

The Effect of Intrinsic Motivation and Financial Compensation on Affective Commitment

Nadila Amanda, Muafi

Faculty of Business and Economics, Universitas Islam Indonesia

Email: muafi@uii.ac.id

KEYWORDS

Affective Commitment, Financial Compensation, Intrinsic Motivation, Job Satisfaction

ABSTRACT

This study examines and analyzes the effect of intrinsic motivation and financial compensation on affective commitment: the mediating role of job satisfaction. The research method used in this study is a quantitative research method by distributing questionnaires to respondents. The population studied in this study were employees of CV. Mulya Sukanta Makmur numbered 70 people. The data analysis method used in this study is Structural Equation Model (SEM) by using Partial Least Square (PLS). The results of this study are that there is a positive and significant effect of intrinsic motivation on affective commitment, there is a positive and significant effect of financial compensation on affective commitment, there is a positive but not significant effect of intrinsic motivation on job satisfaction, there is a positive and significant effect of financial compensation on job satisfaction, there is a positive and significant effect of job satisfaction on affective commitment, job satisfaction does not mediate the relationship between intrinsic motivation and affective commitment, job satisfaction does not mediate the relationship between financial compensation and affective commitment..

INTRODUCTION

The main aspect to achieve organizational goals is the ability of human resources or employees. Human resources who have strong connections or commitments to their organizations or make better contributions. Affective commitment is one category of commitment according to Meyer, Allen and Smith (1993), where this commitment is an emotional bond attached to an employee to identify and involve himself with the organization. Employees who have a high affective commitment can show a sense of involvement in organizational activities, a desire to achieve organizational goals and a desire to be able to stay in the organization Rhoades et al (2001).

Retaining employees is not easy, therefore it takes motivation from within the employees themselves. Motivation is one of the most important aspects in determining employee performance. The high and low performance of employees owned by a company will be greatly influenced by the work motivation factors of each individual. Every company will always strive to improve employee performance in the hope that what is the company's goal will be achieved. For example, by paying attention to employee job satisfaction and providing motivation to these employees. In order for employee job satisfaction to always be consistent, at least the company always pays attention to the environment in which employees carry out their duties related to

colleagues, leaders, work atmosphere, and other things that can affect a person's ability to carry out their work.

According to Robbins and Judge (2008) that motivation as a process that explains the intensity, direction and perseverance of an individual to achieve his goals. According to Herzberg in Nawawi (2011), intrinsic motivation is a work driver that causes people to participate based on an internal impulse. Motivation to work is important in carrying out daily activities because motivation is a driver that can give birth to one's activities.

The affirmation of the summary of theories about intrinsic motivation related to affective commitment above is also in line with several studies, including the results of research conducted by Tore (2020), Rani and Desiana (2019), and Soni, (2020), which shows that intrinsic motivation affects affective commitment and intrinsic motivation has a significant relationship and has an impact on affective commitment. So that both variables show a positive influence. The results of all the above studies prove also that there is a relationship between intrinsic motivation and affective commitment shown by the presence of positive influences and several theories supported by previous experts.

Speaking of motivation, especially intrinsic motivation, each employee has their own level of job satisfaction based on work intentions and motivation in the employees themselves. Based on the opinion of Luthans (2006), job satisfaction has a definition as a form of workers' perception of how much important value is provided by their work. Meanwhile, according to Armstrong (2014) it is explained that job satisfaction is a person's attitude towards his job. Job satisfaction can describe how people think about work.

This illustrates if the existence of job satisfaction has an influence on intrinsic motivation in each individual. The above statement is also in line with several studies published by Omar et al (2021), Raza et al, (2015), Hidayati and Ermiyanto (2017) which reveal that intrinsic motivation can have a significant positive influence on job satisfaction.

Employee compensation is one of the strong reasons employees want to work. Therefore, employees are willing to work hard because of their expectations of the amount of compensation and the fulfillment of their living needs. Compensation is the salary that workers take home (take home pay) or in other words compensation is the total of income that employees receive from their work. According to Wilson (2012), financial compensation is a form of compensation paid to employees in the form of money or services they contribute to their work. Meanwhile, according to Boone and Kurtz (2009), financial compensation is one of the rewards or rewards in the form of money that includes wages (wage) and salary (salary) plus benefits (benefits). Compensation programs are also important for companies, as they reflect the organization's efforts to retain human resources.

The above theory is supported by several studies that show that financial compensation is one of the factors in realizing job satisfaction. The above statement is in line with several research results conducted by Herispon and Permana et al, (2021), Burhanudin and Tambun (2021), Herlambang et al (2021) which revealed that there is a significant relationship between financial compensation and job satisfaction. From these three studies, it is clear that financial compensation can have a positive influence on job satisfaction through compensation that is comparable to what is done by employees, there will be an increase in job satisfaction felt by employees.

Financial compensation will be one of the factors an individual has a commitment to the organization. This is supported by several previous studies conducted by Febriandika et al, (2020), Farla (2019), Ramadian et al, (2020) which revealed a relationship between an employee's commitment and compensation. The conclusions of these three studies show similarities in the results in a significant relationship between financial compensation and commitment

Job satisfaction reflects how a person feels about his job. Likewise, there is a commitment owned by employees, where when employees have a high commitment to the company or their work, the employee will be more likely to do anything to advance his company. This is in line with several research studies conducted and the results show that there is a relationship between affective commitment and job satisfaction. As conveyed by Nauman, et al (2021), Prayekti and

Cahyaningrum (2022), Kurniawan, et al (2022) where the three studies have shown strengthening evidence that the theory described illustrates that affective commitment to job satisfaction shows a significant positive relationship.

Some studies also support the relationship between the three variables which include independent, dependent, and mediation variables. Research conducted by Harianto (2016) explains that there is a positive and significant influence between work motivation and job satisfaction and affective commitment, but job satisfaction only has a positive effect on commitment, but not significantly. So it can be concluded that job satisfaction is not an intermediary variable that bridges work motivation and affective comitemnt. From this study described the relationship between compensation and motivation as an independent variable, organizational commitment as a dependent variable. Another study conducted by Nasution, et al (2019) revealed that compensation has a positive and significant effect on job satisfaction and organizational commitment, job satisfaction has a positive and significant effect on organizational commitment, job satisfaction is able to mediate the effect of compensation on organizational commitment in other words job satisfaction as an intervening variable. The study described a relationship between work motivation as an independent variable, affective commitment as a dependent variable, and job satisfaction as a mediating variable. So that it can be interpreted broadly that there is a relationship between the relationship conveyed also in the theory proposed by experts in previous studies with the use of motivation and compensation variables as independent variables, affective commitment as a dependent variable, and job satisfaction as a mediating variable has a relationship relationship supported by theories from experts in previous research.

