THE EFFECT OF EMPLOYEE EMPOWERMENT OF COMPENSATION AND ORGANIZATIONAL COMMITMENT TO SATISFACTION

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ABSTRACT: The purpose of this study was to determine the effect of employee empowerment compensation and organizational commitment on satisfaction at the Adat Credit Village Pecatu, Badung Regency. This research was conducted at the AdatDesa Credit Institute Pecatu, Badung Regency. The number of samples taken was 50 employees, with saturated sampling method. Data collection is done through interviews, observations and questionnaires. The analysis technique used is multiple linear regression analysis. Based on the results of the analysis it was found that the empowerment of employee compensation and organizational commitment had a positive and significant effect on satisfaction of employees at the Adat Credit Village in Pecatu, Badung Regency. This means that the more employees feel empowered by the organization, the satisfaction level will increase. Organizational commitment has a positive and significant effect on job satisfaction. This means that the greater organizational commitment an employee has, the level of satisfaction will increase. Compensation has a positive and significant effect on job satisfaction. This means that the higher the compensation given to employees, the higher the level of satisfaction.

KEYWORDS: Employee empowerment, organizational commitment, compensation, satisfaction.

I. INTRODUCTION

One factor to consider is the satisfaction can be through compensation. According to Padayachee (2017), tyang remuneration Compensation is provided by the organization / company to employees, which can be financial or non-financial. Compensation in accordance with the procedures will foster a sense of belonging to the organization, which would result in increased commitment to the organization (Retnaningsih, 2017).

Besides employee empowerment and compensation, organizational commitment is also affected by where the job satisfaction. Organizational commitment is defined as the power of gratitude employees with the ambition of the organization and participation of the organization, in a word can be regarded as one of the attitudes and behaviors of employees connecting an employee's organization (Naeem, 2013). Ardi&Sudarma (2015) said the organizational commitment include the extent to which members of the organization considers itself part of the organization and how strong needed remain in the organization and the extent to which members of the organization receiving the value - the value and purpose in the organization. Rae, (2013) organizational commitment is a taste of the employees who are committed to the organization, where affective commitment includes the positive feelings of attachment organization, while continuing commitment included the desire to remain a member of the organization of a sense of necessity commitment. Astuti et al., (2013) organizational commitment is one of the factors that affect the success of the organization in the face of a more complex environment. Organizational commitment can also be interpreted as an attempt to defend himself in an organization like, to defend the values and goals of the organization as well as a strong effort to keep the organization's name (2013) organizational commitment is one of the factors that affect the success of the organization in the face of a more complex environment. Organizational commitment can also be interpreted as an attempt to defend himself in an organization like, to defend the values and goals of the organization as well as a strong effort to keep the organization's name (Mirah et al., 2019), Employees who have a strong commitment to the company is also required to be able to control the emotion that was in him to face the possibility of a problem that would occur(Damaryanthi & Goddess, 2016), Sherlywati (2015) define organizational commitment as a relationship between individuals and organizations including the values and
There are several factors that can affect the job satisfaction of employees, one employee empowerment, failure of employee empowerment occurs because there is no support from management, a lack of understanding of the managers on the ability of its employees, the lack of activity of exchange of information and the lack of delegation of tasks from the leader in terms of this manager to his subordinates in order everything that is related to decision-making in each - each unit can run without having to wait for the manager, employees still lack the opportunity to occupy higher positions in the LPD DesaAdatPecatu, and the lack of appreciation to employees who excel in the completion of all activities as well as highly necessary to hold training every year in order to improve the motivation of employees in the work.

In addition to the empowerment factor, compensation factors can also affect job satisfaction, which as stated in Law No. 13 of 2003 on Labor states that "Labor is any person who is able to work in order to produce goods and / or services, both for subsistence and for the community." Meanwhile, According to Article 1 paragraph 30 of Law No. 13 of 2003 on Labor, Wage is the right of workers / laborers received and expressed in terms of money as a reward from employers or employers to workers / laborers are set and paid by an employment agreement, agreements, or legislation, including allowances for workers / laborers and family for a job and / or services that have been or will be made.

