

The Impact of Organizational Commitment and Compensation on Employee Performance as Measured by Job Satisfaction at Denata Wedding Organizer



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ABSTRACT: This research describes and analyzes organizational commitment, compensation, job satisfaction, and employee performance. Analyze the influence of organizational commitment and compensation on job satisfaction; analyze the influence of organizational commitment and compensation on employee performance; analyze job satisfaction on employee performance; analyze organizational commitment and compensation on employee performance through job satisfaction at Denata wedding organizer. The population and sample in this research were Denata wedding organizer employees, totaling 55 respondents. The data collection technique uses a questionnaire, and the data analysis technique used is path analysis. The research results show that organizational commitment and compensation have a significant and positive impact on job satisfaction, organizational commitment and compensation have a significant and positive impact on employee performance, job satisfaction has a positive and significant impact on employee performance, job satisfaction can mediate organizational commitment and compensation on employee performance.

KEYWORDS: Organizational Commitment, Compensation, Job Satisfaction, Employee Performance, Wedding Organizer

I. INTRODUCTION

The development of the business world in Indonesia is currently showing positive growth. This is evidenced by the increasing number of forms of business offered in the fields of goods and services from small to large scale, thus requiring companies to be able to survive and compete with other companies. One thing that companies can do to survive in increasingly tight competition is to maximize their human resources.

Human resources are a factor that can demonstrate competitive advantage and function as a driver of other resources to achieve organizational goals (Salapudin, 2021). Human resources are an important asset in achieving organizational goals. Therefore, to maximize employee performance, it is necessary to consider factors that improve the quality of human resources. Employees with great potential to develop the company need to be retained by the company. A company can achieve its goals if it has talented employees. Still, for these employees to survive in the company, there are important factors, namely employee commitment and compensation, provided by the company (Saputra, 2018).

A wedding organizer is a service that provides wedding services that help in all preparations for a wedding and ensure that the event runs smoothly as desired. Denata Wedding Organizer is engaged in services that include wedding equipment rental, decoration, sound system, photography, and bridal makeup. Denata wedding organizer employees are in direct contact and communication with consumers, so good employee performance is needed to provide customer service satisfaction.

Robbins (2017) stated that employee performance is a result of work that has been done by an individual or group that contributes to helping the development and progress of the company. Robbins (2017) also stated that five indicators can be used to measure employee performance individually. Indicators in employee performance at Denata Wedding Organizer include 1) quality of work in working efficiently and providing quality services to consumers; 2) quantity that refers to the results produced by employees; 3) punctuality in completing tasks according to the specified time; 4) employee effectiveness in achieving the desired goals and results in carrying out their duties and 5) independence in completing tasks with minimal supervision.

Organizational commitment is an attitude that shows employee loyalty and is a continuous process of expressing concern for the success of an organization (Angraini, 2021). According to research by Kurniawan (2022), organizational commitment positively and significantly affects employee performance. Furthermore, Kharisma (2019) stated that organizational commitment is an attitude shown by employees through loyalty to the organization and is also a continuous process of how members of the organization pay attention to the success and goodness of their organization.

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Compensation is all income in the form of money or goods directly or indirectly received by employees in return for services provided to the company (Hasibuan, 2020). According to Ekhsan's research (2021), compensation and employee performance have a positive and significant influence. Furthermore, this research is supported by Kurniawan (2022), who states that compensation reflects the organization's efforts to maintain its human resources. Providing better compensation will encourage employees to work better and more productively.

Job satisfaction is a form of reaction felt by employees, whether an employee feels that their needs are met and feels satisfied with their work (Efendi 2024). According to Wehantouw's research (2019), a person with a high level of job satisfaction shows a positive attitude towards the job; conversely, a person who is dissatisfied with their job shows a negative attitude towards the job.

There are previous studies that support this, such as research conducted by Efendi (2024), which states that employee job satisfaction mediates the relationship between compensation and employee performance, in which there is a positive and significant influence then Munthe (2021) produces organizational commitment and compensation simultaneously have a positive and significant effect on employee performance, further research conducted by Nugroho (2019) researched organizational commitment, compensation affects employee performance through job satisfaction as an intervening variable, this study also shows that organizational commitment and compensation have a simultaneous effect on employee performance.

