



The Effect of Compensation on Organizational Commitment in Employees of BPJS Employment Office of East Nusa Tenggara

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ARTICLE INFO

Article history:

Received Feb, 21 2025

Revised Mar, 03 2025

Accepted Mar, 17 2025

Keywords:

Compensation
Commitment
Employment
Organizational

ABSTRACT

The purpose of this study was to find out whether there is an influence on Compensation on Organizational Commitment in employees of the East Nusa Tenggara Branch of the Employment BPJS. The research method used in this research is quantitative. The number of population respondents was 35 people who were determined using non-probability sampling techniques. The data collection technique used is using observation, interviews and questionnaires this research uses simple linear regression analysis techniques. Based on the results of simple linear regression, it is known that there is a positive and significant effect of compensation on organizational commitment in employees of the East Nusa Tenggara Branch of the Employment BPJS. This is evidenced by the result that the significant level is $0.706 < 0.05$, so the regression mode can be used to predict the compensation variable or in other words there is a significant influence between the compensation variable (X) on organizational commitment (Y). the results of hypothesis testing state that the t-count value is $9.140 >$ than the t-table value of 2.03, it can be said that H_0 is accepted and H_a is rejected. In the sense that there is a significant effect on compensation on organizational commitment in employees of the East Nusa Tenggara Branch of the Employment BPJS.

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INTRODUCTION

In the current era of intense business competition, organizations are required to continuously improve their performance to remain competitive. One of the most critical factors in achieving organizational goals is the effective management and development of human resources. Competent and professional human capital significantly contributes to the overall productivity and success of an organization. Therefore, organizations must pay close attention to human resource development, with particular emphasis on compensation as a key motivating factor.

Compensation refers to the rewards employees receive in exchange for their contributions to the organization. These rewards can be financial or non-financial, direct or indirect, and are essential in fostering employee motivation and satisfaction. A fair and structured compensation system is often supported by job evaluations that consider factors such as effort, skills, and responsibilities. Adequate compensation not only fulfills employees' basic needs but also plays a vital role in encouraging higher levels of organizational commitment and performance.

Organizational commitment is a crucial element in achieving long-term organizational success. However, preliminary observations at BPJS Ketenagakerjaan Nusa Tenggara Timur indicate issues such as employee tardiness, reluctance to engage in training, suboptimal task completion, and the pursuit of external

job opportunities. These problems appear to be linked to irregularities in compensation practices. Consequently, this study seeks to examine the influence of compensation on organizational commitment among employees at BPJS Ketenagakerjaan Nusa Tenggara Timur.

LITERATURE REVIEW

Compensation refers to all forms of rewards, both financial and non-financial, provided to employees in return for their contributions to an organization. According to Heidjrachman (2002), compensation is the remuneration received by employees as a substitute for the services they have rendered, with the aim of ensuring a decent standard of living. Similarly, Cascio (as cited in Mangkuprawira, 2011) explains that compensation is closely linked to social status, recognition, and the fulfillment of both individual and family needs. Compensation typically comprises several essential components, including competitive salary determination based on market surveys and job responsibilities, performance-based incentives and bonuses, career development and training opportunities, employee benefits such as health insurance and retirement plans, and non-financial rewards like appreciation and personal development opportunities.

The primary objectives of compensation are to establish a formal employment relationship between employees and the organization, enhance job satisfaction and motivation, attract and retain high-quality personnel, ensure fairness and equity, and manage labor costs efficiently. Several factors influence the provision of compensation, including labor market conditions, the financial capacity of the organization, the role of labor unions, employee productivity, government regulations, cost of living, and job position or rank. According to Simamora (2004), compensation can be measured using indicators such as salaries or wages, incentives, benefits, and additional facilities provided by the organization.

Compensation can be categorized into intrinsic and extrinsic types. Intrinsic compensation refers to personal rewards, such as job satisfaction and the sense of responsibility gained from meaningful work. Extrinsic compensation, on the other hand, includes financial rewards such as salaries and bonuses, as well as non-financial benefits like insurance, official vehicles, and other workplace facilities. Furthermore, compensation can be classified into direct compensation—comprising base salary, bonuses, and profit-sharing—and indirect compensation, which includes various forms of benefits and additional support provided to employees.