Based on this description, it can move the author to conduct research on intrinsic motivation and financial compensation affecting affective commitment mediated job satisfaction in CV Mulya Sukanta Makmur. CV Mulya Sukanta Makmur is one of the businesses engaged in the retail industry which was established in 2000 in Kuningan, West Java.

CV Mulya Sukanta Makmur in operating is as one of the providers of basic community needs by providing a variety of basic ingredients to other complementary needs from personal use to resale by small communities. Given the high intensity of work, employees must have motivation and commitment to the company so that they are able to work optimally. One of these conditions is interesting to do research, especially in terms of motivation in employees related to financial compensation obtained for employee commitment to the company.

Employees are the main wealth (asset) of the company, so it must be maintained properly in order to improve its performance. It is now well realized that employees or HR is the most important company problem, because with HR causes other resources in the company to function / run. Without the human element in the company, it is impossible for the company to move and walk towards the desired. The development of the company's business is highly dependent on the productivity of the existing labor in the company. Organizational commitment (including affective commitment) is also necessary for the improvement of a company's performance in addition to work motivation. Mathis and Jackson (2006) suggest that organizational commitment is a situation in which employees believe and accept organizational goals.

Companies expect employees to have high job satisfaction because it can produce positive things and as a sign that the organization is well managed. The higher the satisfaction felt by employees, the better the organization manages its employees. Employees who have satisfaction with their work, both internally and externally will encourage workers to achieve organizational goals by involving themselves fully. The following is a table of the company's total assets for the last 5 years that shows the increase in company performance.

Table 1 Total Assets CV. Mulya Sukanta Makmur Last 5 Years

Year	Total Assets
2017	5.717.561.655
2018	5.267.213.733

2019	5.320.729.132
2020	5.939.534.613
2021	6.252.787.223

Source: CV. Mulya Sukanta Makmur, 2022

From the table above, it can be seen that the company's development is assessed from total assets that from 2017 to 2021 CV Mulya Sukanta Makmur experienced a fairly good increase even though in 2017 to 2018 it had decreased. The greater the total assets describe the wealth of a company that is large and has good performance.

The role of employees as human resources is needed to determine the success of the company. The role of an employee becomes very important because it can generate added value for the company. Then the roles and duties of employees aim to increase productivity and maximize performance using time effectively. This can be measured from the variables taken in this study, namely intrinsic motivation and financial compensation obtained.

Compensation for employees is one of the strong reasons for them to keep working, so an employee is willing to work hard because he expects a sufficient amount of salary to meet his daily needs. The compensation described in this term is the amount of money taken home by the worker (take home pay) or compensation which in other words is the amount of money (income) from the results of work received by the employee. If the compensation received by employees is considered inadequate, it can cause weak employee attachment to the organization. When employees are proud of their work, it shows a desire to remain part of the organization they work for, which ultimately leads to improved employee performance and good company performance.

METHOD

The approach used in this study uses quantitative methods. Quantitative research is a means of investigating objective theory by examining the relationship per variable Creswell (2014). Meanwhile, according to Emzir (2009) the quantitative approach is an approach that principally uses postpositivists in developing science, using research strategies such as surveys and experiments that require statistical data. Sampling is carried out randomly and research instruments aim to prove established hypotheses. In this study, questionnaires were distributed to employees of CV Mulya Sukanta Makmur. Siregar (2013) states that questionnaires are a data collection method that allows researchers to study the views, beliefs, actions, and traits of important individuals in organizations that can be affected by the system presented by the existing system. Meanwhile, according to Creswell (2012), questionnaire is a data collection technique in which respondents fill in questions or statements, then after being filled in completely, return to the researcher. This research was conducted at CV Mulya Sukanta Makmur located on Jl. Siliwangi no. 6, Luragung Landeuh, Luragung District, Kuningan District, West Java.

RESULTS AND DISCUSSION

PLS Results Analysis

The analysis in this study was carried out using PLS which consists of two parts, namely the evaluation of the External Model (Outer Model) and the evaluation of the Internal Model (Inner Model). The following will describe the results of the form evaluation analysis that has been carried out.

Outer Model

This analysis is carried out to measure the strength of questionnaire items in measuring the character and concept of the variables measured. The outer model can be observed in the value of convergent validity, construct validity, discriminant validity, and composite reliability. The results of the outer model evaluation analysis in this research are as follows:

1. Convergence Validity

Convergent Validity aims to measure each construct that can be measured using outer loading and Average Variance Extracted (AVE) as parameters. The effectiveness of convergence validity can be observed from the value of the loading factor. The indicator is said to have good reliability when each item has an *outer loading* above 0.70 and when the average variance of each extracted construct (AVE) is 0.50 or higher (Hair et al. 2014). Table 2 is the result of testing the validity of convergence based on the loading *factor* value of each item of each indicator in the study.

Table 2 Outer Loading

	Job Satisfaction	Affective Commitment	Financial Compensation	Intrinsic Motivation
X1.1				0.752
X1.10				0.744
X1.2				0.767
X1.3				0.708
X1.4				0.772
X1.5				0.740
X1.6				0.722
X1.7				0.718
X1.8				0.690
X1.9				0.718
X2.1			0.748	
X2.2			0.781	
X2.3			0.676	
X2.4			0.715	
X2.5			0.717	
X2.6			0.634	
Y1		0.762		
Y10		0.679		
Y2		0.739		
Y3		0.717		
Y4		0.789		
Y5		0.790		
Y6		0.730		
Y7		0.709		
Y8		0.728		
Y9		0.699		
Z1	0.586			
Z10	0.733			
Z2	0.845			
Z3	0.773			
Z4	0.785			
Z5	0.762			
Z6	0.761			
Z7	0.791			
Z8	0.728			
Z9	0.745			

The table shows that the indicator is said to have good reliability if the value is greater than 0.7, while the loading factor of 0.5 to 0.6 can still be maintained for models that are still in

the development stage. The red p-value indicates that there is a negative influence while the green p-value indicates that there is a positive influence. For this reason, there is no definite factor to change each part of the measurement because each measurement is interconnected. So it is very impossible to change them one by one. Figure 1 is a research model processed using Smart PLS:

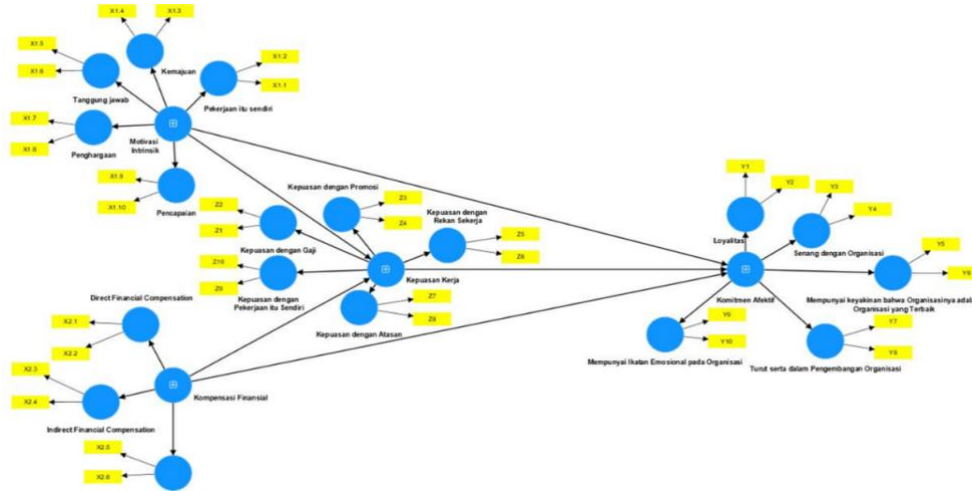


Figure 1 Outer Model Path Diagram

Source: Processed Primary Data, 2023

Construct Validity

The validity of the construct can be seen from the AVE score. The AVE score is the average amount of loading squares of several indicators and is equivalent to the communality of a construct (Hair et al, 2014). Which briefly means if the value is 0.5 then it explains more than half of PLS-SEM: the variance of the tool that arises from its indicator. The construct validity can be seen in table 4.12:

Tabel 3 Average Variance Extracted (AVE)

	Cronbac h's Alpha	Composite Reliability (rho_a)	Composite Reliability (rho_c)	Average Variance Extracted (AVE)
Job Satisfaction	0.914	0.918	0.929	0.568
Affective Commitment	0.905	0.906	0.921	0.539
Financial Compensation	0.806	0.810	0.861	0.509
Intrinsic Motivation	0.904	0.905	0.921	0.538

Source: Processed Primary Data, 2023

In accordance with the results obtained in the Table that all variables have an AVE value of more than 0.5, meaning that all indicators have construct validity values that can be said to be good.

Discriminant Validity

Discriminant validity is the extent to which a true construct differs from another according to empirical standards. A method that can be used as one of the validity tests is discriminant validity which applies the method of Fornell and Larcker 1981, in (Hair et al., 2014). To test this requirement, the AVE value of each construct must be higher than the highest squares correlation with other constructs. Here's *the Fornell-Larcker Criterion* table:

Table 4 Fornell-Larcker Criterion

	Job Satisfaction	Affective Commitment	Financial Compensation	Intrinsic Motivation
Job Satisfaction	0.754			
Affective Commitment	0.413	0.734		
Financial Compensation	0.303	0.699	0.713	
Intrinsic Motivation	0.158	0.432	0.347	0.733

Source: Processed Primary Data, 2023

Based on the results in the table above, that shows the AVE value of each variable is higher than the correlation value of that variable to other variables, it can be said that each variable has good discriminant validity.

Composite Reliability

Constructs that have *composite reliability* of more than 0.7 and Cronbach's alpha above 0.6 are said to be reliable (Hair et al, 2014). The following table results of *composite reliability* and *cronbach's alpha* values as follows:

Table 5 Composite Reliability and Cronbach's Alpha

	Cronbach's Alpha	Composite Reliability (rho_a)	Composite Reliability (rho_c)
Job Satisfaction	0.914	0.918	0.929
Affective Commitment	0.905	0.906	0.921
Financial Compensation	0.806	0.810	0.861
Intrinsic Motivation	0.904	0.905	0.921

Source: Processed Primary Data, 2023

The table above explains that overall most variables have a *composite reliability* value above 0.7 and Cronbach's alpha *above* 0.6, which means that all variables can be said to be reliable and valid and can be passed on in structural model testing. The results of the *outer* model analysis can be illustrated in the following figure.

Inner Model

The inner model can be evaluated using *R-Square (R2)*, *Predictive Relevance (Q2)*, Goodness of Fit (*GoF*) assessments, path coefficient results, and parameter coefficients. Figure 4.2 is the result of *bootstrapping* output in this research model.

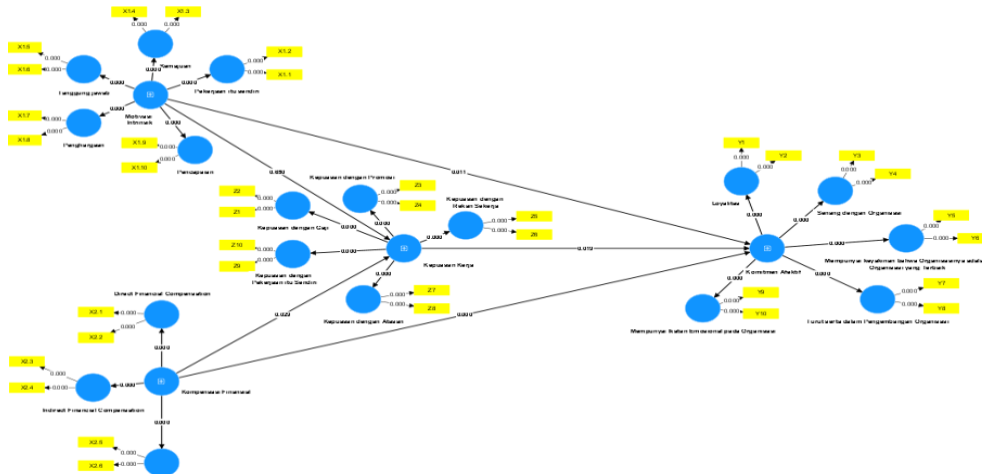


Figure 2 Inner Model Path Diagram
Source: Processed Primary Data, 2023

R-Square (R²)

