Model of Organizational Commitment Moderation on Job Satisfaction

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Abstract

This study aims to examine the effect of compensation and organizational climate on employee job satisfaction at BPJS Ketenagakerjaan Regional Office of Aceh with organizational commitment as a moderating variable. The study involved 100 employees selected using purposive sampling. Data were collected through questionnaires and analyzed using the Partial Least Square (PLS) method. The results indicate that: (1) compensation has a positive and significant effect on job satisfaction, (2) organizational climate has a positive and significant effect on job satisfaction, and (3) organizational commitment as a moderating variable does not have a significant impact on the relationship between compensation, organizational climate, and job satisfaction. This study concludes that employee job satisfaction at BPJS Ketenagakerjaan can be enhanced through improving compensation systems and strengthening organizational climate, while the moderating role of organizational commitment requires further examination.

Keywords: Compensation, Organizational Climate, Job Satisfaction, Organizational Commitment, Moderation

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Introduction

The success of an organization is not only determined by the completeness of facilities and technology used but also heavily depends on the performance and job satisfaction of its employees. Creating a supportive work environment and paying attention to employee well-being are important aspects that cannot be ignored. Job satisfaction is a psychological condition that reflects a person's happy or positive feelings about their work. High levels of job satisfaction not only impact the individual well-being of employees but also contribute to the overall achievement of organizational goals. In the context of public service organizations like BPJS Ketenagakerjaan, employee job satisfaction becomes crucial given their direct role related to service quality to the public. An important factor influencing job satisfaction is compensation, both in financial and non-financial forms. Fair, adequate, and competitive compensation provides a sense of security and increases work motivation. Employees who feel valued through a good compensation system tend to have high work spirit and greater loyalty to the organization. Dissatisfaction with compensation can cause demotivation and job dissatisfaction which ultimately hinders performance achievement. Organizational climate describes the general atmosphere, values, norms, and interaction patterns prevailing within an organization. A positive, participative, and open work climate creates a sense of comfort, togetherness, and encouragement to contribute maximally. Organizational commitment becomes an important variable that can strengthen or weaken that relationship. Organizational commitment refers to the level of attachment and loyalty of employees to their organization, including the desire to contribute and remain in the long term. An employee with a high level of commitment tends to remain satisfied and motivated even when facing various challenges or limitations at work. Conversely, an employee with low commitment may be more easily influenced by external factors such as dissatisfaction with compensation or organizational conditions. With a fairly large number of employees and complex workloads, it is important for management to understand and evaluate factors influencing employee job satisfaction, especially compensation, organizational climate, and organizational commitment. The results of this study are expected to serve as a basis for consideration in making more effective and performance-oriented human resource management policies as well as improving service quality to BPJS Ketenagakerjaan participants.

Problem Formulation
1. Does Compensation have a positive and significant effect on employee Job Satisfaction at BPJS Ketenagakerjaan Aceh?
2. Does Organizational Climate have a positive and significant effect on employee Job Satisfaction at BPJS Ketenagakerjaan Aceh?
3. Does Organizational Commitment have a positive and significant effect on employee Job Satisfaction at BPJS Ketenagakerjaan Aceh?
4. Does Compensation have a positive and significant effect on employee Job Satisfaction moderated by Organizational Commitment at BPJS Ketenagakerjaan Aceh?
5. Does Organizational Climate have a positive and significant effect on employee Job Satisfaction moderated by Organizational Commitment at BPJS Ketenagakerjaan Aceh?

Research Objectives
1. To test and analyze the effect of Compensation on employee Job Satisfaction at BPJS Ketenagakerjaan Aceh.
2. To test and analyze the effect of Organizational Climate on employee Job Satisfaction at BPJS Ketenagakerjaan Aceh.
3. To test and analyze the effect of Organizational Commitment on employee Job Satisfaction at BPJS Ketenagakerjaan Aceh.
4. To test and analyze the effect of Compensation on employee Job Satisfaction moderated by Organizational Commitment at BPJS Ketenagakerjaan Aceh.

5. To test and analyze the effect of Organizational Climate on employee Job Satisfaction moderated by Organizational Commitment at BPJS Ketenagakerjaan Aceh.

