

Analysis of the Effect of Commitment and Compensation on Employee Performance Using Organizational Citizenship Behavior (OCB) as an Intervening Variable in Perumda Tirta Kanjuruhan, Malang Regency

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Abstract

This research aims to examine the influence of commitment, compensation, employee performance and Organizational Citizenship Behavior (OCB) at the Tirta Kanjuruhan Regional Public Company. This type of research is quantitative research with multiple linear regression techniques and path analysis. The total population of this study was 484 people, with the method used being non-probability sampling. The number of respondents to this research was 219 people consisting of section heads, section heads and staff at the Tirta Kanjuruhan Regional Public Company. The research results show that commitment and compensation have a significant effect on OCB and employee performance. This research also shows that OCB is able to mediate commitment and compensation on employee performance. The implications are important for companies to: (1) increase employee understanding of the company's targets through direct involvement in the annual Company Budget Work Plan planning process, or indirectly through socialization of the Company's Budget Work Plan, (2) evaluate and re-establish the Directors' Regulations governing regarding providing rewards and sanctions for employee violations, (3) increasing employee motivation to be willing to work beyond working hours or outside company working hours by providing financial compensation in the form of overtime pay by utilizing information system technology that is integrated with the employee attendance system and evaluating and, (4) setting workload standards and targets linked to the required completion time, as a measure to determine whether an employee has worked according to the set time standards or faster than the set time standards.

Keywords: Commitment, Compensation, Organizational Citizenship Behavior (OCB), Employee Performance

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1. Introduction

Performance is a real behavior displayed by employees as work achievements produced in accordance with their role in the company (Rivai and Sagala, 2013). When technological advances occur very quickly, anticipatory and innovative strategies are needed so that employees perform well. This shows that human resources are the main key that must be improved in order to achieve the expected performance (Setiyawan & Waridin, 2006).

For three consecutive years, from 2019 to 2021, the performance of Perumda Tirta Kanjuruhan Malang Regency, East Java has consistently increased. However, one of the performance assessment parameters, namely the human resources aspect, has not increased at all, this phenomenon is interesting to research. This human resources management strategy is implemented with the idea that decreasing or increasing employee performance can be caused by various factors. Several factors that can influence employee performance are competence, commitment, compensation and organizational citizenship behavior (OCB).

Commitment is an important work attitude because committed employees are expected to show a willingness to work harder to achieve organizational goals and have a greater desire to continue working at the company (Kreitner and Kinicki, 2014). Meanwhile, compensation is something that employees receive in cash or non-cash for their contribution to the company. Appropriate compensation can help companies attract and retain the best talent, reduce absenteeism and turnover rates, and build a positive company image Simamora (2004). Employee performance cannot be separated from the role of OCB. Titisari (2014) said that OCB is a form of individual contribution that exceeds role demands in the work environment.

Research on employee performance conducted by Kristiawan (2022) shows that compensation has an effect on OCB and OCB is proven to mediate the effect of compensation on employee performance. Research by Baihaqi and Saifudin (2021) shows that organizational commitment influences OCB and OCB is able to mediate the relationship between organizational commitment and employee performance. Amalia's research (2019) shows that competence, compensation and managerial effectiveness influence OCB. Basu's (2015) research shows that OCB influences employee performance. However, different results were presented by Pohan (2021) and Fajarina (2020) who stated that OCB had no effect on employee performance. This research is intended to analyze the influence of commitment, compensation, and OCB on the performance of Perumda Tirta Kanjuruhan employees.

2. Conceptual Framework

The conceptual framework of this research is shown in figure 1.

