

Effect of Integrity and Compensation to Organizational Performance through Organizational Commitment in Service Facility of Indonesian National Army Bases Navy

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Abstract: This study aimed to determine the effect of integrity and compensation to organizational performance simultaneously, determine the effect of the integrity of the performance of an organizational performance partially determine the effect of compensation to organizational performance partially, determine the effect of organizational commitment on organizational performance partially, determine the effect of the integrity to organizational performance through organizational commitment and determine the effect of compensation to organizational performance through organizational commitment. The study was conducted at the Department of Facility Bases Indonesian Navy. Sampling using saturated samples involving 112 employees in all parts of the organization. Analysis of data using path analysis.

Based on data analysis found that the variable compensation and integrity affect organizational performance simultaneously. Integrity variables affect on organizational performance partially. Variable compensation effect on organizational performance partially. Organizational commitment variables affect on organizational performance partially. Commitment to the organization can provide improved impact the integrity and compensation to organizational performance.

Keywords: integrity, compensation, organizational commitment, organizational performance

Date of Submission: 04-10-2019

Date of acceptance: 21-10-2019

I. INTRODUCTION

Organizational performance of a company is determined by intensity employees and leadership in carrying out the task. The ability of management and employees in synergy duties involved in producing the organization's performance. One factor that also plays a role in enhancing the performance of the organization is the integrity of members of the organization in developing the organization. Integrity is a consistent attitude and behavior to uphold work ethics and professional ethics. Integration requires the temptation or opportunity to commit misconduct. However, people who are not motivated misconduct because he had confidence in the importance of upholding the noble values in their environment.

Integration is acting consistent with the values and policies of the organization as well as the code of professional conduct, even in a state that is difficult to do so. People who have integration will not be deterred by the temptation to betray the moral values that are believed. Personal motivation is the person who maintains the level of honesty and high ethics in words and actions every day. They are the ones who are competent, conscientious and reliable in the act, it can be trusted by his co-workers, subordinates, and superiors as well as outsiders. They also treat others fairly.

Another factor that affects performance is compensation. Compensation according to Hasibuan (2012) is "All income in the form of money, goods directly or indirectly received by employees as a reward for services rendered to the company". While understanding the compensation according to Simamora (2008) is: "What is accepted by the employees in exchange for their contributions to the organization. Aritonang (2008) states compensation is all the income in the form of money or goods directly or indirectly received by employees in exchange for services provided to the agency.

Wages and salaries are different things. Wages are paid a base which is often used for production workers and maintenance or for daily workers who are not employees or full-time employees. Wages are usually is daily, weekly or monthly following an agreement between the employee and the employer. Salaries generally applicable to the fare paid weekly, monthly, or yearly given regularly.

Organizational commitment also indicated an impact on organizational performance. Organizational commitment is a condition in which an employee is favoring a particular organization as well as the goals and

desires to retain membership in the organization. Thus, a high job involvement means favoring certain work of an individual, while a high organizational commitment means favoring organizations that recruit such individuals. The commitment of the organization is also an attitude that reflects the extent to which an individual to know and adhere to the organization. An individual who has committed is likely to see himself as a true member of the organization. Meanwhile, according to Kreitner and Kinicki (2015: 165) that reflects the organization's commitment to recognizing the degree to which someone tied to an organization and its goals.

II. LITERATURE REVIEW

Integrity

Integrity comes from the Latin "integrate" which means complete or flawless, perfect, without a visor. The point is what is in the hearts of the same with what we think, say and do (Bertens, 1994). So we can say that integrity is a consistent attitude and behavior to uphold work ethics and professional ethics. Integration requires the temptation or opportunity to commit misconduct. However, people who are not motivated misconduct because he had confidence in the importance of upholding the noble values in their environment.

People who become leaders or successful tend to have three qualities. The quality is according to the Cloud (2006), which has the specific ability, to build mutually beneficial relationships (more than just networking), and character. At least, the character in question here includes ethics and motivation. The success of a leader is not only seen from how much ability in a particular field, but more important is how motivated him to manage and use these capabilities following the moral values he believed. Integration is the ability to be patient when life does not go smoothly. Integration is a test stand that requires predictable behavior. Integration is a force that remains firm even though no one noticed. Integration remains firm on certain values despite perceived more popular to dump him. Integration, living with confidence, rather than with what they like. Integration is the foundation of life if the motivation is good, then the good life, and vice versa. Integration was formed through customs.

III. COMPENSATION

Compensation according to Hasibuan (2012) is: "All income in the form of money, goods directly or indirectly received by employees as a reward for services rendered to the company". While understanding the compensation according to Simamora (2008) is: "What is accepted by the employees in exchange for their contributions to the organization. Aritonang (2008) states compensation is all the income in the form of money or goods directly or indirectly received by employees in exchange for services provided to the agency.

