sample of 42 was also determined. This type of non-probability sampling method and using saturation sampling techniques. Questionnaires and documents was used as research instruments for data collection. This type of research was descriptive quantitative while the data obtained were analyzed through multiple linear regression. Hypothesis testing with multiple regression analysis techniques. The results of the study show that the variables of Compensation and Organizational Commitment partially have a significant effect on Employee Performance (Y). The magnitude of the influence of 77.00% of the two variables of compensation and organizational commitment (OC) on Employee Performance (Y) obtained from the R2 test strengthens the results of this study.

**Keywords:** Compensation, Organizational, Commitment, Employee, Performance

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## 1. Introduction

Akademi Kesehatan John Paul II (AKJP II) has a very low employee turnover rate of 3% during 2019, 2020, and 202, although organizational performance continues to decline. In 2019 the decline in performance was -35% followed by a decrease in students -25%, in 2020 by -14%, and a decrease in the number of students -6%. Employee Performance (EP) is a work result that is in accordance with established standards related to performance appraisal. (Aropah et al., 2020) stated that one thing that affects the organization's success is EP which is the result of work in quantity achieved by an employee in carrying out duties according to their responsibilities. Most managers believe good performance means doing a good job. EP measurement is done by setting competency standards that must be achieved by each individual in each job and then conducting an assessment. The providing of open information related to employee achievements can increase Organizational Commitment. (Katerina et al., 2013) stated that one of the human resource performance management tools is a formal EP assessment. Employees, their knowledge and skills are currently considered the company's most valuable resource.

Several efforts have been made by the institution, among them is developing lecturers to improve performance, but these efforts turned out to be not enough; it is proven that in 2021

there was still a decrease in performance by -15% and a decrease in the number of students by -9%. (Sutoro, 2019) suggests that every company needs to make efforts to maintain the quality of work and employee loyalty to the company. In 2022, institutions were trying to provide compensation through bonuses and awards. (Arif et al., 2019) that so, employees must be given decent and fair rewards in order to carry out their duties more vigorously and better. Compensation is the remuneration provided by the employer in this case the institution. (Tulase & Satyanarayana, 2018) that compensation is the remuneration employees receive for their contribution to the organization. Compensation is an organized practice that involves balancing employee work relationships by providing monetary and non-monetary benefits to employees. (Wellem & Djawoto, 2022) said that employees receive compensation for giving services to the company. Every employee in an organization wants to be paid in line with his/her expectations. Employees who meet expectations will always be enthusiastic at work. It means that compensation positively and significantly affects Employee Performance (Y).

Organizational Commitment is also needed to improve Employee Performance (Y) because compensation alone will be useless without the self-awareness to provide maximal service by increasing work productivity. (Rahman et al., 2021) that Organizational Commitment can lead to valuable organizational results. Organizational Commitment is related to reducing absenteeism, turnover and counterproductive behavior, and Organizational Commitment is positively associated with Employee Performance (Y). (Muhammad & Sumartik, 2022) continued that Organizational Commitment is actively and positively oriented toward the organization. Organizational Commitment is an attitude that reflects the extent to which an individual knows and is attached to his organization. (Stackhouse et al., 2022) that each company's appearance is directly related to the level of Organizational Commitment. Dedicated employees can perform their duties beyond management's expectations. (Angraini et al., 2021) that employees who are committed to the organization will show a considerate work attitude towards their duties, have a very responsibility to perform tasks, and are very loyal to the organization. Organizational Commitment includes confidence, the binding, which will generate energy to do your best, so that commitment positively impacts Employee Performance (Y). In addition, several studies, which are (Irfan et al., 2022) and (Sukmawati et al., 2022) found that Organizational Commitment is insignificant in improving Employee Performance. This study aims to determine whether Compensation and Organizational Commitment (OC) influence Employee Performance (EP) at AKJP II Pekanbaru. Although someone has researched this title, it still needs to be done at AKJP II Pekanbaru, because it is required for problem-solving for the decline in Employee Performance. Employee Performance that continues to decline will impact income, which can destroy the institution. In addition, this research is also driven by the gap in research results related to factors that can improve Employee Performance. The results of this research will positively contribute to the institution regarding what needs to be done to improve Employee Performance.