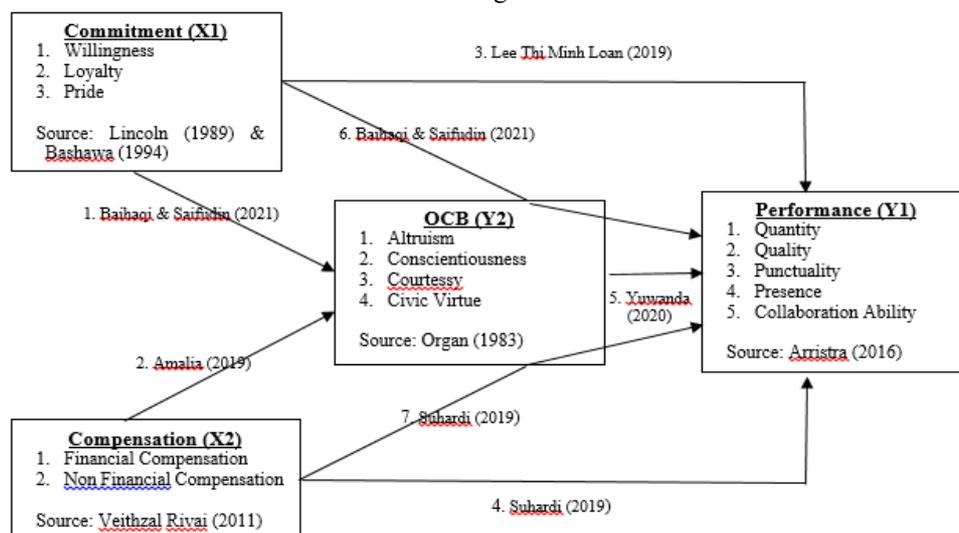


Figure 1. Conceptual Framework

3. Hypothesis

Based on the problem formulation, research objectives, and existing conceptual framework, the research hypothesis is:

- H1 : Commitment has a significant effect on OCB.
- H2 : Compensation has a significant effect on OCB.
- H3 : Commitment has a significant effect on employee performance.
- H4 : Compensation has a significant effect on employee performance.
- H5 : OCB has a significant effect on employee performance.
- H6 : OCB mediates the effect of commitment on employee performance
- H7 : OCB mediates the effect of compensation on employee performance

4. Research Design

This research uses a quantitative approach with types research used is explanatory research. The type of data used is the result of filling in respondent's questionnaire. The population in this study were all employees Perumda Tirta Kanjuruhan, Malang Regency, totaling 129 employees.

In taking samples using a purposive sampling method, namely sampling in this study is limited to certain types of people who can provide the desired information or meet several criteria determined by the researcher. The results of respondent's calculation from the Slovin formula, the number of samples that became respondent's was 129 respondent. The research analysis was conducted using a simple linear regression and path analysis.

5. Result

5.1. Validity Test

The result of the validity test in this study are used for the measure the level of accuracy of the indicator assessment variable. Validity measurement by comparing the correlation the value of each indicator on the statement item. Result of the validity of the 37 statements tested with the calculated coefficient of the value of r is greater than r table and profitability value is smaller than $\alpha = 5\%$. So, there is a significant relationship between the scores of each indicator with a significant correlation score it can be said that the instrument used is valid. So it can be used appropriate to measure the variables of commitment, compensation, employee performance, and Organizational Citizenship Behaviour (OCB).

5.2. Reliability Test

Research testing began with a test of validity and reliability. The instrument tests used on the question items have been concluded as being valid (see Table 1.). The results obtained from each coefficient value reliability were commitment = $0.865 > 0.600$, compensation = $0.893 > 0.600$, performance = $0.878 > 0.600$ and OCB = $0.855 > 0.600$. So, the research instrument used in this study is reliable and can be used as a measuring instrument.

5.3. Classic Assumption Test

A regression model is free from multicollinearity if the VIF (Variance Inflation Factory) value of each independent variable is less than 5 and the tolerance value is close to 1, thus it can be concluded that the regression model has no multicollinearity problem.

Table 1. Collinearity Test

Model	Collinearity Statistics	
	Tolerance	VIF
Commitment	0,481	2,081
Compensation	0,481	2,081

Heteroscedasticity means that there is residual variation that is not the same for all observations or that there is greater residual variation with a larger number of observations. Testing the symptoms of heteroscedasticity using a scatterplot, the results of the heteroscedasticity test are presented in Figure 2.