The *R-Square* value is used as an assessment of the coefficient of determination, where the resulting value indicates the percentage of the total variation (the dependent variable described by the independent variable). The independent variable can be said to be better if its *R-Square* is close to 1 and has the ability to explain the dependent variable, while if it is close to 0, then the opposite means. Here's the R-Square result table:

Table 6 R-Square

	<i>R Square</i>	<i>R Square Adjusted</i>
Job Satisfaction	0.095	0.068
Affective Commitment	0.569	0.549

Source: Processed Primary Data, 2023

Based on the results of the table above that the R-Square value is multiplied by 100%, the value of the coefficient of determination of each indicator will show the percentage of influence between variables. Nilai koefisien determinasi kepuasan kerja adalah 9.5%. Kepuasan kerja memiliki nilai koefisien determinasi serta pengaruh terhadap penelitian sebesar 9.5%. Variabel komitmen afektif memiliki nilai koefisien determinasi dan pengaruh penelitian sebesar 56.9%. Hasil ini menunjukkan bahwa komitmen afektif dipengaruhi oleh variable bebas dan mediasi sebesar 56.9% terhadap penelitian.

Predictive Relevance (Q²)

The value of *Predictive Relevance* or *Q-Square* is used as a form of synthetic representation of *cross-validation* as well as a fitting function with prediction of observation variables and estimation of construct parameters. If the *Q-Square* value > 0 indicates that the model has predictive relevance, while if the *Q-Square* value is predictive relevance ≤ 0 show that model less memiliki. The following calculation of the *predictive relevance* (Q²) test in this study was carried out with the formula;

$$Q2 = 1 - \{(1-R12) \times (1-R22)\}$$

Where is R12, and R22

The magnitude of *Q2* has a vulnerable value of 0 < Q² < 1, meaning that the closer to number 1, the better *predictive relevance*. The magnitude of *Q2* is equivalent to the coefficient of total determination in path analysis in path analysis. So that the results of the coefficient of determination using the calculation of the *predictive relevance* test (Q²) can be produced as follows:

$$Q2 = 1 - \{(1-R12) \times (1-R22)\}$$

$$Q2 = 1 - \{(1-0.095) \times (1-0.569)\}$$

$$Q^2 = 1 - \{(0.905) \times (0.431)\}$$

$$Q^2 = 1 - 0.390$$

$$Q^2 = 0.601$$

The number of coefficient Q^2 of 0.601 shows that the total influence of the variables intrinsic motivation and financial compensation on job satisfaction through affective commitment is 60.1%, while the error rate of 39.9% is explained by other variables. Q^2 values of $2 > 0$ indicate that the model has good predictive relevance.

Goodness of Fit (GoF)

The *Goodness of Fit* (GoF) get Calculated with rumus $\sqrt{AVE} \times \sqrt{R^2}$ test produces a GoF value which if the value is 0.1 then it is categorized as small GoF, 0.23 is categorized as medium GoF, and 0.36 is categorized as large GoF. The AVE and *R-Square* data of each variable are presented in Table 4.16:

Tabel 7 Goodness of Fit (GoF)

	Average Variance Extracted (AVE)	R-Square
Job Satisfaction	0.568	0.095
Affective Commitment	0.539	0.569
Financial Compensation	0.509	
Intrinsic Motivation	0.538	

Source: Processed Primary Data, 2023

The calculation of Goodness of Fit is as follows:

$$GoF = \sqrt{AVE} \times \sqrt{R^2}$$

$$GoF = \sqrt{0.5385} \times \sqrt{0.664}$$

$$GoF = 0.7338 \times 0.8148$$

$$GoF = 0.597$$

Based on the calculation of the GoF value, a figure of 0.597 is obtained, meaning that the research model is good and included in the large GoF category.

1. Hypothesis Testing

The mediation hypothesis test carried out on intermediate variables can be known through the inner model output by going through a *bootstrapping* process using SmartPLS (part of the *Specific Indirect Effect table*). Later it will be evaluated with t-statistics. When the value is more than 1.96 and the p-value is < 0.05 at a significance level of 5%, the measurement of the item is considered significant and positive or negative influences between variables can be seen. The results of hypothesis testing can be seen in Table 8:

Table 8 Path Coefficient

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistics (O O/STDEV)	P-Values	Conclusion
Intrinsic Motivation Affective Commitment→	0.203	0.204	0.080	2.550	0.011 *	H1 Accepted
Financial Compensation Affective Commitment→	0.565	0.560	0.082	6.851	0.000 *	H2 Accepted
Intrinsic Motivation of Job Satisfaction→	0.061	0.062	0.133	0.454	0.650	H3 Rejected
Financial Compensation Job Satisfaction→	0.282	0.284	0.129	2.185	0.029 *	H4 Accepted
Satisfaction Affective Commitment Work→	0.210	0.210	0.089	2.343	0.019 *	H5 Accepted

Source: Processed Primary Data, 2023

Description: * = significant < 0.05

The table above explains the results of the *path coefficient test*, that this study has an original sample value so that it causes a positive and negative correlation between variables. The results of the *path coefficient* test can be used as evidence of research hypotheses as follows:

a. The Effect of Intrinsic Motivation on Affective Commitment

From the table it can be seen that intrinsic motivation has a positive and significant effect on affective commitment. This influence can be seen from the *p-values* of $0.011 < 0.05$ and t-statistic which is $2.55 > 1.96$. Thus, based on these calculations, the first hypothesis (H1) states that there is an insignificant effect of intrinsic motivation on affective commitment **received**.

b. The Effect of Financial Compensation on Affective Commitment

From the table it can be seen that financial compensation has a positive and significant effect on affective commitment. This influence can be seen from the *p-values* of $0.000 < 0.05$ and t-statistics of $6.851 > 1.96$. Thus, based on these calculations, the second hypothesis (H2) states that there is a significant effect of financial compensation on affective commitment **received**.

c. The Effect of Intrinsic Motivation on Job Satisfaction

From the table it can be seen that intrinsic motivation has a positive and insignificant effect on job satisfaction. This influence can be seen from the *p-values* of $0.650 > 0.05$ and t-statistics of $0.454 < 1.96$. When based on calculations made on H3, it can be seen that there is an insignificant effect of intrinsic motivation on rejected job satisfaction.

d. The Effect of Financial Compensation on Job Satisfaction

The table shows if financial compensation has a positive and significant influence on job satisfaction. This influence can be seen from the p-values of $0.029 < 0.05$ and t-statistics of $2.185 > 1.96$. When based on calculations made on H4, it can be seen that there is a significant effect of financial compensation on job satisfaction **received**.

e. The Effect of Job Satisfaction on Affective Commitment

The table shows if there is a positive and significant influence between job satisfaction and satisfaction in affective commitment. This influence can be seen from the p-values of $0.019 < 0.05$ and t-statistic which is $2.343 > 1.96$. When based on calculations made on H4, it can be seen that there is a significant effect of job satisfaction on satisfaction with affective commitment **received**.