In contrast to the research findings above, Lukman's (2022) research states that organizational commitment has a positive but insignificant effect on job satisfaction, and compensation has a positive but insignificant effect on employee performance. Nugroho's (2019) research states that organizational commitment does not positively and significantly affect employee performance. Kertiriasih's (2023) research states that compensation has a positive but insignificant effect indirectly on employee performance through employee job satisfaction, and Efendi's (2024) research states that compensation has a positive but insignificant effect on employee performance.

The inconsistent research findings between organizational commitment and compensation on employee performance motivated the researcher to test organizational commitment and compensation on employee performance through job satisfaction to find out the clarity of the influence between organizational commitment, compensation, job satisfaction, and employee performance as a contribution of thought in Denata wedding organizer in particular and wedding organizer businesses in Indonesia.

II. METHOD

This study uses quantitative research by examining factors influencing employee performance in Denata Wedding Organizer. Population: This research was conducted on Denata Wedding Organizer employees, totaling 55 employees. Sampling technique: The sampling technique used in this study was the saturated sample method, where all population members become research subjects.

The data analysis technique used is descriptive analysis for each variable and a requirements analysis test for further hypothesis testing using multiple regression and path analysis. The analysis requirements tests performed were the normality, multicollinearity, and heteroscedasticity tests. Hypothesis testing using multiple regression analysis was carried out to determine whether the independent variables partially influence the dependent variable and to determine the linear regression equation. Path analysis was carried out to determine whether the mediating variable can mediate the independent variables on the dependent variable. Analysis of needs testing, hypothesis testing, and multiple linear regression analysis equations using the help of IBM SPSS Statistics version 26 software.

III. RESULT AND DISCUSSION

A. Result

1. Partial test (t-test)

The basis for decision-making in this partial test is that if the significance value t is < 0.05 , H_a is accepted, whereas if the significance value t is > 0.05 , H_a is rejected. Partial test results (t-test) are presented in the following table:

Table 1 Partial Test Results Model 1

Model	Regression Coefficient	t	Sig.
Organizational Commitment (X_1)	0,247	2,189	0.033
Compensation (X_2)	0,569	5,041	0,000

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The organizational commitment variable (X_1) obtained a positive t-count of 2,189 with a sig. of $0.033 < 0.05$. So, the organizational commitment variable positively and significantly affects the job satisfaction variable. It shows that hypothesis 1, which is that organizational commitment positively and significantly affects job satisfaction, is accepted.

The compensation variable (X_2) obtained a positive t-count of 5,041 with a sig. of $0.000 < 0.05$. So, the compensation is positive and significantly affects the job satisfaction variable. It shows that hypothesis 2, which is that compensation positively and significantly affects job satisfaction, is accepted.

Table 2 Partial Test Results Model 2

Model	Regression Coefficient	t	Sig.
Organizational Commitment (X_1)	0,234	2,092	0.041
Compensation (X_2)	0,283	2,170	0,035
Job Satisfaction (Y_1)	0,374	2,848	0,006

The organizational commitment variable (X_1) obtained a positive t-count of 2,092 with a sig. of $0.041 < 0.05$. So, the organizational commitment variable positively and significantly affects the employee performance variable. It shows that hypothesis 3, which is that organizational commitment has a positive and significant effect on employee performance, is accepted.

The compensation variable (X_2) obtained a positive t-count of 2,170 with a sig. of $0.035 > 0.05$. So, the compensation variable positively and significantly affects the employee performance variable. It shows that hypothesis 4, which is that compensation has a positive and significant effect on employee performance, is accepted.

The job satisfaction (Y_1) obtained a positive t-count of 2,848 with a sig. of $0.006 < 0.05$. So, the job satisfaction variable positively and significantly affects the employee performance variable. It shows that hypothesis 5, which is that job satisfaction positively and significantly affects employee performance, is accepted.

2. Path Analysis

Table 3 Path Analysis Results

Variable	Direct Effect	Indirect Effect	Total Effect	Information
Organizational Commitment (X_1) – Job Satisfaction (Y_1) – Employee Performance (Y_2)	0,247	0,247 x 0,374 = 0,092	0,247 + 0,092 = 0,339	Indirect effect < direct effect, $0,092 < 0,247$
Compensation (X_2) – Job Satisfaction (Y_1) – Employee performance (Y_2)	0,569	0,569 x 0,374 = 0,212	0,569 + 0,212 = 0,781	Indirect effect < direct effect, $0,212 < 0,569$

The indirect effect of organizational commitment on the employee performance variable through the job satisfaction variable is $0.092 < \text{direct effect } 0.247$. This means that the job satisfaction variable can become an imperfect mediating variable for the organizational commitment variable on the employee performance variable.