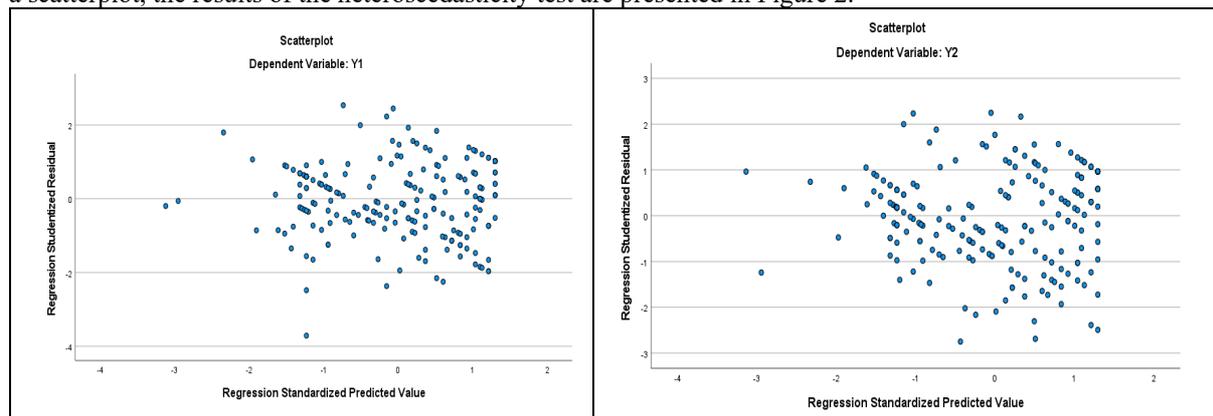


Figure 2 Heteroscedasticity Test

Based on figure 1, it can be seen that the dots are spread randomly, do not form a clear pattern, and are spread both above and below the number 0 on the y-axis. This does not occur heteroscedasticity in the regression model. Based on table 3, Durbin Watson's calculated value ($4 - 1.569 = 2.431$) > Durbin Watson's table value (1.768), so it can be concluded that there is no autocorrelation.

Table 2. Result Autocorrelations Test

n	DW	DU	4-DU
219	2,165	1,7882	2,2118

5.4. Structural Equation Model Test

As shown in table 3, the effect of commitment on employee performance is significant at the α level of 5% with a p value of 0.000, a regression coefficient of 0.538. This means that commitment influences employee performance, the higher the employee's commitment, the greater the employee's performance.

The effect of compensation on employee performance is significant at the α level of 5% with a p value of 0.001, a regression coefficient of 0.233. This means that the higher the compensation an employee receives, the greater the employee's performance will increase.

The influence of OCB on employee performance is significant at the α level of 5% with a p value of 0.000, a regression coefficient of 0.644. This means that OCB influences employee performance, the higher the employee's Organizational Citizenship Behavior, the higher the employee's performance.

The magnitude of the significance of the coefficient of determination is shown by the summary model, where the adjusted R square value is 0.645 or 64.5% and the magnitude of the influence of other variables is 35.5%. This shows that the contribution of the influence of commitment, compensation and OCB variables is 64.5%, while 35.5% of employee performance variables are influenced by other variables that are not in this research.

Table 3 Model Summary

Variable	Regression Coefficients	t Value	p Value
Commitment	0,538	7,931	0,000
Compensation	0,233	3,431	0,001
OCB	0,644	8,829	0,000
Dependent variable : Employee Performance			
R	= 0,806		
R square (R ²)	= 0,650		
Adjusted R Squared	= 0,645		
Nilai F	= 133,131		
Nilai p	= 0,000		

Meanwhile, based on the path analysis results shown in Table 4, it appears that the total influence of the commitment variable on employee performance (0.477) is greater than the direct influence. Based on Table 17, it appears that the total influence of the commitment variable on employee performance (0.477) is greater than the direct influence (0.323). Likewise for the compensation variable on employee performance, where the total effect is greater (0.604) than the direct effect (0.127). These results indicate that OCB is able to mediate commitment and compensation on employee performance, because the total influence value is greater than the direct influence.

Table 4 Summary of Direct, Indirect, and Total Effect Analysis from Path Analysis

Variable	Direct Effect	Prob	In Direct Effect	Total Effect
Commitment → OCB	0,323	0,000*		
Compensation → OCB	0,127	0,022*		
Commitment → Performance	0,538	0,000*		
Compensation → Performance	0,233	0,001*		
OCB → Performance	0,477	0,000*		
Commitment → OCB → Performance	0,323		0,323 X 0,477 = 0,154	0,477
Compensation → OCB → Performance	0,127		0,127 X 0,477 = 0,061	0,604

* significant at α 5%

5.5. Hypothesis test

Hypothesis 1

The result of data processing, obtained a commitment regression coefficient value of 0.537 and a t value of 9.250 and a p value of 0.000 which is smaller than $p = 0.05$ ($\alpha = 5\%$). Thus, it shows that commitment has a significant effect on OCB.