2. Test the Mediation Hypothesis

The mediation hypothesis test carried out on intermediate variables can be known through the inner model output by going through a *bootstrapping* process using SmartPLS (part of the *Specific Indirect Effect table*). Later it will be evaluated with t-statistics. If the value is more than 1.96 and the p-value is less than 0.05 (significance 5%), then it can be concluded that the item is considered important and can be seen positive or negative influences between variables. Here are the results of testing the mediation hypothesis in this study:

Table 4.18 Specific indirect effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T-Statistics (O O/STDEV)	P-Values	Conclusion
Intrinsic Motivation Job Satisfaction Affective Commitment→→	0.013	0.013	0.031	0.410	0.682	H6 Rejected
Financial Compensation Job Satisfaction	0.059	0.062	0.042	1.390	0.164	H7 Rejected

Affective Commitment→→						
------------------------	--	--	--	--	--	--

Source: Processed Primary Data, 2023

Based on the results of *the specific indirect effect* test, the coefficient of indirect influence on each variable can be known, then the mediation hypothesis in this study can be proven as follows:

- a. Job satisfaction had no significant positive influence in mediating the relationship between intrinsic motivation and affective commitment. The insignificant positive influence is proven by p-values of $0.682 > 0.05$ and t-statistic values of $0.41 < 1.96$. So that this result does not support the seventh hypothesis (H7) which states that there is an insignificant positive effect of intrinsic motivation on affective commitment is rejected.
- b. Job satisfaction had no significant positive effect in mediating the relationship between financial compensation and affective commitment. This insignificant positive influence is proven by p-values of $0.164 > 0.05$ and t-statistic values of $1.39 < 1.96$. So that this result does not support the sixth hypothesis (H6) which states that there is an insignificant positive effect of financial compensation on affective commitment is rejected.

The following is a recapitulation of the results of the hypothesis test in this study:

Table 9 Recapitulation of hypothesis test results

Hypothesis	Information
Intrinsic Motivation has a significant positive effect on Affective Commitment	Accepted H1
Financial Compensation has a significant positive effect on Affective Commitment	Accepted H2
Intrinsic Motivation Has a Significant Positive Effect on Job Satisfaction	Rejected H3
Financial Compensation has a significant positive effect on Job Satisfaction	Accepted H4
Job Satisfaction has a positive insignificant effect on Affective Commitment	Accepted H5
Significant Positive Effect of Intrinsic Motivation on Affective Commitment Mediated Job Satisfaction	Rejected H6
The significant positive effect of Financial Compensation on Affective Commitment mediated Job Satisfaction	Rejected H7

Discussion

The research was conducted on employees of CV Mulya Sukanta Makmur involving 70 respondents. The demographics of respondents who dominated this study were men with a total of 25 people and women with a total of 45 people. Research respondents based on age ranges were distinguished from ages less than 20 years, 20 to 25 years, 26 to 30 years, 31 to 35 years, and more than 35 years.

a. The Effect of Intrinsic Motivation on Affective Commitment

The results showed that intrinsic motivation has a positive and significant influence on affective commitment in employees in CV. Mulya Sukanta Makmur, as evidenced by the *p-value* of 0.011 smaller than 0.05, the hypothesis is accepted. This means that there is a partially significant influence between intrinsic motivation and affective commitment. Both variables show a directly proportional influence, so it can be concluded that the better the intrinsic motivation in employees, the more affective commitment grows in these employees.

In line with Rani and Desiana (2018), their research explains that the relationship between intrinsic motivation and affective commitment in 770 MSMEs in Indonesia. The results

showed that intrinsic motivation had a positive and significant effect on affective commitment. Another study conducted by Soni (2020) in the relationship of intrinsic motivation and affective commitment in Employees with Disabilities has positive and significant results.

An employee with intrinsic motivation usually produces good quality work, completes tasks on time, accepts challenges and achieves perfection in the tasks performed. This can happen because the employee wants to measure his limits or even achieve goals that he has set himself. Deci & Riyan (1985) suggest that the component of intrinsic motivation is *self-determination theory*. This theory explains that individuals who experience intrinsic motivation are usually influenced by the interest and pleasure found in the work itself, which is indirectly felt naturally by workers, so they are interested in doing their work.

b. The Effect of Financial Compensation on Affective Commitment

The results showed that financial compensation has a positive and significant influence on affective commitment in employees in CV. Mulya Sukanta Makmur, as evidenced by the *p-value* of 0.000 smaller than 0.05, the hypothesis is accepted. This means that there is a significant partial influence between financial compensation and affective commitment. These two variables show a directly proportional influence. The positive influence shown by financial compensation with affective commitment illustrates that the higher the financial compensation given, the more affective commitment appears in employees.

In line with the results of Ramadian, *et al* (2020) research in the relationship between financial compensation and affective commitment to PT. Argo Teknik Wijaya Surabaya, the results of this study have a positive and significant influence. In this study, the theories used are (Febriandika, 2020) and Meyyer and Allen, 1996).

Financial compensation is very important for employees and companies. The compensation according to (Dessler, 2017) (Mondy & J Martocchio, 2016) is a payment to employees arising from an employment relationship between employees and the company. Financial compensation has benefits for both parties, for employees compensation is their main source of income as well as financial security. Financial compensation is one indicator of their status or success in the organization and in society. As for the company, financial compensation to employees can increase productivity and performance to increase the loyalty of these employees. Affective commitment indicates a situation in which the individual has an emotional attachment to the organization. This is due to various motivations, one of which is financial compensation, which is explained as giving rewards in the form of money with the aim of rewarding contributions made by individuals based on performance.

c. The Effect of Intrinsic Motivation on Job Satisfaction

Research shows that intrinsic motivation has a positive, but not significant, influence on CV employees. Mulya Sukanta Makmur, this can be proven by a value of 0.05 at a *p-value* greater than 0.05, this causes H3 to be rejected. The positive influence in this relationship can mean that the higher the intrinsic motivation, the higher the level of employee job satisfaction. This proves that the intrinsic motivation that exists in employees does not have a significant effect on employee job satisfaction.