Organizational commitment refers to the degree to which employees identify with the organization, are involved in its activities, and desire to remain part of it. Robbins and Judge (2015) define organizational commitment as the extent to which an individual aligns with the goals of an organization and wishes to maintain membership within it. Steers (2002) describes organizational commitment as the extent to which a person identifies with organizational values, is willing to exert effort on behalf of the organization, and demonstrates a strong desire to remain with it.

Allen and Meyer (1990) outline three primary dimensions of organizational commitment. The first is affective commitment, which reflects an employee's emotional attachment to the organization, motivating them to stay out of a sense of belonging. The second is continuance commitment, which is based on an individual's awareness of the costs associated with leaving the organization. The third is normative commitment, which arises from a sense of moral obligation or ethical responsibility to remain with the organization.

Several factors influence organizational commitment, including personal characteristics such as age, education level, length of service, and personality traits; job characteristics such as role clarity and job challenges; organizational structure, including the size and form of the organization; and work experiences, including previous employment and peer influence. According to Lincoln, Neale, and Neoterft (as cited in Darmawan, 2013), indicators of organizational commitment can be observed in employees' work initiatives and the loyalty they demonstrate toward the organization.

RESEARCH METHOD

This study adopts a quantitative research approach, which emphasizes the use of numerical data to derive structured and measurable insights. As noted by Sinambela (2020), quantitative research involves collecting data that can be quantified to explain or predict phenomena. It aims to describe the characteristics of objects, events, or situations based on numerical analysis (Sekaran & Bougie, 2016).

The research was conducted at the BPJS Employment Office of East Nusa Tenggara, located on W.J. Lalamentik Street No. 88, Oebufu, Oebobo, Kupang City, East Nusa Tenggara 85142.

The population in this study consists of all employees working at the BPJS Employment Branch Office in East Nusa Tenggara, totaling 35 individuals. Given the relatively small population size, the entire population was used as the sample, making this a census or saturated sampling. This approach aligns with Sugiyono (2017), who states that when the population is fewer than 100, the entire group may be taken as the sample to minimize errors and ensure representativeness.

The sampling technique applied is non-probability sampling, specifically saturated sampling, in which all members of the population are included. This method was selected because the total number of employees is sufficiently small and manageable for comprehensive analysis.

The study utilizes both primary and secondary data. Primary data were obtained directly from respondents through questionnaires and interviews, particularly focusing on their responses regarding compensation and organizational commitment. Secondary data were collected through documents and reports available at the BPJS Employment Office, including organizational history, structure, and other relevant materials. Supporting references such as scientific journals and academic sources (Indriantoro & Supomo, 2002) were also used to complement the primary data.

To collect data, the researcher employed three main techniques: observation, interviews, and questionnaires. Observation allowed for direct monitoring of the workplace and employee behavior, either through participant or non-participant methods. Interviews were conducted to gain in-depth insights and clarify responses. The questionnaire served as the primary instrument for collecting data systematically, consisting of closed-ended questions using a Likert scale.

Responses in the questionnaire were rated on a 5-point Likert scale: Strongly Agree (5), Agree (4), Slightly Agree (3), Disagree (2), and Strongly Disagree (1). The response data were then tabulated and analyzed using descriptive statistics, including the calculation of mean scores to assess trends in the data. The mean was calculated using the formula: $\text{Mean} = \sum f_i x_i / n$, where f_i represents frequency, x_i is the score, and n is the total number of respondents. To classify mean scores, a score range was used: $(5 - 1) / 5 = 0.8$, as suggested by Ridwan (2005).

The study also conducted several statistical tests to assess the quality of the data and test the research hypotheses. The validity test was used to ensure that each item in the questionnaire measured the intended variable accurately. An item was considered valid if the correlation coefficient exceeded the critical value in the *r*-table (Huberty, 2002). The reliability test, using Cronbach's Alpha, was conducted to confirm internal consistency, with a minimum threshold of 0.60 (Cronbach, 1951).

To determine the influence of compensation on organizational commitment, the data were analyzed using simple linear regression analysis. This method tests the relationship between a single independent variable (compensation) and a dependent variable (organizational commitment), using the regression model: $Y = a + bX$, where Y is the dependent variable, X is the independent variable, a is the constant, and b is the regression coefficient. This model, as described by Sugiyono (2013), allows researchers to predict changes in the dependent variable based on variations in the independent variable.