## **2. Literature Review**

### **The Social Exchange Theory**

The theory of social exchange in (Mighfar, 2015) states that a social relationship has elements of reward and sacrifice and mutual benefit. This theory was first proposed by Harlod Kelley (1959), sociologists George Homans (1961), Richard Emerson (1962), and Peter Blau (1964). The social exchange is social relations with each other because of the acquisition rewards. Social exchange theory also looks at the relationship between behavior and the environment that influence each other (reciprocal). The environment generally consists of people, so it will rise to behavior affecting each other. In this relationship, there are elements of reward, cost and profit. Reward is everything that is gained through sacrifice, sacrifice is all things that are

avoided, and profit is reward reduced by sacrifice. So, social behavior consists of the exchange of at least two people based on the calculation of profit and loss. A person's behavior is raised because based on his calculations it will be profitable, otherwise if it is detrimental then the behavior is not displayed. Based on this belief, Homans in his book "Elementary Forms of Social Behavior, 1974, issued one proposition that reads: "All actions performed by a person, the more often certain actions are rewarded, the more likely people are to display certain actions".

### **The Employee Performance**

Employee Performance provides an overview of the level of implementation program or action policy in realizing organizational goals, objectives, vision, and mission as outlined in the organization's strategic plan. Employee Performance indicators are Quality, Quantity, Punctuality, Cost Effectiveness, Need for Supervision and Interpersonal Influence. (Iendy Zelviean Adhari, 2019) Employee Performance is the fulfillment of duties and obligations as an employee responsibly and successfully both of qualitatively and quantitatively, the work process is produced in a planned manner. Indicators measure Employee Performance, i.e. quality of work, workload, punctuality, efficiency of Organizational Commitment level (Silaen et al., 2021:40).

### **Hypothesis Development**

#### **The Compensation Against Employee Performance (EP)**

The amount of compensation is a reflection or measure value of the employees ownwork. What employees feel are that they see compensation as a tool to maintain their survival and to make ends meet. If the compensation system provided is fair enough for employees, it will encourage employees to doing better work and more responsible for the tasks assigned by the organization. (Zalne et al., 2022) Compensation is also a form of financial compensation for tangible services and benefits that employees obtain as part of the employment relationship. If compensation is appropriate, employees are more satisfied and motivated to achieve organizational goals. (A & Dewi, 2019) that compensation is given based on company discretion to all employees and efforts to improve their welfare such as the benefits of holiday and pensions. Indicators of a good compensation system must be able to: attract qualified personnel, retain qualified personnel in the company, motivate employees, shape the company's culture/climate, support the organizational structure, reflect the company's financial capabilities. (Mujanah, 2019) Compensation has a direct effect on Employee Performance (EP). (Pranaputra & Aima, 2019), (Sabil & Widjaja, 2022), (Sutoro, 2019), (Arif et al., 2019), (Tulase & Satyanarayana, 2018) and (Wellem & Djawoto, 2022)

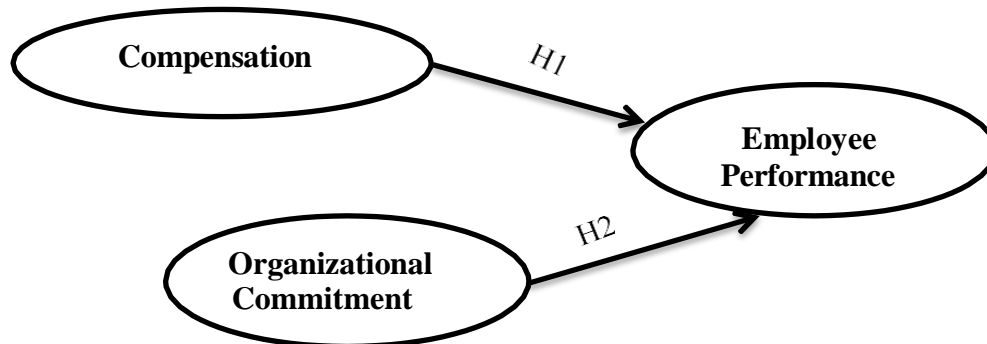
#### **H1 : Compensation has a positive effect on Employee Performance (EP)**

#### **The Organizational Commitment (OC) to Employee Performance (EP)**

OC is an important behavioral dimension that can be used to assess an employees propensity to remain of an organization member. (Mahadin Shaleh, 2018:55) OC is an employees commitment to the organization employees. OC is an employees commitment to the organization based on wants, needs and obligations to stay with the organization. (Ali Idrus, 2022:20). OC is the commitment of an employee to the organization based on the wants, needs and obligations to remain with the organization with indicators of a strong desire to remain of the organization member, a desire to strive to meet organizational goals, certain beliefs and acceptance of the organizations values and goals. (Yusuf & Syarif, 2017:48) Employees who are committed to the organization will involve themselves more in the organization and automatically show organizational citizenship, helpfulness, sportsmanship, and organizational spirit. (Rahman et al., 2021) (Stackhouse et al., 2022) (Angraini et al., 2021) found that

Organizational Commitment (OC) is positive and significant towards on Employee Performance (EP).