This is irrelevant to research conducted by Omar, *et al* (2021) in the relationship between intrinsic motivation and job satisfaction in 108 respondents, the results of the study stated that intrinsic motivation has a positive and significant influence on job satisfaction. Irrelevant also to the research conducted by Raza, *et al* (2015) in the relationship of intrinsic motivation and job satisfaction in 190 Islamabad city employees has positive and significant results. The theory used in this study is (Adenuga, 2015).

Intrinsic motivation has an important role to increase job satisfaction, considering that motivation comes from within the individual. As for what employees can do in an effort to increase motivation is to socialize such as attending useful activities and start focusing on their strengths and potential. This hopefully can be an intrinsic motivation for individuals to generate job satisfaction. According to Mathis and Jakson (2001) job satisfaction is a positive emotional state of evaluating one's work experience. Job dissatisfaction arises when these expectations are not met. That is, if the intrinsic motivation given to employees such as providing opportunities for

employees to strive to achieve results, recognition, responsibility, the work itself and development, then employee job satisfaction with the company will be higher.

d. The Effect of Financial Compensation on Job Satisfaction

The results showed that financial compensation has a positive and significant influence on job satisfaction in employees in CV. Mulya Sukanta Makmur, as evidenced by the *p-value* of 0.029 is smaller than 0.05, then H4 is accepted. So it can be interpreted that there is a significant partial influence between financial competition and job satisfaction. The positive influence of these two variables

This means that partial financial compensation has a significant effect on job satisfaction. It can be seen that the influence of these two variables is directly proportional. The positive influence on financial compensation with job satisfaction illustrates that the better the financial compensation provided by the company, the higher the job satisfaction in employees.

Result This research is in accordance with research conducted by Permana, *et al* (2021) in the relationship of financial compensation to job satisfaction in 98 people spread across private universities in Serang city has positive and significant results. In this study the theories used are (Sinambela, 2017) and (Bayarçelik and Findikli, 2016). Another study in line with this research was conducted by Research conducted by Herlambang, *et al* (2021) in the relationship of financial compensation to job satisfaction in 15 employees had positive and significant results.

Robbins (2002) mentions there are several factors that can cause employee job satisfaction, namely: Challenging work, appropriate rewards, supportive working conditions and supportive colleagues. In an effort to increase employee job satisfaction, there needs to be consideration related to financial compensation or appropriate rewards, such as by giving appreciation to employees based on high job satisfaction.

e. The Effect of Job Satisfaction on Affective Commitment

The results showed that job satisfaction has a positive and significant influence on affective commitment in employees in CV. Mulya Sukanta Makmur, proven value 0.019 at a *p-value* smaller than 0.05, so H5 is accepted, which means there is a significant partial effect of job satisfaction with affective commitment. From this statement, it can be seen that the two variables are directly proportional. This positive influence shows that the higher job satisfaction in employees, the higher their affective commitment.

Result research relevant to research conducted by (Nauman *et al*, 2021) found that job satisfaction positively affects commitment. The results of this study are also in accordance with research (Prayekti and Cahyaningrum 2022) found that job satisfaction has an effect on affective commitment. Other research conducted by (Kurniawan *et al*, 2022) found that intrinsic motivation can influence affective commitment through job satisfaction.

The job satisfaction obtained by employees will form employee commitment at work which can further improve employee performance. There needs to be special attention given by companies to employee job satisfaction, considering that employees who feel satisfied with their jobs tend to have a strong affective commitment to the organization. Such as by identifying factors that can increase job satisfaction and ensuring that employees feel valued for contributions that have been made. Thus the affective commitment that employees have to the organization can be maintained.

f. Effect of Intrinsic Motivation on Affective Commitment Mediated Job Satisfaction

The results showed that intrinsic motivation had an insignificant positive influence on affective commitment through job satisfaction in employees on CVs. Mulya Sukanta Makmur. This result is evidenced by the value of 0.013 *original sample (O) indirect effect*, 0.031 in sample mean (*M*), 0.031 in standard deviation (STDEV), and 0.410 in *t-statistic* and 0.401 in probability, when observed, the value is greater than 0.05. The value illustrates that there is no significant positive association of intrinsic motivation to affective commitment mediated by job satisfaction, therefore H6 is rejected.

Result research is not relevant to research conducted by (Harianto, 2016) that motivation provides significant and positive recognition when associated with job satisfaction and affective commitment, while when compared with job satisfaction, the effect is also positive, but the results

are not significant on affective commitment. From this finding, it can be seen that job satisfaction is not an intermediary variable in work motivation and affective commitment.

Result Research explains that job satisfaction is not able to mediate intrinsic motivation for affective commitment, therefore it can be concluded that high intrinsic motivation in CV employees. Mulya Sukanta Makmur does not have a significant influence on affective commitment. So it is necessary to develop the intrinsic motivation contained in employees. Having good intrinsic motivation can aim to care, satisfy, develop, and also identify one's potential, and can explore one's abilities. Not having an influence can be interpreted if the higher or lower the intrinsic activation, it will not affect affective commitment through employee job satisfaction.

g. The Effect of Financial Compensation on Affective Commitment Mediated Job Satisfaction

The results showed that financial compensation had no significant positive influence on affective commitment in employees in CVs. Mulya Sukanta Makmur. This result is proven by the value of 0.059 in the *original sample (O) indirect effect*, 0.062 in the *sample mean (M)*, 0.042 in *standard deviation (STDEV)*, 1.390 in and *t-statistic* and 0.164 in probability, where it can be seen that the value is greater than 0.05. From this value it can be seen that if there is no positive and significant relationship between financial compensation and affective commitment mediated by job satisfaction, therefore H7 is rejected. These results illustrate that the better the financial compensation and supported by job satisfaction, the higher the affective commitment declared insignificant.

This study provides irrelevant results when compared to research conducted by Nasution *et al* (2019), where the results of the study found a significance between job satisfaction mediating the relationship between financial compensation and affective commitment.

The results of the study explained that job satisfaction was not able to mediate financial compensation against affective commitment, so it was concluded that the high financial compensation obtained by CV employees. Mulya Sukanta Makmur does not have a significant influence on affective commitment. Therefore, an evaluation is needed from the company on how to provide financial compensation for its employees in accordance with what is done. Companies need to increase commitment through job satisfaction by providing good compensation so that there is a sense of satisfaction with the compensation received.