II. LITERATURE AND DEVELOPMENT HYPOTHESIS

Satisfaction effect of empowerment to work itself revealed by Muhammad Taufik Hidayat, et al (2018) and tingginnya empowerment programs for employees were able to finish the job properly and have a harmonious working atmosphere with colleagues, revealed that the empowerment of positive and significant effect on job satisfaction. Other opinions expressed Empowerment satisfaction effect on employment is also stated by S. Thomas, et al (2018) empowerment means to encourage them more involved in the decisions and activities that affect their work. In this empowerment company will improve the performance of the company and employees can improve the talents fully, it affects the ability and satisfaction if the employee's performance increases, satisfaction will be achieved.

Research by Yani et al. (2016) say that the more employees feel empowered then work satisfaction will be higher. In other words, empowering positive and significant impact on job satisfaction. As well Maryanti and Goddess (2016), Styawahyuni and Yuniari (2014), Srinadi and Netra (2014), Hermawan and Chandra (2013), as well as Ayu (2015) also obtained the result that the employee empowerment effect the direction of the job satisfaction or otherwise if the employee empowerment increases there will be an increase in job satisfaction.

H1: Employee Empowerment positive effect on Satisfaction.

Hasibuan (2007: 117) claimed compensation as all income in the form of money, goods directly or indirectly received by an employee in exchange for remuneration granted to the company. Islam et al. (2012), and Ebarsi and Arat (2012) state compensation to satisfaction and significant positive effect. According to Women (2013) and Dwijayanti and Kartika (2015), simultaneously a significant difference between compensation and job satisfaction. Mahendrawan research and Indrawati (2015) states that compensation has a proportional effect on job satisfaction. Candra (2014) said compensation to job satisfaction, resulting in variable compensation and a significant positive effect on job satisfaction variables. Similarly Adeoye and Fields (2014), Salisu et al. (2015) and Muguungo et al. (2015) which states that the compensation and job satisfaction and significant positive effect on job satisfaction.

H2: Compensation positive effect on Satisfaction.

Baraba et al., (2014) in his research that aims to test the effect of organizational commitment on job satisfaction, organizational commitment to find results that negatively affect satisfaction. Okubanjo, (2014) in his study to test the predictive power of organizational commitment on satisfaction found a significant link between employee commitment and job satisfaction.

Research on the effects of job satisfaction on organizational commitment investigated by Darsana and Son (2017), Ramadan and Mujianti (2018), and Suadnyani and Netra (2018) showed that job satisfaction is positive and significant effect on organizational commitment.

H3: Organizational Commitment positive effect on Satisfaction

III. RESEARCH METHODS

The location study was conducted in Desa Adat Pecatu LPD which located on Jl. Raya Uluwatu-Pecatu Km. 5 Uluwatu district. South Kuta district. Badung. Bali. Indonesia. Objects in this study is about the effect of compensation of employee empowerment and organizational commitment to satisfaction at DesaAdatPecatu LPD to all employees.
The population in this study were all employees of the LPD DesaAdatPecatu. The sample used in this study were all employees remain in LPD DesaAdatPecatutotaling 50 employees. With the determination of the saturation sampling method is sampling technique when all members of the population used as a sample.

Multiple linear regression analysis is used to determine the effect or linear relationship between two or more independent variables and the dependent variable. The difference with the simple linear regression is that the simple linear regression using only one dependent variable in the regression model, multiple linear while using two or more independent variables in the regression model.

\[ Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e \] ......................... (1)

Information:
\[ Y = \text{Satisfaction} \]
\[ \alpha = \text{constant} \]
\[ \beta_1 \beta_2 \beta_3 = \text{Coefficient of variable X regesi_1, X_2, X_3} \]
\[ X_1 = \text{Employee empowerment} \]
\[ X_2 = \text{Compensation} \]
\[ X_3 = \text{Organizational Commitment} \]
\[ e = \text{error} \]

**IV. RESULTS AND DISCUSSION**

Analysts Multiple Linear Regression

This analysis technique is used to determine how much effect the independent variable is: Empowering employees (X1), compensation (X2), organizational commitment (X3), against the dependent variable is satisfaction (Y).