**H2 : Organizational Commitment (OC) has a positive effect on Employee Performance (EP)**



### 3. Method

#### Research Model

This type of research is descriptive with a quantitative approach. Researchers are interested to using this research method because this study uses numerical data or tangible numbers that are analyzed and then presented, so as to provide measurable research results and meet objective elements that are not contaminated by the perception of researchers or the perception of one or two individuals.

#### Population and Sample

The population in this research was employees of the Akademi Kesehatan John Paul II Pekanbaru, which was 42 employees. The type of sampling is non probability with saturated sampling techniques. Non Probability sampling is a type sampling based on certain characteristics and saturated sampling is carried out because the population only 42 respondents.

#### Data Source

The data sources in this study are primary and secondary data. Primary data from respondents answers. Secondary data in the form of literature books and previous study according to the variables raised in this study and profiles.

#### Data Collection

Data is crucial and determines success in the research process. In this study, researchers used primary data in numerical or numerical form, which was sourced from respondents' answers to research instruments in the form of questionnaires. A questionnaire is a statement related to the variable under study that is given to respondents to be filled in with a weighting from 1 to 5 or from strongly disagree to strongly agree.

#### Data Analysis

This study examined the effect between compensation variables (X1) and organizational commitment (X2) on Employee Performance (Y) variables using multiple regression methods. Multiple regression as an analytical tool to the effect between the independent variable on the dependent variable. However, to step on multiple regression analysis, it is necessary to test the data first, as follows.

### **The Instrument Feasibility Test The Validity Test**

The validity test is used to the feasibility of research variables test contained in the questionnaire using the

Pearson Product-moment. The basis for decision making in the validity test of this study is:

1. If  $r$  counts  $>$   $r$  table, then the question item or variable is valid.
2. If  $r$  counts  $<$   $r$  table, then the question item or variable is invalid.

Based on Pearson Product-moment DF value is 40 (42-2) at a significant 5%, the  $r$ -table value is 0,2573.

### **The Reliability**

Reliability testing in this study was conducted to measure the reliability of the questionnaire submitted. Decision making on reliability testing is done by looking at the Cronbach Alpha value of each variable. If the Cronbach Alpha value is greater than 0.6 then it can be concluded that the statement is reliable to be used in describing the variable under study but if the Cronbach Alpha value is greater than 0.6 then it can be concluded that the statement is reliable to be used in describing the variable under study but if the Cronbach Alpha value is smaller than 0.6 then it can be concluded that the statement is not reliable to be used in describing the variable under study.

### **The Classical Assumption Test (Data Feasibility Test)**

The classical assumption test is used to find out whether the regression model has residual normality, multicollinearity, linearity, autocorrelation and heteroscedasticity. A linear regression model can be called a good model if it satisfies some classical assumptions, namely normally distributed residual data, no multicollinearity, autocorrelation and heteroscedasticity (Purnomo, 2016:107)

### **The Normality Test**

The Researchers use data normality tests with Kolmogorof Smirnof's technique. The normality test requires that residual data be normally distributed, this is where the quality of the data is tested. A good regression model is one whose residues are normally distributed. (Widana & Muliani, 2020:1) The Kolmogorov-Smirnov test to identify normally distributed data. Data that has been normally distributed will show Residuals that have a sig value greater than 0.05. Some methods of testing normality are one Kolmogorov Smirnov sample of residual standard regression. (Purnomo, 2016:83)

### **The Heteroscedasticity Test**

The heteroscedasticity test in this study was carried out by means of the Glejser test. (Widana & Muliani, 2020:56) explained that heteroscedasticity is a residual variant that is not the same in all observations in the regression model. Various heteroscedasticity tests, one of which is the Glejser test. (Thalib, 2019) explained the Glejser Test, which is between independent variables with dependent variables regressed with residual absolute achievement of more than 0.05, heteroscedasticity problems do not occur.