Job Satisfaction

According to Rivai and Sagala (2020), Job Satisfaction is the feeling an employee has about their job, which includes positive attitudes towards various aspects of work such as tasks, coworkers, superiors, salary, and overall working conditions. The level of job satisfaction determines a person's spirit, loyalty, and productivity within the organization. According to Wibowo (2020), Job Satisfaction is a form of positive feeling towards work that arises from evaluating the aspects of the job undertaken. Job satisfaction reflects the extent to which an individual's expectations of their job are met.

Job Satisfaction Indicators

According to Wibowo (2020), job satisfaction can be measured through the following indicators:
1. Satisfaction with the job itself: How much employees enjoy their tasks and job responsibilities.
2. Satisfaction with superiors: The extent to which superiors act fairly, support, and appreciate employee contributions.
3. Satisfaction with coworkers: The quality of working relationships with teammates.
4. Satisfaction with salary/compensation: Perception of the fairness and adequacy of received compensation.
5. Satisfaction with promotion and career development: Opportunities for growth and advancement within the organization.

Compensation

According to Werther & Davis (2020), Compensation is what an employee receives in return for their contribution to the organization. According to Mondy & Martocchio (2017), Compensation refers to the total of all rewards given to employees in return for their services. According to Werther & Davis (2020), Compensation is what an employee receives in return for their contribution to the organization.

Compensation Indicators

According to Mondy & Martocchio (2017), they are as follows:
1. Direct Financial Compensation such as base salary and overtime pay.
2. Indirect Financial Compensation such as health benefits, insurance, pensions, and paid leave.
3. Non-Financial Compensation including comfortable working conditions, recognition, and career development opportunities.
4. Equity of Compensation employee perception of internal and external fairness in the payment system.
5. Performance-Based Pay compensation linked to work results or target achievement.
6. Competitiveness: the competitiveness of compensation compared to other companies in the same industry.

Organizational Climate

According to Schneider et al. (2020), Organizational Climate is the shared meaning employees associate with the policies, practices, and procedures they experience, as well as the behaviors they observe and are rewarded for. According to Ivancevich et al. (2018), Organizational Climate is a set of characteristics that describe an organization and differentiate it from other organizations, influencing the behavior of the people within it.

Organizational Climate Indicators

According to Ivancevich et al. (2018), indicators of organizational climate are as follows:
1. Structure The extent to which organizational rules, policies, and procedures are perceived as clear and orderly.
2. Responsibility The extent to which employees feel trusted and given responsibility in their work.
3. Reward Perception of the reward system, both financial and non-financial.
4. Risk The extent to which the organization encourages creative and innovative risk-taking.
5. Warmth and Support: The level of warmth, support, and empathy in relationships among employees and with leadership.
6. Standards The extent to which the organization sets and enforces work standards and performance achievement.

Organizational Commitment

According to Putra & Dewi (2020), Organizational Commitment is a positive attitude of employees towards the organization shown through emotional involvement, desire to contribute, and long-term loyalty to the organization where they work. According to Sopiah (2017), Organizational Commitment is the extent to which an employee believes in and accepts the organization's goals and has a desire to remain part of that organization. According to Putra & Dewi (2020), Organizational Commitment is a positive attitude.

Organizational Commitment Indicators

Indicators of Organizational Commitment according to Putra & Dewi (2020) are as follows:
1. The willingness of employees to accept the values upheld by the organization.
2. Employee involvement in organizational activities.
3. The desire to remain part of the organization.
4. Pride in being a member of the organization.
5. Loyalty in carrying out duties and responsibilities.

Conceptual Framework
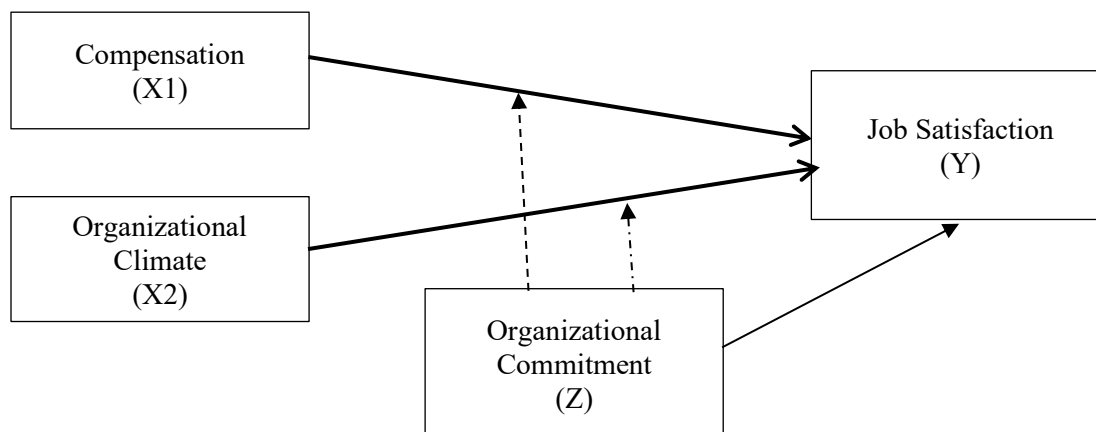
Figure 1. Conceptual Framework