Soekidjo(2012) states that compensation is everything received by employees as remuneration for their work or devotion. Factors that affect the compensation are productivity, ability to pay, willingness to pay, the supply and demand for labor, employee organizations and the rules and regulations. According to Dessler (2008) compensation has three components as follows:

- a. Direct payments in the form of salary, and intensive or bonus/commission.
- b. Payment indirectly in the form of benefits and insurance.
- c. Non-financial rewards such as flexible working hours and a prestigious office.

Several things can be used as an indicator of compensation, according to Simamora (2008), these indicators are:

1) Wages and Salaries

Wages and salaries are different things. Wages are paid a base which is often used for production workers and maintenance or for daily workers who are not employees or full-time employees. Wages are usually is daily, weekly or monthly following an agreement between the employee and the employer. Salaries generally applicable to the fare paid weekly, monthly, or yearly given regularly.

2) Incentives

Is an additional incentive compensation above or beyond the salary or wages provided by the organization. Incentives are usually provided by the company based on their job performance or productivity of employees. Achievement or productivity of employees with good work will receive incentives from the company.

3) Allowance

Allowances are payments or services provided by the company as a protector or a complement to the basic salary. Examples of benefits are health and life insurance, vacation is borne by the company, pension programs, and other benefits related to the employment relationship.

4) Facility

Compensation in the form of facilities provided by the company to accelerate and simplify and motivate employees or employees at work. Examples are pleasure facilities such as a company car, club memberships, special parking places, or internet access, work uniforms, and so on.

Organizational Commitment

According to Robbins and Judge (2008: 100) organizational commitment is a condition in which an employee is favoring a particular organization as well as the goals and desires to retain membership in the organization. Thus, a high job involvement means favoring certain work of an individual, while a high organizational commitment means favoring organizations that recruit such individuals.

Meanwhile, according to Moorhead and Griffin (2013: 73) organizational commitment is an attitude that reflects the extent to which an individual to know and adhere to the organization. An individual who has committed is likely to see himself as a true member of the organization. Meanwhile, according to Kreitner and Kinicki (2015: 165) that reflects the organization's commitment to recognizing the degree to which someone tied to an organization and its goals.

It can be concluded that organizational commitment is a psychological state of individuals associated with faith, trust and a strong reception to the goals and values of the organization, a strong willingness to work for the organization and the degree to which it still wants to be a member of the organization.

Robbins and Judge (2008: 101) states that there are three separate dimensions of organizational commitment are:

1. Affective commitment to the organization is an emotional feeling and belief in its values.
2. Ongoing commitment is the perceived economic value of surviving in an organization when compared to leaving the organization.
3. Normative commitment is an obligation to stay in an organization for reasons of moral and ethical.

Organizational Performance

According to Richard et al (2010) the performance of the organization is generated by an organization that includes the results of that financial performance such as profit, as measured by return on assets, return on investment and so on, the performance of markets such as the expansion of market share, and sales. Besides the return of shareholders a return of shareholders and increase the economy of shareholders.

In some areas of the organization's performance can also be measured by other things such as strategic planning, operations, finance, legal and organizational development. In developing the institution or organization is a necessity to survive in the competitive world climate.

The purpose of productivity associated with the development of that organization (Shrestha, 1997). Small organizations that have a desire to continue to grow and become large. The growing organization to accommodate development itself.

Kaplan and Norton (1992) the organization's performance should be measured not only in terms of financial concepts but also of non-financial. Performance can be measured by productivity, quality, consistency and so on. On the other hand measure organizational performance outcomes, behavioral and normative level, education and concepts generated including management development (Richard, 2010).

According to James (2015), the effectiveness of an organization can be measured by the following criteria are:

- a. Market. This aspect means that if the consumer will feel satisfied with the service from the company.
- b. Products/services. Product or service produced must be considered to develop the organization
- c. Resource. Owned resources must be developed both for the company to compete with other companies
- d. Operating system. The resulting operating system must support the achievement of organizational goals
- e. Management system. The management system also must be managed properly so that the purpose of the organization executed well.
- f. Organizational culture. Cultural organizations also play a role in achieving better organizational performance.
- g. The impact on finances. The impact on the finances must also result in properly marked their savings to the organization.