### **The Multicollinearity Test**

Multicollinearity is the existence of a correlation or almost perfect relationship between independent variables. A good regression model should not have a perfect or near-perfect correlation between independent variables. The correlation coefficient is unclear and there is a large error as a result of multicholinerity. (Purnomo, 2016:84) the high variance due to multicollinearity in regression models cause inaccurate data estimates. Absence of

multicollinearity if the VIF value is less than 10 and more than 0,1 (Ratna Wijayanti Daniar Paramita, 2021:86).

### The Autocorrelation Test

Autocorrelation is defined as the correlation between observation members with observations at different times. This test is to determine the correlation between one residual and another residual. (Ratna Wijayanti Daniar Paramita, 2021:86) in order to achieve a decent regression model, autocorrelation does not occur as much as possible. Autocorrelation testing with the Durbin-Watson test (DW test) (Purnomo, 2016:137)

### The Correlation of Coefficients and Determination Test The Correlation of Coefficients Test

The correlation of coefficients is a statistic that calculates pairs of numbers between X and Y that describe the relationship between members of the pair. (Garaika & Darmanah, 2019:92). One of these analyses is Pearson's correlation analysis for testing the level of relationship from weak to strong between two variables that have a normal data distribution. (Purnomo, 2016).

**Table 2. The Standard Interpretation of Correlation Coefficients**

Internal	Relationship Level
0,00-0,199	Very Low
0,20-0,399	Low
0,40-0,599	Medium
0,60-0,799	Strong
0,80-1,000	Very Strong

Source: Secondary data sources are processed by the author, 2023

### The Coefficient of Determination Test

The Coefficient of Determination (R<sup>2</sup>) i.e. identifies the coefficient of determination. The number obtained in the test after being changed to % then the amount contribution of the independent variable to the dependent can be known (Purnomo, 2016:154). This test is one way to the measure role of X to Y (Suyono, 2015:80).

### The Multiple Linear of Regression Test

This analysis is to determine the direction of the relationship of the independent variable with the dependent. Whether each independent variable is positively or negatively related and to predict the value of the dependent variable, if the value of the independent variable increases or decreases. Multiple linear regression analysis is a linear relationship between two or more independent variables (X<sub>1</sub>, X<sub>2</sub>,... X<sub>n</sub>) with the dependent variable (Y). Analysis techniques are methods used to test the likelihood or relationship between independent and dependent variables. Analysis methods include regression. (Garaika & Darmanah, 2019:86), The Multiple regression linearly and non-linearly is able to explain the influence or relationship between two or more independent variables with one dependent variable. The data used is usually on an interval or ratio scale. The regression equation will occur as follows:

Information:

$$EP = \alpha + \beta_1 Komp + \beta_2 OC + s$$

EP : Employee Performance

$\alpha$  : Constant

$\beta$  : Variable Coefficients

- C : Compensation (X.1)  
 OC : Organizational Commitment (X.2)  
 E : Error

### The Hypothesis Test

#### The t-test

The testing through a t-test will inform the rejection or acceptance of the hypothesis proposed by the researcher as well as show the presence or absence of an independent influence on the dependent partially. (Muhid, 2019:42), In this study the criteria in question are if the t-count  $\geq$  t-table and the sig value of  $\text{sig} \leq 0,05$  then the Compensation variable and the Organizational Commitment variable have a partial effect on employee performance or  $H_a$  received, and otherwise.

## 4. Result and Discussion

### The Validity Test

**Table 3. The Instrument Validity of Results Test**

Variable	Statement	r count	Position	r table	Interpretation
EP Variable (Y)	Y.1	0,899	>	0,2573	Valid
	Y.2	0,899	>	0,2573	Valid
	Y.3	0,905	>	0,2573	Valid
	Y.4	0,9	>	0,2573	Valid
	Y.5	0,847	>	0,2573	Valid
	Y.6	0,82	>	0,2573	Valid
	Y.7	0,82	>	0,2573	Valid
	Y.8	0,918	>	0,2573	Valid
	Y.9	0,924	>	0,2573	Valid
	Y.10	0,886	>	0,2573	Valid
	Y.11	0,861	>	0,2573	Valid
	Y.12	0,85	>	0,2573	Valid
Compensation Variable (X1)	X.1	0,787	>	0,2573	Valid
	X.2	0,787	>	0,2573	Valid
	X.3	0,723	>	0,2573	Valid
	X.4	0,722	>	0,2573	Valid
	X.5	0,76	>	0,2573	Valid
	X.6	0,843	>	0,2573	Valid
	X.7	0,821	>	0,2573	Valid
	X.8	0,898	>	0,2573	Valid
	X.9	0,891	>	0,2573	Valid
	X.10	0,887	>	0,2573	Valid
Organizational Commitment (X2) Variable	X.2.1	0,89	>	0,2573	Valid
	X.2.2	0,89	>	0,2573	Valid
	X.2.3	0,899	>	0,2573	Valid
	X.2.4	0,827	>	0,2573	Valid
	X.2.5	0,785	>	0,2573	Valid
	X.2.6	0,703	>	0,2573	Valid