**Table 1. Results of Multiple Linear Regression Analysis**

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Coefficients unstandardized</th>
<th>standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Model</td>
<td>B</td>
<td>Std. Error</td>
<td>beta</td>
<td>t</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>5.009</td>
<td>1587</td>
<td>3157</td>
<td>.003</td>
</tr>
<tr>
<td>Employee empowerment</td>
<td>.458</td>
<td>.207</td>
<td>.223</td>
<td>2.216</td>
</tr>
<tr>
<td>Compensation</td>
<td>.558</td>
<td>.155</td>
<td>.461</td>
<td>3.599</td>
</tr>
<tr>
<td>Organizational commitment</td>
<td>.421</td>
<td>.180</td>
<td>.285</td>
<td>2337</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Satisfaction

Primary Data, 2019

Based on Table 1 can be prepared following linear regression equation: \( Y = 5.009 + 0.458X_1 + 0.558X_2 + 0.421X_3 \)

1. Constant (\( \alpha \)) of 5.009 means if the employee empowerment, compensation, and organizational commitment has a constant value at zero then the value of satisfaction will be valued at 5.009.

2. Employee empowerment variable regression coefficient of 0.458 is positive, meaning if compensation and organizational commitment is worth 1 point then the job satisfaction of employees will be increased by 0.458 assuming other variables constant at zero.

3. The regression coefficient of 0.558 variable compensation positive value has meaning if employee empowerment and organizational commitment is worth 1 point then the job satisfaction of employees will be increased by 0.558 assuming other variables constant at zero.

4. The regression coefficient of 0.421 variable organizational commitment has meaning if it is positive, empowering employees and compensation worth 1 point then the job satisfaction of employees will be increased by 0.421 assuming other variables constant at zero.

**Effect of employee empowerment on Satisfaction**

Based on t-test, the effect of employee empowerment on satisfaction obtained significance value of 0.032 with a regression coefficient of 0.458 is positive. 0.032 significance value <0.05 indicates that H1 is accepted. This result means that the suspected employee empowerment is significantly positively associated with satisfaction.
This means that if the employee empowerment getting better, then the better the satisfaction, on the contrary if the worse the employee empowerment satisfaction will be bad anyway.

Empowerment can foster critical thinking, which leads to employees who work at a higher level. Such empowerment is positively shaping employees' perception of their work, reduce stress, and ultimately leads to higher job satisfaction (Choi et al., 2016). Research conducted by Sudibyanynaya & Sintaasih, (2018) also states that there is a positive relationship between employee empowerment on satisfaction. Research conducted by Abadi & Chegini, (2013) showed that the dimensions of empowerment and access to information, reward systems, self-determination and competence of significant effect job satisfaction is supported by the findings of Indradevi, (2012). Men's & Satisfaction effect of empowerment to work itself revealed by Muhammad TaufikHidayat, et al (2018) and high empowerment programs for employees were able to finish the job properly and have a harmonious working atmosphere with colleagues, revealed that the empowerment of positive and significant effect on job satisfaction. Other opinions expressed Empowerment kepuaan effect on employment is also stated by S. Thomas, et al (2018) empowerment means to encourage them more involved in the decisions and activities that affect their work. In this empowerment company will improve the performance of the company and employees can improve talents fully, it affects the ability and satisfaction if the employee's performance increases, satisfaction will be achieved.

Research by Yani et al. (2016) say that the more employees feel empowered then work satisfaction will be higher. In other words, empowering positive and significant impact on job satisfaction. As well Maryanti and Goddess (2016), Styawahyuni and Yuniari (2014), Srinadi and Netra (2014), Hermawan and Chandra (2013), as well as Ayu (2015) also obtained the result that the employee empowerment effect the direction of the job satisfaction or otherwise if the employee empowerment increases there will be an increase in job satisfaction.

**Effect Compensation on Satisfaction**

Based on t-test, the effect of compensation on satisfaction obtained significance value of 0.032 with a regression coefficient of 0.558 is positive. 0.032 significance value <0.05 indicates that H2 is accepted. This result means that the compensation allegedly significantly positively associated with satisfaction. This means that if the compensation is getting better, the job satisfaction of employees, the better, otherwise if the compensation is getting worse then the satisfaction will be bad anyway.