In addition, the study performed several classical assumption tests, including the normality test, heteroscedasticity test, *t*-test, and coefficient of determination (R^2). The normality test, using the Kolmogorov-Smirnov method, assessed whether the data were normally distributed. The heteroscedasticity test, using the Glejser test, examined whether the variance of the errors was constant across all levels of the independent variable. The *t*-test was used to determine whether compensation had a statistically significant effect on organizational commitment. Finally, the coefficient of determination (R^2) was used to assess the extent to which compensation could explain variations in organizational commitment. All statistical analyses were conducted using SPSS (Statistical Product and Service Solution) software.

RESULTS AND DISCUSSIONS

The validity test in this study was conducted by comparing the calculated *r* value (*r-count*) with the table *r* value (*r-table*). The validity test was applied to 17 statements related to Compensation and Organizational Commitment, derived from 35 respondents, as shown in the following table:

Table 1. Validity Test of Compensation and Organizational Commitment Variables

Variable	Item Number	r-count	r-table	Description
Compensation	X P1	0.739	0.325	Valid
	X P2	0.671	0.325	Valid
	X P3	0.820	0.325	Valid
	X P4	0.743	0.325	Valid
	X P5	0.590	0.325	Valid
	X P6	0.772	0.325	Valid
	X P7	0.816	0.325	Valid
	X P8	0.778	0.325	Valid
Organizational Commitment	X P9	0.765	0.325	Valid
	YP1	0.728	0.325	Valid
	YP2	0.740	0.325	Valid
	YP3	0.786	0.325	Valid
	YP4	0.831	0.325	Valid
	YP5	0.800	0.325	Valid
	YP6	0.873	0.325	Valid
	YP7	0.854	0.325	Valid
	YP8	0.763	0.325	Valid

Source: Processed using SPSS 29

Based on the validity test results shown above, it can be concluded that all statement items are considered valid, as each *r-count* value exceeds the corresponding *r-table* value. Therefore, the questionnaire items are suitable for use in subsequent research.

Simple Linear Regression

Simple linear regression is a regression analysis model involving only one independent variable and one dependent variable. This model is used to determine whether there is an influence between one independent variable and one dependent variable. In this study, the results of the simple linear regression test are as follows:

Tabele 2. Simple Linear Regression

Coefficients	Unstandardized Coefficients	Standardized Coefficients	T	Sig.
	B	Std. Error	Beta	
1 (Constant)	7.428	3.000		2.476
Compensation	0.706	0.077	0.847	9.140

Source: Processed using SPSS 29

Normality Test

The normality test in this study used the Shapiro-Wilk test, which is commonly applied to determine whether data from a population is normally distributed. This test is especially powerful for detecting deviations from normality in small sample sizes (usually less than 50 respondents).

Table 3. Normality Test

Tests of Normality	Statistic	df	Sig.
Compensation	0.172	35	0.070
Organizational Commitment	0.143	35	0.069

Source: Processed using SPSS 29

Based on the results of the normality test presented in Table 3, the significance values are 0.070 and 0.069, which are greater than the 0.05 threshold, indicating that the data are normally distributed.

Heteroscedasticity Test

Heteroscedasticity occurs when the variance of the error term or residual is not constant across observations. Homoscedasticity means the variance of errors is constant and does not differ significantly between observations.

Table 4. Heteroscedasticity Test

Coefficients	Unstandardized Coefficients	Standardized Coefficients	T	Sig.
	B	Std. Error	Beta	
(Constant)	2.940	1.980		1.48
Compensation	-0.051	0.037	-0.124	0.716

Source: Processed using SPSS 29

The Compensation variable has no significant effect on the absolute residual value (Abs_RES), indicating no heteroscedasticity problem.

Hypothesis Testing

t-Test

The t-test is used to answer the research question of whether compensation affects organizational commitment among employees of BPJS Ketenagakerjaan, East Nusa Tenggara Branch. This study uses the t-test in SPSS as a tool to test the hypothesis.

Table 5. T-Test

Coefficients	Unstandardized Coefficients	Standardized Coefficients	T	Sig.
	B	Std. Error	Beta	
(Constant)	7.428	3.000		2.476
Compensation	0.706	0.077	0.847	9.140

a. Dependent Variable: Organizational Commitment

Source: Processed using SPSS 29

Hypothesis Formulation

- HaH_aHa: There is an effect of compensation on organizational commitment among BPJS Ketenagakerjaan employees in East Nusa Tenggara Branch.
- H0H_0H0: There is no effect of compensation on organizational commitment among BPJS Ketenagakerjaan employees in East Nusa Tenggara Branch.