**Source: The Primary data source processed by author, 2023**

Based on the results of the validity test above with r table 0,2573, it can be seen that all respondents answers to the Employee Performance (Y) variable are declared valid, namely as many as 12 valid instruments that can be used for further testing. The results of the validity test above with r table must be above 0,2573 regarding the variable Compensation (X.1), then all valid instruments have 10 instruments, then the variable Organizational Commitment (X.2) 6 there are 6 valid instruments that can be used to conduct further testing and the results of the

validity test above with  $r$  table 0,2573, so that all variables used in this study have met the validity requirements.

### The Reliability Test

The results of the reliability test of research instruments from the variables Compensation (X1), Organizational Commitment (X2) and Employee Performance (Y) are presented as follows.

**Table 4. The Instrument Reliability of Results Test**

No	Variable	Cronbach Alpha	Position	ralpha	Interpretation
1	Employee Performance (Y)	0,783	>	0,7	Reliabel
2	Compensation (X1)	0,783	>	0,7	Reliabel
3	Organizational Commitment (X2)	0,805	>	0,7	Reliabel

Source: The Primary data source processed by author, 2023

In reliability testing, the entire variable has a Cronbach Alpha that is more than the  $r$ -alpha value, so it can be concluded that the entire variable has reliable data quality and can be used for further testing.

### The Classical Assumption Test (The Data Feasibility Test) The Normality Test

The results of the Kolmogorov-Smirnov One-Sample Normality Test from the variables Compensation (X1), Organizational Commitment (X2) and Employee Performance (Y) are presented as follows.

**Table 5. The Kolmogorov-Smirnov One-Sample of Results Test**

		Unstandardized Residual
N		42
Normal Parameters <sup>a,b</sup>	Mean	,0000000
	Std. Deviation	3,96682537
Most Extreme Differences	Absolute	,212
	Positive	,148
	Negative	-,212
Test Statistic		,212
Asymp. Sig. (2-tailed)		.200 <sup>c</sup>

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Source: The Primary data source processed by author, 2023

Based on the results of the Kolmogorov-smirnov test above shows that the value of Asymp. Sig. has a value greater than 0.05 which is 0,200. This shows that this study is normally distributed and the regression model is feasible to be used to predict the dependent variables, namely: Compensation (X1), Organizational Commitment (X2) and Employee Performance (Y).

### The Heteroscedasticity Test

The heteroscedasticity test results of the variables Compensation (X1), Organizational Commitment (X2) and Employee Performance (Y) are presented as follows.



**Table 6. The Heteroscedasticity of Results Test**

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
1 (Constant)	2,513E-15	2,909			,000	1,000
Compensation Variable (X1)	0,000	,178	0,000		0,000	1,000
Organizational Commitment Variable (X2)	0,000	,283	0,000		0,000	1,000

a. Dependent Variable: Unstandardized Residual

Source: The Primary data source processed by author, 2023

Based on the table above, it can be shown that Compensation (X1) and Organizational Commitment (X2) have a sig value of 1.000 which is greater than 0.05, it can be concluded that the regression model does not have heteroscedasticity problems.

### The Multicollinearity Test

The results of the multicollinearity test of the variables Compensation (X1), Organizational Commitment (X2) and Employee Performance (Y) are presented as follows.