IV. Research Methods

Research Design

This research uses an explanatory analysis approach. This means that each of the variables presented in the hypothesis will be observed by testing the causal relationship of independent variables on the dependent variable. Relationships between variables can be described in terms of the path analysis diagram as follows:

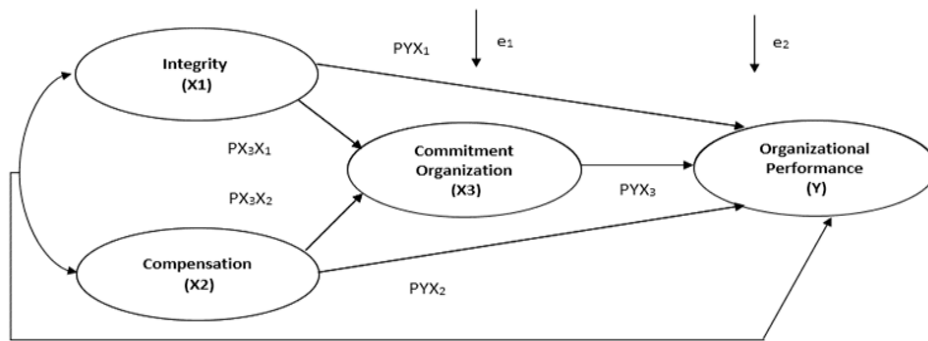


Figure 1. Overall Path Analysis

V. OBJECT OF RESEARCH

The study was conducted in Office Service Facility Of Indonesian National Army Bases Navy

Population and Sample Research

The population is a generalization region consisting of the objects/subjects that have a certain quantity and characteristics defined by the researchers to learn and then drawn conclusions (Sugiyono, 2014). Samples were towing the majority of the population to represent the entire population (Surakhmad, 2001). The sample used a total number of employees 112 people in areas of the organization. Sampling using a saturated sample.

VI. RESEARCH RESULT

1. Integrity and Compensation Influence on Organizational Performance

Based on the analysis of structural simultaneous equation can be described as follows:

$$Y = 0,483 X_1 + 0,559 X_2$$

The results showed that the calculated F value of 97.679 and the significance of 0.00. This value is less than 0.05. This means that the variable integrity and compensation effect on organizational performance simultaneously. The magnitude of the effect of the independent variable on the dependent variable in mind that the value of r squared of 63.2% means that the variable compensation of integrity and influence on organizational performance by 63.2% while the rest influenced by other variables that are not incorporated into the model equations.

2. Analysis of Integrity Influence on Organizational Performance

The analysis results on the performance of organizational integrity are partially known structural equation $Y = 0.572 X_1$

Based on the chart above analysis it is known that the integrity coefficient of 0.572. T value of 7.314. The significant value of 0.00. The significance value smaller than 0.05. This means that the integrity of variables affects the performance of an organization partially. The amount of influence on the performance of the organization known integrity r squared value of 0.327. This means that the effect of variable integrity of the performance by 32.7% and the rest influenced by other variables not included in the model equations.

3. Analysis of Compensation Effect on Organizational Performance

The analysis results on the performance of partial compensation to the structural equation in $y = 0.635 X_2$ Based on the results of data analysis known that the compensation coefficient of 0.635. T value of 8.654. The significant value of 0.00. The significance value smaller than 0.05. This means that the compensation variables affect the performance of an organization partially. The amount of influence on the performance of the organization known compensation r squared value of 0.405. This means that the effect of variable compensation to organizational performance amounted to 40.5% and the rest influenced by other variables not included in the model equations.

4. Influence Analysis of Organizational Commitment to Organizational Performance

The analysis results on the performance of organizational commitment partially structural equation $Y = 0.869 X_3$. Based on the chart above analysis it is known that the coefficient of organizational commitment at 0.869. T value of 18.922. The significant value of 0.00. The significance value smaller than 0.05. This means that the organizational commitment variables affect the performance of an organization partially. The magnitude of the effect of organizational commitment on organizational performance can be seen as r squared value of

0.755. This means that the effect of variable organizational commitment to organizational performance amounted to 75.5% and the rest influenced by other variables not included in the model equations.

5. Analysis of Effect of Integrity on Organizational Performance Through Organizational Commitment

Based on the partial path analysis above, it can be described as follows. The analysis is an analysis in line with the structure of this sub-image.

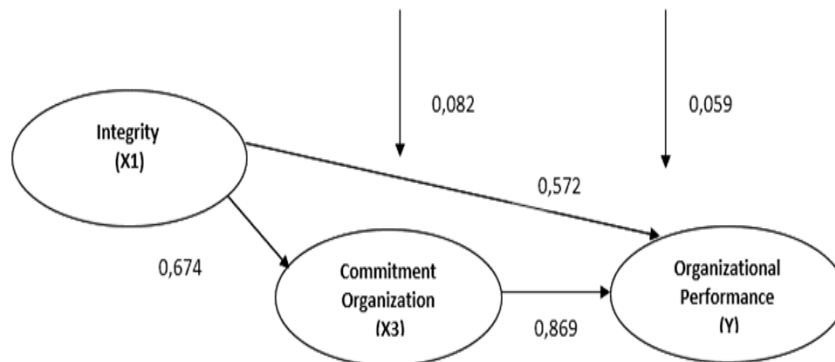


Figure 2. Analysis of the influence lines X1 to Y via X3

Based on the picture above can be seen that the effect of integrity on organizational performance is .572. Influence the integrity on organizational performance through organizational commitment is $0.674 \times 0.869 = 0.586$. In this case, the indirect effect is greater than the direct effect so that it can be said that the variable com organizational commitment as an intervening variable.