Hypothesis 2

The compensation coefficient regression value is 0.233 and the t value is 3.797 and the p value is 0.000 which is smaller than $p = 0.05$ ($\alpha = 5\%$). Thus, it can be concluded that compensation has a significant effect on OCB.

Hypothesis 3

The commitment regression coefficient value is 0.538 and the t value is 7.931 and the p value is 0.000, which is smaller than $p = 0.05$ ($\alpha = 5\%$). Thus it can be concluded that commitment has a significant effect on employee performance.

Hypothesis 4

The compensation coefficient regression value is 0.233 and the t value is 3.431 and the p value is 0.001, which is smaller than $p = 0.05$ ($\alpha = 5\%$). Thus it can be concluded that compensation has a significant effect on employee performance.

Hypothesis 5

The OCB regression coefficient value is 0.644 and the t value is 8.829 and the p value is 0.000, which is smaller than $p = 0.05$ ($\alpha = 5\%$). Thus, it can be concluded that Organizational Citizenship Behavior has a significant effect on employee performance.

Hypothesis 6

Based on Table 4, it is known that the direct influence of the commitment variable on performance is 0.323, while the total influence is 0.477, meaning that there is an indirect influence of 0.154 which comes from the intervening variable, namely Organizational Citizenship Behavior (OCB). Thus it can be concluded that Organizational citizenship behavior (OCB) is able to mediate the influence of commitment on performance.

Hypothesis 7

The seventh hypothesis aims to test that Organizational citizenship behavior (OCB) is able to mediate the effect of compensation on performance. Based on Table 4, it is known that the direct influence of the compensation variable on performance is 0.127, while the total influence is 0.604, meaning there is an indirect influence of 0.061 which comes from the intervening variable, namely Organizational Citizenship Behavior (OCB). Thus, it can be concluded that OCB is able to mediate the effect of compensation on performance.

Based on the description of testing hypotheses 6 and 7, the path model in path analysis is presented in Figure 3 below.

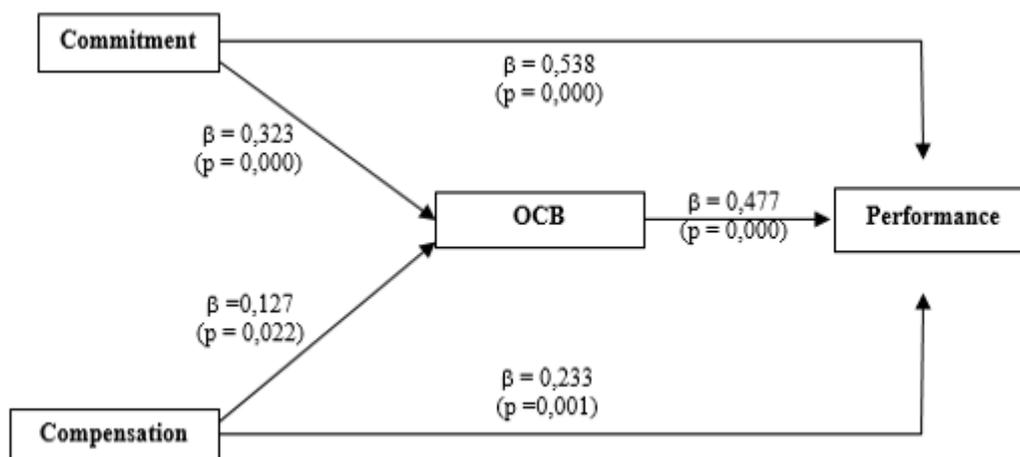


Figure 3 Path Analysis Results

6. Discussion And Implications

The results of the first hypothesis show that commitment influences the OCB of Perumda Tirta Kanjuruhan employees. This illustrates that the higher the commitment, the higher the OCB of Perumda Tirta Kanjuruhan employees. These results support research conducted by Amalia (2019) and Yuliani & Kalitim (2017). The implication is that an employee of Perumda Tirta Kanjuruhan who wants to continue working until retirement, will have high commitment, will be happy to help his co-workers' work even though it is not his responsibility and is his job. extra, so that the company's targets are achieved so that it can improve the company's performance.