**Table 7. The Multicollinearity Results Test**

Model	Unstandardized Coefficients		Standardized Coefficients		Collinearity Statistics		
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1 (Constant)	2,513E-15	2,909		,000	1,000		
Compensation Variable (X1)	0,000	,178	0,000	0,000	1,000	,145	6,890
Organizational Commitment Variable (X2)	0,000	,283	0,000	0,000	1,000	,145	6,890

a. Dependent Variable: Unstandardized Residual

Source: The Primary data source processed by author, 2023

Based on table 6 above, the value of VIF Compensation (X1) has a value of 6.890, Organizational Commitment (X.2), then  $VIF < 10$  means there is no problem of multicollinearity, while the value of compensation tolerance (X1) is 0,145, Organizational Commitment (X.2) has a value of 0,145 which means that the tolerance  $> 0,10$  which means that there is no problem of multicollinearity or can be said to be free of multicollinearity and the data can be used for research.

### The Autocorrelation Test

The results of the autocorrelation test of the variables Compensation (X1), Organizational Commitment (X2) and Employee Performance (Y) are presented as follows.

**Table 8. The Autocorrelation of Results Test**  
**Summar Model<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.000 <sup>a</sup>	0,890	-,025	4,01672451	1,713

a. Predictors: (Constant), Organizational Commitment Variable (X2), Compensational Variable (X1)

b. Dependent Variable: Unstandardized Residual

Source: The Primary data source processed by author, 2023

The results of the autocorrelation test showed that the Durbin-Watson (DW) value was 1,713 while the number of independent variables in this study was 2 ( $K=2$ ) with a sample of 42 respondents, so the  $du = 1,6061$  value was obtained. Accordingly,  $1,6061 < 1,713 < 2,3939$  show that the data used for this study did not experience symptoms of autocorrelation.

### The Correlation of Coefficients and Determination Test The Correlation of Coefficients Test

The results of the correlation coefficient test in this study aim to obtain the value of the strength of the relationship between independent variables, namely Compensation (X1), Organizational Commitment (X2) with the dependent variable, namely Employee Performance (Y). The test results can show the strength of the relationship, the significance of the relationship, and the direction of the relationship between the two variables.

**Table 9. The Correlation of Results Test Correlations**

		Variable EP (Y)	Compensation Variable (X1)	Organizational Commitment Variable (X2)
EP Variable (Y)	Pearson Correlation	1	.899**	.885**
	Sig. (2-tailed)		,000	,000
	N	42	42	42
Compensation Variable (X1)	Pearson Correlation	.899**	1	.925**
	Sig. (2-tailed)	,000		,000
	N	42	42	42
Organizational Commitment Variable (X2)	Pearson Correlation	.885**	.925**	1
	Sig. (2-tailed)	,000	,000	
	N	42	42	42

\*\* Correlation is significant at the 0.01 level (2-tailed).

Source: The Primary data source processed by author, 2023

The results mentioned above, can be drawn several things related to the relationship, the significance of the relationship, and the direction of the relationship between Compensation (X1), Organizational Commitment (X2) and Employee Performance (Y) which can be described as follows \:

1. The Compensation variable (X1) has a person correlation value of 0,885 where this number is at 0,80-1,000 with a Sig. (2-tailed) value of 0,000 < 0,05 to the Employee Performance (Y) variable, this proves that Compensation (X1) has a very strong positive and significant relationship to Employee Performance (Y) or the higher Compensation variable (X1), then the higher of the Employee Performance variable (Y).
2. The Organizational Commitment Variable (X.2) has a pearson correlation value of 0,925, this figure is at 0,80-1,000 with a Sig. (2-tailed) value of 0,000 < 0,05 againts the Employee Performance variable (Y), this proves that Organizational Commitment (X2) has a very strong positive and significant relationship to Employee Performance (Y) or the higher of the Organizational Commitment variable (X2), then the higher of the Employee Performance variable (Y).

### The Coefficient of Determination Test

The results of the coefficient determination test between Compensation (X1), Organizational Commitment (X2), and Employee Performance (Y) can be seen in the following table:

**Table 10. Test Results of the Coefficient of Determination Test Summary Model<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,890 <sup>a</sup>	0,000	-,025	4,01672451

a. Predictors: (Constant), Organizational Commitment Variable (X2), Compensatio(X1)

b. Dependent Variable: Unstandardized Residual

**Source: The Primary data source processed by author, 2023**

Based on the table above, the R Square value is 0.981 where the independent variable model Compensation (X1) and Organizational Commitment (X2) to Employee Performance (Y) has an influence of 0.890% or 89.00% and the remaining 11.00% is influenced by variables.

### The Multiple Linear of Regression Test

The Regression analysis is used to predict how far the value of the dependent variable is, if the value of the independent variable is manipulated or turned up-down. The results of the regression equation can be seen in the table as follows.