Criteria Determination

Degrees of freedom (df) = $N - k = 35 - 1 = 34$

The table t-value (t_{table}) obtained is 2.03.

Calculated t-Value

The calculated t-value (t_{count}) obtained using SPSS is 9.140.

Decision Making

If $t_{count} > t_{table}$, then HaH_aHa is accepted and H0H_0H0 is rejected. Since the calculated t-value of 9.140 is greater than the table t-value of 2.03, HaH_aHa is accepted and H0H_0H0 is rejected. In other words, the null hypothesis is rejected, and the alternative hypothesis is accepted for testing these two variables.

It can be concluded that there is a significant effect of the independent variable X (Compensation) on the dependent variable Y (Organizational Commitment). This proves that "Compensation has an effect on organizational commitment among BPJS Ketenagakerjaan employees in the East Nusa Tenggara Branch."

Coefficient of Determination (R^2)

The purpose of the coefficient of determination test is to determine how much the independent variable can explain the dependent variable. The determination test can be seen from the R square value, which is considered good if it is above 0.052.

Table 6. Coefficient of Determination (R^2)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.847a	0.717	0.708	2.112

a. Predictors: (Constant), Compensation

b. Dependent Variable: Organizational Commitment

Source: Processed using SPSS 29

Based on the above values, it is known that the coefficient of determination is 0.717, which means that 71.7% of organizational commitment among employees of BPJS Ketenagakerjaan East Nusa Tenggara Branch is influenced by the compensation factor.

The researcher conducted a direct study by distributing questionnaires using a Likert scale with values from 1 to 5. The respondents' answers were processed using SPSS version 29. The regression analysis showed that the compensation variable significantly influences employees' organizational commitment. This is evidenced by a regression coefficient of 0.706 for compensation and a significance value less than 0.05 ($p < 0.001$). The findings indicate that better perceived work-life quality among BPJS Ketenagakerjaan East Nusa Tenggara employees increases their organizational commitment.

Based on the t-test results using SPSS, the calculated t-value (9.140) is greater than the table t-value (2.03), leading to the acceptance of the hypothesis that compensation affects organizational commitment at BPJS Ketenagakerjaan East Nusa Tenggara Branch. This confirms that compensation has a strong impact on employees' commitment to the organization. Additionally, the coefficient of determination (R^2) of 0.717 shows that 71.7% of organizational commitment variability is explained by compensation, highlighting its crucial role, especially considering issues like delayed compensation that negatively affect employee commitment.

These results align with previous studies, such as Harisal Nofriandi's 2016 research on PT. Karya Tata Mandiri in Pekanbaru, which found a significant positive effect of compensation on organizational commitment. Similarly, the 2017 study by Anindithia Dwi Putri and Arif Partono Prasetyo at PT. Amarta Karya Persero Malang also showed that compensation significantly influences employees' commitment, motivating them to remain loyal to their company.

CONCLUSION

The results showed that when employees of the East Nusa Tenggara branch of BPJS Ketenagakerjaan feel satisfied and valued through the compensation system implemented, they will be more emotionally attached to the organization. Employees who feel compensated in accordance with their contribution and performance will be encouraged to work harder, be loyal, and be committed to achieving organizational goals. The existence of a positive and significant influence between compensation and organizational commitment indicates that companies must pay special attention to the compensation system implemented.

This can be done by conducting periodic evaluations and adjustments, so that the compensation provided remains competitive and in accordance with employee expectations. In addition, companies can

also consider providing incentives or bonuses as a form of appreciation for the best performance of employees. With good compensation management, it is expected to increase the organizational commitment of employees of the East Nusa Tenggara branch of BPJS Ketenagakerjaan. Highly committed employees will be more motivated, dedicated, and make optimal contributions to the progress and achievement of organizational goals. With good compensation management, it is expected to increase the organizational commitment of employees of the East Nusa Tenggara branch of BPJS Ketenagakerjaan. Highly committed employees will be more motivated, dedicated, and contribute optimally to the progress and achievement of organizational goals.

And For Further Researchers Further researchers are advised to develop research by considering other variables that have not been examined in this study, in order to provide more complete and useful insights for related agencies.

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