The indirect effect of compensation on the employee performance variable through the job satisfaction variable is $0.212 < \text{direct effect } 0.569$. This means that the job satisfaction variable can become an imperfect mediating variable for the compensation variable on the employee performance variable.

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B. Discussion

1. The Influence of Organizational Commitment on Job Satisfaction

Organizational commitment affects job satisfaction, which means that the higher the level of employee organizational commitment, the more significant the effect on high employee job satisfaction. The indicator that makes the greatest contribution to job satisfaction is that employees always work responsibly for the company's progress. Employees who are responsible for the company are a form of normative commitment of an employee, so this means that employees feel job satisfaction because they feel appreciated for their contribution in return for their commitment to the company's progress. Employees who are highly committed to their company tend to feel satisfied with their work and are less likely to change jobs. Employees who are strongly committed allow employees to be bound by the goals and values of the company, thereby increasing job satisfaction. The results of this study support the research conducted by Rahayu (2023) and Laras (2021), which states that organizational commitment affects job satisfaction.

2. The Influence of Compensation on Job Satisfaction

Compensation affects job satisfaction, which means that the higher the level of employee compensation, the higher their job satisfaction. The indicator that makes the greatest contribution to job satisfaction is the wages that employees receive according to the workload given. Providing compensation that is considered fair and according to expectations will make employees feel satisfied because their expectations are met, namely getting rewards that are in accordance with work results, but on the other hand, if the compensation received is considered inappropriate, employees will not feel satisfied with their work which will later have an impact on their performance. The results of this study support research conducted by Lukman (2022) and Wehantouw (2022), which states that compensation significantly influences employee job satisfaction. High commitment and fair and adequate compensation can increase job satisfaction, improving employee performance and retention in the organization.

3. The Influence of Organizational Commitment on Employee Performance

Organizational Commitment affects employee performance, which means that the higher the level of employee organizational commitment, the more employee performance also increases; the indicator that makes the greatest contribution to employee performance is that employees can complete each job neatly. Organizational commitment owned by employees, such as emotional attachment between employees and the company, will increase employee performance, which is indicated by the high initiative of employees when doing work. Conversely, when the organizational commitment owned by employees is lower, employee performance will also be lower. When Denata Wedding Organizer can build loyalty and create a good sense of family, it will create organizational commitment from employees to the company so that the performance of Denata Wedding Organizer employees will increase. The results of this study support the research conducted by Kurniawan (2022) and Kertiriasih (2023), which states that organizational commitment affects employee performance.

4. The Influence of Compensation on Employee Performance

Compensation affects employee performance, meaning that the higher the employee compensation, the better the employee's performance. The higher the compensation, such as salary, incentives, allowances, and facilities that support work, the better the employee's performance is indicated by the employee's discipline, responsibility, and effectiveness when doing their job. Conversely, when the compensation given by a company is lower, the employee's performance will be lower. The company always wants maximum contribution from its employees, and vice versa. Employees also want something in return for their contribution to the company. When Denata Wedding Organizer has a compensation system that is in accordance with the responsibilities given to employees, the performance of Denata Wedding Organizer employees will also improve. These results are in accordance with research conducted by Ekhsan (2021) and Sari (2021), which states that compensation affects employee performance.

5. The Influence of Job Satisfaction on Employee Performance

Job satisfaction has a significant effect on employee performance, meaning that the higher the level of job satisfaction, the higher the employee performance. The indicator of job satisfaction that significantly improves employee performance is that employees can complete each job neatly. Job satisfaction is a form of pleasure in the work that has been done. However, job satisfaction is subjective. Every employee who works expects to get satisfaction from their workplace. Basically, job satisfaction is something that is individual because each employee will have different levels of satisfaction according to the values that apply to each employee. The more aspects of the job that are in accordance with the employee's desires, the higher the level of satisfaction felt. The nature and extent of satisfaction and performance depend on the benefits that employees get, which the company has determined. As Robbins (2017) stated, job satisfaction is a general attitude of individuals towards their work where, in that job, a person must interact with coworkers and superiors and follow company rules and policies to meet work standards.

Satisfaction between individuals tends to differ because each individual has their own satisfaction criteria in measuring their level of life satisfaction. However, employee satisfaction at work can be seen in how employees perform. Job

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satisfaction is enjoyed at work, outside of work, and a combination. Satisfied employees will be motivated to perform better. Employees who feel satisfied at work will be responsible and involved in advancing the company where they work, proud of the results of their work, do their work well and neatly, meaning that employees feel responsible and, appreciate their work duties, and are happy with their work. The results of this study support Sutrisno (2022) and Febriyanti (2022), who stated that job satisfaction affects employee performance.