Hypotheses

H1. Compensation has a positive and significant effect on employee Job Satisfaction at BPJS Ketenagakerjaan Aceh.
H2. Organizational Climate has a positive and significant effect on employee Job Satisfaction at BPJS Ketenagakerjaan Aceh.

H3. Organizational Commitment has a positive and significant effect on employee Job Satisfaction at BPJS Ketenagakerjaan Aceh.

H4. Compensation has a positive effect on employee Job Satisfaction moderated by Organizational Commitment at BPJS Ketenagakerjaan Aceh.

H5. Organizational Climate has a positive and significant effect on employee Job Satisfaction moderated by Organizational Commitment at BPJS Ketenagakerjaan Aceh.

Research Type

The type of research used is quantitative research. According to Sugiyono (2018), quantitative data is a research method based on positivism (concrete data), research data in the form of numbers that will be measured using statistics as a calculation test tool, related to the researched problem to produce a conclusion.

Research Time and Place

This research was conducted at the locations of the BPJS Ketenagakerjaan Aceh Office (Meulaboh Branch, Banda Aceh Branch, and Lhokseumawe Branch).

Population

This research uses the study population of all employees of the BPJS Ketenagakerjaan Aceh Office, totaling 75 employees. According to Sugiyono (2018), Population is the generalization area consisting of objects or subjects that have certain qualities and characteristics determined by the researcher to study and then draw conclusions.

Sample

The sample for this research is the entire population at the BPJS Ketenagakerjaan Aceh Office (Meulaboh Branch, Banda Aceh Branch, and Lhokseumawe Branch) totaling 75 employees using saturated sampling technique. According to Sugiyono (2018), Sample is a portion of the number and characteristics possessed by that population.

Data Collection Technique

The data collection technique used is a questionnaire; the researcher will distribute questionnaires to respondents who are the sample. According to Sugiyono (2018), a Questionnaire is a data collection technique done by giving a set of written questions or statements to respondents to answer.

Data Analysis Method

According to Ghozali (2006), the Partial Least Square (PLS) method explains that the structural equation model based on variance (PLS) is able to describe latent variables (not directly measured and measured using indicators (manifest variables). According to Ghozali (2006), Partial Least Square (PLS) is defined as follows: "Partial Least Square (PLS) is a powerful analysis method because it does not assume data must be on a specific measurement scale, with a small number of samples. The purpose of Partial Least Square (PLS) is to help researchers obtain latent variable values for prediction purposes."

Outer model

Testing Individual item reliability describes the correlation between each measurement item (metric) and its construct in standardized loading factor values. If the ideal loading factor value is greater than 0.5, it means this indicator is valid as an indicator that can measure the construct. Next, internal consistency measurement is evaluated with composite reliability with a minimum value of 0.7. Measurement of convergent validity is then conducted by testing the Average Variance Extracted (AVE) value. This value describes the amount of variance or variation of manifest variables that can be accommodated by the latent variable. For an ideal

AVE value of 0.5, it means the convergent validity is good. Discriminant Validity is evaluated with cross-loading, then comparing the AVE value with the squared value of the correlation between variables. Cross-loading measurement is to compare the correlation of a variable with other variable blocks, showing that the variable predicts its block measures better than other blocks. Another measure of Discriminant validity is that the square root of AVE must be greater than the correlation between the other variables, or the AVE value is greater than the squared correlation between variables.

Inner model

Structural model measurement is conducted by the researcher to determine the relationship between hypothesized constructs. In this model, there are several steps for evaluation. The first step is to check the significance of the relationship between variables. This can be seen from the path coefficient which describes the strength of the relationship between variables. A path coefficient (β) measure with a threshold value greater than 0.2 means that path has an influence in the model.