Compensation influences the OCB of Perumda Tirta Kanjuruhan employees, showing that the higher the compensation received, the higher the employee's OCB. These results are in line with Amalia's (2019) research that compensation influences OCB. As stated by Sutrisno (2018), compensation is appropriate remuneration given by the company as a form of appreciation to employees for providing all their work abilities to the company. Meanwhile, Robbins & Judge (2008) stated that OCB behavior is a choice behavior that does not include an employee's formal work obligations but supports the effective functioning of the organization. In this way, an employee who always receives income every month regularly and on time will have high commitment and will be happy to help his co-workers' work even though it is not his responsibility to achieve the company's targets.

Commitment influences the performance of Perumda Tirta Kanjuruhan employees, indicating that the higher the employee's commitment, the higher the performance of Perumda Tirta Kanjuruhan employees. These results support Le Thi Minh Loan's (2019) research that commitment influences employee performance. Performance is the implementation of work and the improvement of work according to responsibility so that the results can be achieved as expected (Sinambela, 2016). Thus, it can be said that a Perumda Tirta Kanjuruhan employee who wants to continue working until his retirement, will always comply with the company's working hours provisions and easily accept input from co-workers in solving problems, so that he can make an optimal contribution to the company.

The results of this research also support research by Cahyani (2021) which shows that compensation influences the OCB of Perumda Tirta Kanjuruhan employees. This illustrates that the higher the compensation received by Perumda Tirta Kanjuruhan employees, the higher the employee performance will be.

OCB influences the performance of Perumda Tirta Kanjuruhan employees. This illustrates that the higher the OCB an employee has, the higher the employee's performance will be. These results support Yuwanda's (2020) research. According to Robbins & Judge (2008) OCB behavior is choice behavior that does not include an employee's formal work obligations but supports the effective functioning of the organization. Meanwhile, performance is the implementation of a job and perfecting the job according to one's responsibilities so that the results can be achieved as expected (Sinambela, 2016). In this way, an employee who is happy to help a co-worker's work, even though it is not his responsibility and is extra work, will always comply with the Company's

working hours and easily accept input from co-workers in solving problems, so that he can make an optimal contribution to improving the company's performance.

The results of this research also show that OCB mediates the effect of commitment on employee performance because employee commitment is an important factor in growing employee OCB to work optimally in order to increase the expected employee performance. This is in line with research by Saifudin and Baihaqi (2021) which shows that OCB is able to mediate the influence of commitment on employee performance.

This research also shows that OCB mediates the effect of compensation on employee performance, because compensation is an important element in fostering OCB in Perumda Tirta Kanjuruhan employees to be able to work optimally. These results are in line with research conducted by Suhardi (2019) which shows that OCB is able to mediate the effect of compensation on employee performance.

7. Conclusion

The higher the commitment and compensation an employee receives, the more the employee's OCB will increase. Commitment and compensation also influence employee performance. On the other hand, OCB influences employee performance. This means that the higher the employee's OCB, the greater the employee's performance will be. Apart from that, OCB is also able to mediate the influence of commitment on performance, because employee commitment is an important factor in growing the OCB of Perumda Tirta Kanjuruhan employees to increase the expected employee performance. OCB is also able to mediate the effect of compensation on performance, because compensation is an important element in cultivating OCB in Perumda Tirta Kanjuruhan employees to be able to work optimally.

Therefore, it is important to (1) increase employee understanding of company targets through direct involvement in the planning process or indirectly through socialization of the Company's Budget Work Plan; (2) evaluate and re-establish the Directors' Regulations which regulate the provision of rewards and sanctions for employee violations; (3) Increase employee motivation to be willing to work beyond working hours or outside company working hours by providing financial compensation in the form of overtime pay by utilizing information system technology that is integrated with the employee attendance system; and (4) Evaluate and set workload standards and targets related to the required completion time, as a measure to determine whether an employee has worked according to the set time standards or faster than the set time standards.

It is hoped that the results of this research will serve as a reference in efforts to improve the performance of BUMD Drinking Water so that it performs healthily, by taking into account the factors that influence the increase in employee performance, in addition to the commitment factor to increase employee productivity and competency which has been evaluated by the Indonesian PUPR Ministry.

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