Hasibuan (2007: 117) claimed compensation as all income in the form of money, goods directly or indirectly received by an employee in exchange for remuneration granted to the company. Islam et al. (2012), and Ebarsi and Arat (2012) state compensation to satisfaction and significant positive effect. According to Women (2013) and Dwijayanti and Kartika (2015), simultaneously a significant difference between compensation and job satisfaction. Mahendrawan research and Indrawati (2015) states that compensation has a proportional effect on job satisfaction. Candra (2014) said compensation to job satisfaction, resulting in variable compensation and a significant positive effect on job satisfaction variables. Similarly Adeoye and Fields (2014), Salisu et al. (2015) and Muguongo et al. (2015) which states that the compensation and job satisfaction and significant positive effect on job satisfaction.

**Effect of Organizational Commitment on Satisfaction**

Based on t test results effect organizational commitment to satisfaction obtained significance value of 0.024 with a regression coefficient of 0.421 is positive. 0.024 significance value <0.05 indicates that H3 is received. This result means that the alleged organizational commitment significantly positively associated with satisfaction. This means that if the organizational commitment getting better, then the better the satisfaction, organizational commitment on the contrary if the worse the job satisfaction of employees will be bad anyway.

Baraba et al., (2014) in his research that aims to test the effect of organizational commitment on job satisfaction, organizational commitment to find results that the positive effect on satisfaction. Okubanjo, (2014) in his study to test the predictive power of organizational commitment on satisfaction found a significant link between employee commitment and job satisfaction. Research on the effects of job satisfaction on organizational commitment investigated by Darsana and Son (2017), Ramadan and Mujiai (2018), and Suadnyani and Netra (2018) showed that job satisfaction is positive and significant effect on organizational commitment.

**Eligibility Test Results Model**

Feasibility Model (Test F), aims to demonstrate the feasibility of multiple linear regression model as an analysis tool that tests the effect of independent variables on the dependent variable. F test done by looking at the significant value on the table, crimped ANOVA using SPSS 22.0. If the value of the significance of the ANOVA <α = 0.05, this model is feasible independent variables are able to explain the dependent variable. Testing the significance of employee empowerment independent variable (X1), compensation (X2) and organizational commitment (X3) simultaneously on the dependent variable satisfaction (Y).
Table 2. Results of Test F-test

ANOVA®

<table>
<thead>
<tr>
<th>Model</th>
<th>Sum of Squares</th>
<th>df</th>
<th>mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Regression</td>
<td>592 276</td>
<td>3</td>
<td>197 425</td>
<td>65 474</td>
<td>.000b</td>
</tr>
<tr>
<td>residual</td>
<td>138 704</td>
<td>46</td>
<td>3015</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>730 980</td>
<td>49</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Primary Data, 2019

Based on the results of tests of significance Table 2 (Test F) obtained significance value of 65 474 F significant value 0.000 <0.05 means that the employee empowerment, compensation and organizational commitment suspected to be significantly related to satisfaction

Determination analysis

The coefficient of determination (R²) is useful for measuring the contribution of independent variables (employee empowerment, compensation and organizational commitment) on the dependent variable (satisfaction). Testing the coefficient of determination in this study will use SPSS.

Table 3. Determination Coefficient Analysis

<table>
<thead>
<tr>
<th>Model Summary</th>
<th>Model</th>
<th>R</th>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Data, 2019</td>
<td>1</td>
<td>.900a</td>
<td>.810</td>
<td>.798</td>
<td>1,736</td>
</tr>
</tbody>
</table>

Based on Table 3 can be observed adjusted R² value of 0.798 means that 79.8% change (up and down) on job satisfaction for employees affected by (the employee empowerment, compensation, and organizational commitment, while the remaining amount of 20.2% effect by other factors beyond this study.

IV. CONCLUSION

Based on the exposure can be stated that the employee empowerment is significantly and positively associated with satisfaction. These results imply that in order to decreased satisfaction is the management company should increase the employee empowerment in accordance with the workload as well as corporate profits. In addition, the management should provide the appropriate incentives to that satisfaction will decrease.

Compensation is significantly and positively associated with satisfaction. It has implications for that to improve satisfaction, the management company should reduce working hours according to the rules in accordance with the law - employment law. In addition, the management company should not leave the responsibility that does not comply with the position and job description carried the employees.

In addition, organizational commitment is significantly and positively associated with satisfaction. These results imply that the management should be conditioned to avoid organizational commitment. This can be done by designing a supportive work environment and enforce policies so employees among one another can provide support.

REFERENCES


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