The second step is to test the T-test value using the bootstrapping method with a two-tailed test at a 5% significance level to test the research hypotheses. If the T-test value is greater than, then the developed research hypothesis can be accepted.

The third step is to evaluate the R^2 value (coefficient of determination). This value explains the variance of each target variable with a standard measure around 0.75 stated as strong, around 0.5 moderate, and less than 0.25 showing a low level of variance.
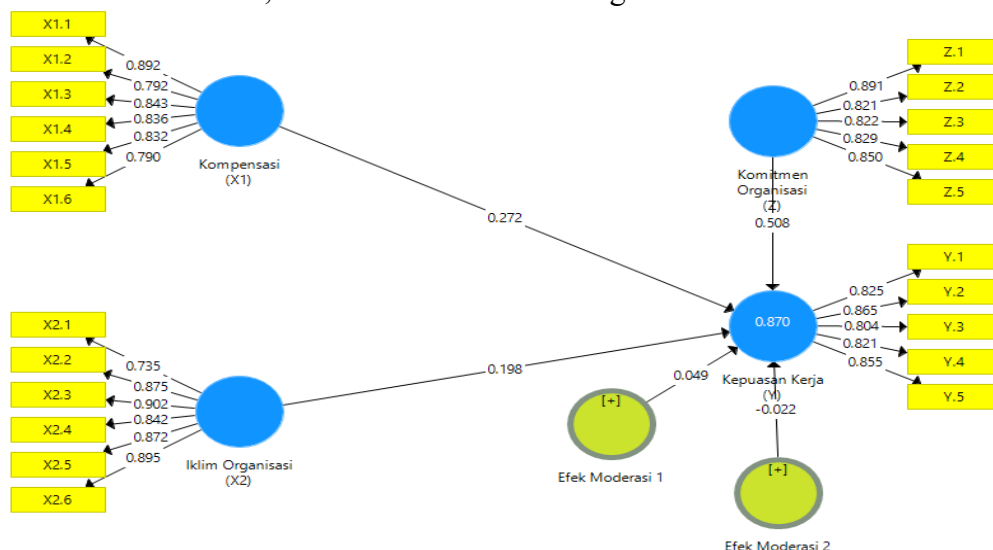
Source : Smart PLS3.3.3

Figure 2. Research Model in SmartPLS

Smart PLS output for loading factor provides results in the following table: Outer Loadings In this research, there are equations and that equation consists of two equations.

$$Y = b1X1 + b2Z + b3X1Z \ e1$$
$$Y = 0,272 + 0,508 + 0,049 + e1$$
$$Y = b2X2 + b3Z + b4X2Z + e2$$
$$Y = 0,198 + 0,508 - 0,022 + e2$$

Table 1. Outer Loadings/Cross Loadning

	Moderation Effect 1	Moderation Effect 2	Organizational Climate_ (X2)	Job Satisfaction_(Y)	Organizational Commitment_ (Z)	Compensation _(X1)
Organizational Climate_(X2) * Organizational Commitment_(Z)		0,832				
Compensation_ (X1) * Organizational Commitment_(Z)	0,788					
X1.1						0,892
X1.2						0,792
X1.3						0,843
X1.4						0,836
X1.5						0,832
X1.6						0,790
X2.1			0,735			
X2.2			0,875			
X2.3			0,902			
X2.4			0,842			
X2.5			0,872			
X2.6			0,895			
Y.1				0,825		
Y.2				0,865		
Y.3				0,804		
Y.4				0,821		
Y.5				0,855		
Z.1					0,891	
Z.2					0,821	
Z.3					0,822	
Z.4					0,829	
Z.5					0,850	

Source : Smart PLS3.3.3

Table 1 shows that all indicators have outer loading/cross loading values above 0.70, both for main variables and moderation effects. Indicators for Compensation (X1), Organizational Climate (X2), Job Satisfaction (Y), and Organizational Commitment (Z) each contain the highest loading value on their own construct, thus meeting convergent and discriminant validity. Furthermore, the moderation effect indicators (Compensation × Organizational Commitment and Organizational Climate × Organizational Commitment) also show adequate

loading values (>0.70), so the moderation construct is declared valid and suitable for use in the research model.