**Table 11. The Multiple Linear of Results Test Coefficients<sup>a</sup>**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	4,681	2,909		-1,609	,112
Compensation Variable (X1)	,802	,178	,553	4,517	,000
Organizational Commitment Variable (X2)	,866	,283	,374	3,057	,003

a. Dependent Variable: EP Variable (Y)

**Source: The Primary data source processed by author, 2023**

The results of multiple linear regression analysis obtained coefficients for the independent variables Compensation Variable (X1) of 0.802 and Organizational Commitment (X2) of 0,866 with a constant of 4.681 so that the regression equation obtained is:

$$Y = a + b_1X_1 + b_1X_2 + e$$

$$Y = 4,681 + 0,802X_1 + 0,866X_2$$

The Testing with the t-test also found that the Compensation variable (X1) had a positive and partially significant effect on employee performance (EP) as evidenced by the achievement of t-count results of 1,683 greater than the t-table (4,517 > 1,683).

The collection of answers from respondents at AKJP II Pekanbaru showed that the majority of respondents answered strongly in agreement with the statement "I am enthusiastic about working because compensation guarantees the future" namely the variable "compensation can motivate employees". This means that the compensation provided by institutions today is able to motivate employees to work well. Compensation is given in the form of performance rewards, namely bonuses and awards in the form of praise in the form of certificates. If performance achievements can be fulfilled, employees and employees feel that justice has been obtained from the compensation given. (Indraastuti, 2020) that the form of compensation influenced by career path can be in the form of security, self-development, career flexibility and opportunities for increasing income. Forms of compensation influenced by social factors can take the form of status symbols, praise and recognition, comfort of duty and friendship.

Compensation is a motivator or encourage morale so that employees work with high morale. (Mujanah, 2019) that a good and effective compensation system must also be able to make the company's labor turnover rate low and employees satisfied with their work. A good

compensation system is compensation given with equity, objective and fearness (open). The results of this study are inline with the research conducted by (Pranaputra & Aima, 2019), (Sabil & Widjaja, 2022), (Sutoro, 2019), (Arif et al., 2019), (Tulase & Satyanarayana, 2018) and (Wellem & Djawoto, 2022) that compensation has a direct effect on Employee Performance (EP).

### **Organizational Commitment (OC) to Employee Performance (EP)**

The Employee of Organizational Commitment (OC) refers to the commitment of employees to achieve set work targets. This commitment will automatically pressure employees to improve performance. The results of this study show that OC has a very strong positive and significant relationship with Employee Performance (Y) and through the t-test shows that Organizational Commitment (X.2) has a t-count value of 3.057 greater than t-table ( $3,057 > 1,683$ ) makes it clear that Organizational Commitment (OC) (X.2) affects Employee Performance (EP) partially.

Based on Data acquisition of the questionnaire "I strive to achieve the goals of the institution" obtained respondents the majority of employees answered strongly agree with the indicator; "The desire to strive to fulfill the wishes of the organization". This means that a high level of commitment is held by employees in the institution. (Ningrum et al., 2021) that Organizational Commitment (OC) is a belief that binds employees to the organization where they work which is shown by loyalty, involvement in work, and acceptance of organizational values and goals. (Indraastuti, 2020) that Organizational Commitment is defined as the strong desire of employees to remain as members of the company's organization, the desire of employees to try hard according to the wishes of the company organization and employees have certain beliefs, and try to accept values and strive to achieve organizational performance.

## **5. Conclusions**

The results of this study are in line with research (Rahman et al., 2021) (Stackhouse et al., 2022) (Angraini et al., 2021) which found that Organizational Commitment (OC) is positive and significant for Employee Performance (EP). The results of this study can be concluded that partially compensation affects Employee Performance (EP) and Organizational Commitment (OC) also has a significant effect on Employee Performance (EP).

This research has limitations, which are: (a) Research is only carried out on one research object; (b) The number of samples is still small; (c) The sample studied is only two variables (compensation and organizational commitment) that affect performance while there are many other factors that can be examined to determine the increase in employee performance. Some suggestions from researchers are: (a) Employees must get better performance if they want to get high compensation because the results show that compensation can make employees motivated to work; (b) Institutions need to maintain performance appraisal-based compensation because it is proven to improve performance and have a positive impact on the institution; (c) Further research can use other variables such as discipline.

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