6. Effect Analysis Compensation on Organizational Performance through Organizational Commitment

Based on the partial path analysis above, it can be described as follows. The analysis is an analysis in line with the structure of this sub-image.

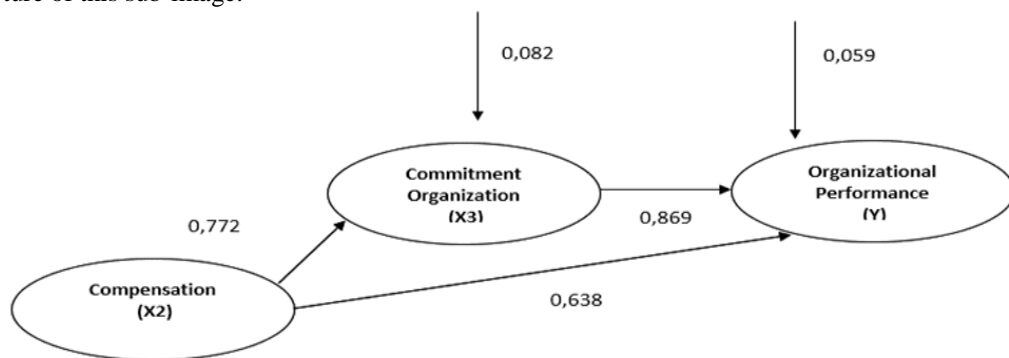


Figure 3. Analysis of the influence lines X2 to Y via X3

Based on the picture above it can be seen that the direct effect of compensation to organizational performance is 0.638. While the effect of compensation to organizational performance through organizational commitment is $0.772 \times 0.869 = 0.671$. In this case smaller than the direct influence indirect influence so we can say that the variables of organizational commitment as an intervening variable.

VII. CONCLUSIONS AND SUGGESTIONS

Conclusion

Variable the integrity and compensation affect on organizational performance simultaneously. F value calculated at 97.679 and the significance of 0.00. This value is less than 0.05. R squared value of 63.2% means that the variable integrity and compensation of influence on organizational performance by 63.2% while the rest influenced by other variables that are not incorporated into the model equations.

Integrity variables affect organizational performance partially. T value of 7.314. The significant value of 0.00. The significance value smaller than 0.05. R squared value of 0.327. This means that the effect of variable integrity of the performance by 32.7% and the rest influenced by other variables not included in the model equations.

Variable compensation effect on organizational performance partially. T value of 8.654. The significant value of 0.00. The significance value smaller than 0.05. R squared value of 0.405. This means that the effect of

variable compensation to organizational performance amounted to 40.5% and the rest influenced by other variables not included in the model equations.

Organizational commitment variables affect organizational performance partially. T value of 18.922. The significant value of 0.00. The significance value smaller than 0.05. R squared value of 0.755. This means that the effect of variable organizational commitment to organizational performance amounted to 75.5% and the rest influenced by other variables not included in the model equations.

The effect of integrity on organizational performance is 0.572. Influence the integrity to organizational performance through organizational commitment is $0.674 \times 0.869 = 0.586$. In this case, the indirect effect is greater than the direct effect so that it can be said that the variable organizational commitment as an intervening variable.

The direct effect of compensation to organizational performance is 0.638. While the effect of compensation to organizational performance through organizational commitment is $0.772 \times 0.869 = 0.671$. In this case smaller than the direct influence indirect influence so we can say that the variables of organizational commitment as an intervening variable.

Suggestion

Integrity is a consistent attitude and behavior to uphold work ethics and professional ethics. Integrity can be improved by taking into account a self-centered attitude, improve attitudes to developed firm against the value of the organization.

Improved organizational performance can also be improved by compensation. Compensation according to Hasibuan (2005) is: "all income in the form of money, goods directly or indirectly received by employees as a reward for services rendered to the company. It also needs to be considered by the organization staff salaries and other payments that are non-financial.

Organizational commitment also needs to be considered in improving organizational performance. Organizational commitment is a situation where an employee favoring a particular organization as well as the goals and desires to retain membership in the organization. Increased organizational commitment is done through an increase in affective commitment, continuous commitment, and normative commitment.

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Achmad Sobirin. "Effect of Integrity and Compensation to Organizational Performance through Organizational Commitment in Service Facility of Indonesian National Army Bases Navy." *IOSR Journal of Humanities and Social Science (IOSR-JHSS)*. vol. 24 no. 10, 2019, pp. 09-14.