Discriminat Validity

This discussion will focus on the results of the discriminant validity test in this section. Cross loading values are used to test discriminant validity. If the cross loading of an indicator is higher than for other variables, it indicates discriminant validity. The cross loading values for each indicator are as follows:

Table 2. Discriminant Validity

	Moderation Effect 1	Moderation Effect 2	Organizational Climate_ (X2)	Job Satisfaction_ (Y)	Organizational Commitment_ (Z)	Compensation_ (X1)
Organizational Climate_(X2) * Organizational Commitment_(Z)	0,859	1,000	-0,153	-0,098	-0,087	-0,142
Compensation_(X1) * Organizational Commitment_(Z)	1,000	0,859	-0,150	-0,078	-0,087	-0,098
X1.1	-0,059	-0,115	0,829	0,770	0,763	0,892
X1.2	-0,160	-0,209	0,686	0,797	0,762	0,792
X1.3	-0,013	-0,046	0,697	0,727	0,703	0,843
X1.4	-0,109	-0,146	0,723	0,670	0,637	0,836
X1.5	-0,125	-0,147	0,777	0,708	0,702	0,832
X1.6	-0,017	-0,035	0,665	0,695	0,677	0,790
X2.1	-0,195	-0,134	0,735	0,690	0,690	0,651
X2.2	-0,118	-0,141	0,875	0,696	0,679	0,732
X2.3	-0,246	-0,229	0,902	0,737	0,723	0,791
X2.4	0,028	0,027	0,842	0,792	0,696	0,806
X2.5	-0,161	-0,229	0,872	0,736	0,730	0,734
X2.6	-0,093	-0,094	0,895	0,768	0,814	0,779
Y.1	-0,081	-0,064	0,718	0,825	0,764	0,735
Y.2	-0,090	-0,063	0,738	0,865	0,792	0,739
Y.3	-0,005	-0,066	0,699	0,804	0,763	0,745
Y.4	-0,097	-0,174	0,722	0,821	0,741	0,741
Y.5	-0,049	-0,043	0,726	0,855	0,716	0,703
Z.1	-0,127	-0,105	0,761	0,827	0,891	0,776
Z.2	-0,060	-0,013	0,721	0,737	0,821	0,706
Z.3	-0,114	-0,146	0,799	0,732	0,822	0,753
Z.4	-0,050	-0,106	0,635	0,760	0,829	0,677
Z.5	-0,013	0,004	0,653	0,762	0,850	0,687

Source : Smart PLS3.3.3

Table 2 shows that discriminant validity has been met, where each indicator has the highest loading value on the construct it measures compared to other constructs. The moderation effect indicators show higher correlation values on their respective moderation constructs compared to other constructs. Thus, it can be concluded that all constructs in the research model have been able to distinguish themselves well from other constructs, so the measurement model is declared valid in terms of discriminant validity.

Composite reliability

In composite reliability analysis, the reliability coefficient of each variable is correlated. Research is said to be reliable if the variable value is more than 0.60, but unreliable if less than 0.60 or as low as 0.07. There are several evaluation blocks that can show the effectiveness and validity of the research, such as Cronbach's alpha, composite reliability, and the AVE value which appears in the table below.

Table 3. Construct Reliability and Validity

	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Moderation Effect 1	1,000	1,000	1,000
Moderation Effect 2	1,000	1,000	1,000
Organizational Climate_(X2)	0,925	0,942	0,732
Job Satisfaction_(Y)	0,890	0,920	0,696
Organizational Commitment_(Z)	0,898	0,925	0,711
Compensation_(X1)	0,910	0,931	0,692

Source : Smart PLS3.3.3

Table 3 shows that all constructs have Cronbach's Alpha and Composite Reliability values above 0.70, thus declared reliable. The AVE value for each variable has also exceeded the 0.50 threshold, indicating convergent validity is met. Therefore, all research constructs, including moderation effects, are declared reliable and valid for use in structural model analysis.

Inner Model Analysis

To ensure the basic model is accurate and strong, internal model evaluation is performed. The completed inspection stages are one of the marks considered when evaluating the main model.

Coefficient of Determination (R2)

Using the SmartPLS 3.0 program to process the data, here is how to determine the R Square value:

Table 4. R Square Results

	R Square	Adjusted R Square
Job Satisfaction_(Y)	0,870	0,863

Source : Smart PLS3.3.3

Table 5 shows that the R Square value for the Job Satisfaction (Y) variable is 0.870 with an Adjusted R Square of 0.863. This result indicates that 87.0% of the variation in Job Satisfaction can be explained by the independent variables and moderating variables in the

research model, while the remaining 13.0% is influenced by other factors outside the model. This value shows that the explanatory power of the model is classified as very strong.