CONCLUSION

Based on the results of research from the discussion that has been described, it can be concluded that intrinsic motivation has a positive and significant effect on affective commitment. That is, changes in affective commitment are influenced by the value of intrinsic motivation. One of the benchmarks for a well-maintained motivation is the realization of a commitment. And if a person's motivation decreases, as much as possible does not affect commitment.

The Financial Compensation variable has a positive effect on Affective Commitment. That is, the provision of financial compensation can increase employee morale at work and improve the quality of performance and employee commitment to do the best for the company.

The results showed that research conducted on employees with intrinsic motivation had an insignificant positive influence on employee job satisfaction on CVs. Mulya Sukanta Makmur. Intrinsic motivation has an insignificant positive influence on employee performance on CV Mulya Sukanta Makmur.

The result of the fourth hypothesis, namely Research conducted on employees of CV Mulya Sukanta Makmur states that there is a significant positive effect of financial compensation on job satisfaction. That is, compensation can be used as a monitoring tool, measuring productivity or performance and a method to achieve the goals set by the company from a positive aspect, but compensation can also be used as a sanction to employees who have low productivity or performance by providing penalties such as a decrease in compensation (salaries, wages, incentives and others) so that compensation is seen from a negative aspect.

The results of the fifth hypothesis conducted on CV Mulya Sukanta Makmur employees, show that job satisfaction has a positive and significant effect on employee performance. This

means that the higher the level of employee job satisfaction in the company, the higher the affective commitment that exists in employees.

The results of this study found job satisfaction mediating the relationship between intrinsic motivation and affective commitment had an insignificant positive influence. That is, the value of an employee's affective commitment is the result of a combination of intrinsic motivation and job satisfaction. Intrinsic motivation can lead to affective commitment of employees who have loyalty and responsibility and emotional bonds and beliefs in work. The need for CV Mulya Sukanta Makmur to give priority to job satisfaction in order to create a higher affective commitment by employees to their company.

The results showed that research conducted on employees with financial compensation had a positive insignificant effect on affective commitment through job satisfaction in CV Mulya Sukanta Makmur employees. This means that the value of an employee's affective commitment is the result of a combination of financial compensation and job satisfaction. Adequate and sufficient compensation can motivate employees to increase employee job satisfaction or performance in a company. But on the other hand, employee job satisfaction can also be an indicator that supports the creation of a smoother work process.

REFERENCES

- A.M, Sardiman (2018). *Interaction and Motivation for Teaching and Learning*. Jakarta: PT Raja Grafindo
- Abdillah, W., & Hartono, J. (2015) Partial Least Square (PLS): alternative structural equation modeling (SEM) in business research. Yogyakarta: Andi Publishers, 22, 103-150.
- Adenuga, O. A. (2015). Impact of Occupational Stress on Job Satisfaction and Mental Health of First Bank Employees: Implication for Personnel Psychologists. *Science*, 1(1), 15-21.
- Amabile, T. M. (1996) *Creativity in context: update to the social psychology of creativity*. Boulder, CO: Westview Press.
- Armstrong, Michael; Taylor, Stephen. 2014 *Armstrong's Handbook of Human Resource Management Practice Manajemen Sumber Daya* 13th Edition, Pearson
- Bakara, Rio Yericho (2021) *The Effect Of Affective Commitment, Sustainability, And Normative On Employee Job Satisfaction At Pt. Lingkar Organik Indonesia*. S1 thesis, Atma Jaya University Yogyakarta.
- Wake Up, W. (2012). *Human Resource Management*. Jakarta: Erlangga
- Bayarçelik, E.B., & Findikli, M.A. (2016). The Mediating Effect of Job Satisfaction on the Relation Between Organizational Justice Perception and Intention to Leave. *Procedia – Society of Behaviour Science*, 235, 403–411.
- Boone, L.E. & David L.K. (2009). *Contemporary Business: CengageLearning*.
- Burhanudin, B., & Tambun, R. (2021). Effect of direct and indirect financial compensation on job satisfaction. *International Research Journal of Management, IT and Social Sciences*, 8(2), 163-174.
- Cahyaningrum, E. I., & Prayekti, P. (2022). The Influence of Organizational Culture and Intrinsic Motivation on Affective Commitment with Job Satisfaction as a Mediating Variable in Employees of the Cooperative and SME Office of Sleman Regency. *Al-Kharaj: Journal of Islamic Economics, Finance & Business*, 4(4), 1107-1121.
- Creswell, J. W. (2008). *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches*. Newbury Park: Sage Publications.
- Dessler, G. (2017). *Human Resource Management*. Pearson. Educational Sector of Pakistan. *International Journal of Business and Social Science*, 2 (8), 25-32.
- Goddess, S. Kadek. (2013). The Effect of Transformational Leadership Style on Employee Job Satisfaction and Organizational Commitment at PT. KPM. *Journal of Management, Business Strategy, and Entrepreneurship*, 7(2), 3435- 3454.
- Emzir. 2009. *Educational Research Methodology*. Jakarta. Pt Raja Grafindo Persada.