6. The Influence of Organizational Commitment on Employee Performance through Job Satisfaction

Job satisfaction can mediate the influence of organizational commitment on employee performance. This means that organizational commitment can improve employee performance. If employees are satisfied with their work, employee assessments of their work and conditions are closely related to job satisfaction. This is because positive assessments can increase employee job satisfaction, while negative assessments can result in employee job dissatisfaction. The results of this study support Nugroho (2019) and Kertiriasih (2023), who found that organizational commitment affects employee performance through job satisfaction. If employees have a high organizational commitment to continue to do their work at the wedding organizer well, the results will be more satisfying, thus impacting employee performance.

7. The Influence of Compensation on Employee Performance through Job Satisfaction

Job satisfaction can mediate compensation on employee performance. This means that job satisfaction is not important in the model that is built, namely the influence of compensation on performance. Employee performance can be improved if the company provides compensation fairly and in accordance with the responsibilities given to employees so that employees feel satisfied with their work. Job satisfaction is important for wedding organizers; if employees are satisfied with the company's work, they feel cared for by the company. The compensation given affects the company's performance because by providing satisfactory compensation, employees will be encouraged to do their work well and enthusiastically. This will have an impact on increasing company performance. The results of the study prove that the compensation given by Denata Wedding Organizer is in accordance with the responsibilities carried out by employees, thus creating job satisfaction. Employees who feel comfortable and satisfied with their work can work and innovate more creatively for the company's progress. This will improve employee performance in terms of quality, quantity, timeliness, effectiveness, and independence in completing work. The results of this study support Efendi (2024) and Wehantouw (2022), who found that compensation affects employee performance through job satisfaction.

IV. CONCLUSION

Based on the results of research on the influence of organizational commitment on employee performance through job satisfaction on Denata Wedding Organizer, the following conclusions are drawn:

1. Organizational commitment can foster job satisfaction in Denata Wedding Organizer employees. The main factor influencing job satisfaction is the work itself, where employees feel proud of the results of their own work, supported by employee commitment to contribute to advancing the company.
2. Compensation can create job satisfaction for Denata Wedding Organizer employees. The main factor influencing job satisfaction is the compensation given by the company according to the workload done by the employee. In the end, with the fulfillment of employee job satisfaction, there will be an increase in work and a small occurrence of employees changing jobs.
3. Organizational commitment can improve employee performance in Denata Wedding Organizer by increasing motivation and job satisfaction and reducing turnover. Committed employees are more engaged, collaborate better, and align with the organization's goals. They take ownership of their work, are more adaptable, and continuously seek improvement, leading to higher productivity and overall performance.
4. Compensation can improve employee performance in Denata Wedding Organizer. It motivates employees, increases job satisfaction, and reduces turnover. It attracts and retains talent, boosts loyalty, encourages goal achievement, and reduces financial stress, all leading to higher productivity and better performance.
5. Job satisfaction impacts employee performance, which means that employees who are satisfied with the results of their work can improve their performance. The main factor that affects job satisfaction is the work itself. Employees feel proud of their own work, which affects the quality of employee performance in completing work neatly so that consumers who use services feel satisfied with the results given.
6. Organizational commitment enhances employee performance through job satisfaction by creating a positive work environment where employees feel valued and supported. This leads to greater emotional investment as employees align themselves with the organization's goals and values, which increases their desire to perform well. When employees are satisfied with their jobs, they experience lower levels of stress and burnout, allowing them to stay focused and energized, further boosting their productivity. Additionally, job satisfaction nurtures motivation and encourages employees to take initiative and aim for higher standards. Committed and satisfied employees are more likely to put in extra effort and seek

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out opportunities to improve their skills, contributing to overall performance improvements. Finally, organizational commitment fosters loyalty, leading employees to focus on long-term goals and sustaining high performance over time.

7. Compensation improves employee performance by enhancing job satisfaction through recognition, financial security, and motivation. Fair compensation makes employees feel valued and reduces financial stress, allowing them to focus more on their work. Performance-based rewards further boost motivation, encouraging employees to meet or exceed goals. Competitive pay also helps retain talent, create stability, and foster long-term commitment, which leads to better performance. Ultimately, compensation drives job satisfaction, motivating employees to work harder and perform at higher levels.

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