Hypothesis Testing

The relationship between the idle build and the data in this example must be confirmed after the inner model is built. T-Statistics and P-Values are examined to conduct statistical analysis in this case study. To determine if P-Values < 0.05 and T-Statistics > 1.96, speculation is used. The impact of the Path Coefficient Impact over time is as follows:

Table 5. Hypothesis Results

	Original Sample (O)	T Statistics (| O/STDEV |)	P Values	Results
Moderation Effect 1 -> Job Satisfaction_(Y)	0,049	0,351	**0,363**	**Rejected**
Moderation Effect 2 -> Job Satisfaction_(Y)	-0,022	0,176	**0,430**	**Rejected**
Organizational Climate_(X2) -> Job Satisfaction_(Y)	0,198	1,911	**0,028**	**Accepted**
Organizational Commitment_(Z) -> Job Satisfaction_(Y)	0,508	7,816	**0,000**	**Accepted**
Compensation_(X1) -> Job Satisfaction_(Y)	0,272	3,059	**0,001**	**Accepted**

Source : Smart PLS3.3.3

1. The Effect of Moderation Effect 1 on Job Satisfaction (Y)
   The test results show a coefficient value of 0.049 with a T-statistic of 0.351 and P-value of 0.363. This value does not meet the significance criteria (P > 0.05), so Moderation Effect 1 does not have a significant effect on Job Satisfaction and the hypothesis is rejected.
2. The Effect of Moderation Effect 2 on Job Satisfaction (Y)
   A coefficient value of -0.022 with a T-statistic of 0.176 and P-value of 0.430 shows that Moderation Effect 2 does not have a significant effect on Job Satisfaction, so the hypothesis is rejected.
3. The Effect of Organizational Climate (X2) on Job Satisfaction (Y)
   The analysis results show a positive coefficient of 0.198 with a T-statistic of 1.911 and P-value of 0.028 (< 0.05). This indicates that Organizational Climate has a positive and significant effect on Job Satisfaction, so the hypothesis is accepted.
4. The Effect of Organizational Commitment (Z) on Job Satisfaction (Y)
   A coefficient value of 0.508 with a T-statistic of 7.816 and P-value of 0.000 shows that Organizational Commitment has a positive and very significant effect on Job Satisfaction, so the hypothesis is accepted.
5. The Effect of Compensation (X1) on Job Satisfaction (Y)
   The test results show a coefficient of 0.272 with a T-statistic of 3.059 and P-value of 0.001 (< 0.05). Thus, Compensation has a positive and significant effect on Job Satisfaction, so the hypothesis is accepted.

Conclusion

The conclusions of this research are as follows:
1. Moderation Effect 1 does not have a significant effect on Job Satisfaction, so the hypothesis is rejected.

2. Moderation Effect 2 does not have a significant effect on Job Satisfaction, so the hypothesis is rejected.
3. Organizational Climate has a positive and significant effect on Job Satisfaction, so the hypothesis is accepted.
4. Organizational Commitment has a positive and very significant effect on Job Satisfaction, so the hypothesis is accepted.
5. Compensation has a positive and significant effect on Job Satisfaction, so the hypothesis is accepted.

Suggestions
1. Management should review the implementation of strategies or policies related to these moderating variables. If the initial goal was to increase job satisfaction through moderation effects, then evaluation or replacement with other more effective strategies needs to be done.
2. The organization can focus on improving the work climate through open communication, strengthening relationships among employees, managerial support, and a conducive work culture to increase job satisfaction.
3. To increase job satisfaction, the company can implement career development programs, give recognition for loyalty, and build a work environment that supports employees' emotional attachment to the organization.
4. The research results show the importance of compensation for job satisfaction. The company is advised to review the salary system, benefits, bonuses, and other facilities to be more competitive and in line with employee contributions.
5. This research shows that the two tested moderating variables do not have a significant effect on job satisfaction. This can be a consideration for theory development, especially in the context of the relationship between moderating variables and job satisfaction in similar organizations. Future researchers are suggested to explore other moderating variables or consider contextual conditions, organizational culture, and sample characteristics that may affect moderation effectiveness.

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