- Farla, W., Diah, Y. M., & Bakri, S. A. (2019). The Effect of Financial and Nonfinancial Compensation on Employee Commitment. *Journal of Management and Entrepreneurship*, 7(1), 78-85.
- Febriandika, N. R. (2020). The effect of distributive justice, procedural justice of compensation and emotional intelligence on affective commitments. *Jurnal Ilmiah Ekonomi Islam*, 6(1), 34-41.
- Ganesan, S., & Weitz, B. A. (1996). The impact of staffing policies on retail buyer job attitudes and behaviors. *Journal of Retailing*, 72(1), 31–56.
- Ghozali, I. (2011). *Applications of Multivariate Analysis with IBM SPSS 19 Program*. Semarang: Diponegoro University Publishing Board.
- Greenberg, J. & R. A. Baron, (2003) *Behavior in Organizations*, New Jersey: Pearson.
- Grujičić, M., Jovičić-Bata, J., & Novaković, B. (2018). Motivation and job satisfaction of healthcare professionals in urban and rural areas in the autonomous province of Vojvodina, Serbia. *Medicinski Pregled*, 71(1-2), 33-41.
- Hair, J. F., Sarstedt, M., Hopkins, L., & Kuppelwieser, V. G. (2014). Partial least squares structural equation modelling (PLS-SEM): An emerging tool in business research. *European Business Review*, 26(2), 106-121. <https://doi.org/10.1108/EBR-10-2013-0128>
- Handoko. (2014). *Personnel and Human Resource Management*. Yogyakarta: BPFE Yogyakarta.
- Hariato, A. (2016). The effect of work motivation on affective commitment with job satisfaction as a mediator variable in hotel X. *Performance*, 20(2), 95-104.
- Hasibuan, Malayu S P. (2007). *Organization and Motivation: The Basis of Productivity Improvement*, Bumi Aksara: Jakarta
- Herlambang, P. G. D., Sukanti, N. K., & Suryawa, T. G. A. W. K. (2021). The effect of financial compensation and leadership on employee job satisfaction at Mumbul Motor Nusa Dua, Banjar Mumbul, Bali in 2020. *Journal of Economics and Tourism*, 16(2).
- Herzberg, Frederick. (1964). The Motivation-Hygiene Concept and Problems of Manpower. *Personnel Administrator* (27), 3-7
- Hidayati, S. N., & Ermiyanto, A. (2017). Analysis of Intrinsic Motivation Factors and Extrinsic Motivation Their Effects on Employee Performance with Job Satisfaction as Mediation. *Journal of Maksipreneur: Management, Cooperatives, and Entrepreneurship*, 7(1), 18-30.
- Hoppock, R. (1935). *Job satisfaction*. Harper
- Kartika, Endo W., 2011. Analysis of the Influence of Leader-member Exchange, Perceived Organizational Support, and Organizational Commitment on Organizational Citizenship Behavior in Employees of Five Star Hotels in Surabaya. Surabaya: Airlangga University
- Kurniawan, I. S., Herawati, J., & Nuraisyah, R. (2022). THE INFLUENCE OF WORK ENVIRONMENT AND INTRINSIC MOTIVATION ON AFFECTIVE COMMITMENT WITH JOB SATISFACTION AS A MEDIATING VARIABLE. *PROMOTION (Journal of Economic Education)*, 10(1).
- Kreitner, R., & Kinicki, A. (2014). *Organizational Behavior* (9th ed.). New York: Mc Graw-Hill Education.
- Kurniawati, K., Mansur, E., & Adhenin, J. (2019). The Effect of Intrinsic Motivation and Extrinsic Motivation on Employee Job Satisfaction at Bank Muamalat Indonesia Denpasar Branch. *Widya Balina*, 4(2), 84 - 93.
- Lawler, E. E. & Hall, D. (1970) The relationship of job characteristics to job involvement, satisfaction and intrinsic motivation. *Journal of Applied Psychology*, 54 (4), 305-312.
- Locke, E.A, 1969, "The Natural and Causes of Job Satisfaction, Handbook of Industrial and Arganizational Psychology", Rand Mc Nally, Chicago.
- Mangkunegara, A. P. (2017). *Corporate Human Resource Management*. Bandung: PT Remaja Rosdakarya.
- Martadiani, I, M, P., Wardita, I, W., & Nursiani, N, P. (2019). Effects of Dividend Policy Moderation on the Effect of Profitability on the Value of Manufacturing Companies, 18(2), pp.126-133.
- Maslow, A. (1974). Deficiency Motivation and Growth Motivation. *Dalam Human Motivation: A Book of Readings* (hlm. 233–251). General Learning Press: New York.

- Mathis, R. L. and Jackson, J. H. 2002, Human Resource Management, Jakarta: Salemba Empat.
- Meyer, J. P., & Allen, N. J. (1996). Affective, Continuance, and Normative Commitment to the Organization: An Examination of Construct Validity. *Journal of Vocational Behavior*, 49(3), 252–276.
- Meyer, J. P., Jackson, T. A., & Maltin, E. R. (2008). Commitment in the workplace: Past, present and future. *The SAGE handbook of organizational behavior*, 1, 35–53
- Meyer, J. P., Natalie, J. A., & Catherine, A. S. (1993). Commitment to Organizations and Occupation: Extensions and Test of Three Component Conceptualization. *Journal of Applied Psychology*, 78(4), 538–351.
- Meyer, J.P., & Allen, N.J. (1991). A three-component conceptualization of organizational commitment. *International Journal of Business and Management* 7 (1), 61-89.
- Mondy, R.W dan Martocchio, J.J (2016), 'Human Resource Management', 14th edn, Essex, England.
- Munajah, A., & Purba, D. E. (2018). The influence of ethical leadership and ethical climate on affective commitment. *Journal of Psychology*, 14(1), 30.
- Nasution, M. I., Prayogi, M. A., Jufrizen, D. R. P., & Juliandi, A. (2019, November). Compensation and Organizational Commitment: The Mediating Role of Job Satisfaction. In ICASI 2019: Proceedings of The 2nd International Conference On Advance And Scientific Innovation, ICASI 2019, 18 July, Banda Aceh, Indonesia (Vol. 396). European Alliance for Innovation.
- Nauman, S., Bhatti, S., Jalil, F., & Bint E Riaz, M. (2021). How training at work influences employees' job satisfaction: roles of affective commitment and job performance. *International Journal of Training Research*, 19(1), 61-76.
- Nawawi, Hadari 2011. Human Resource Management For Competitive Business, Yogyakarta: Gajah Mada University Press
- Nguyen, T. N., Mai, K. N., & Nguyen, P. V. (2014). Factors Affecting Employees' Organizational Commitment—A Study of Banking Staff in Ho Chi Minh City, Vietnam. *Journal of Advanced Management Science*, 2(1), 7–11.
- Noor, J. (2011). Research Methodology: Thesis, Thesis, Dissertation, and Scientific Paper. Jakarta: Kencana.
- Notoatmodjo, S. (2014). Human Resource Development. Jakarta: PT Rineka Cipta
- Omar, M. S., Idrus, I. M., & Jamal, N. A. (2021). The influence of job motivation on job satisfaction: A case study of polytechnic academic staff. *Malaysian Journal of Social Sciences and Humanities (MJSSH)*, 6(1), 206-213.
- Ormrod, J.E. (2002). Educational Psychology, Helping Students Grow and Develop. Volume 2. Amitya Kumara translation. Jakarta: Erlangga Publisher
- Parinding, R.G. 2017. Analysis of the Effect of Affective Commitment, Sustainable Commitment, and Normative Commitment on Employee Performance at PT. Pegadaian (Persero) Ketapang Branch. *MAGISTRA: Journal of Management Science*, Narotama University.

Copyright holder:

Nadila Amanda, Muafi (2023)

First publication right:

Journal of Social Science

This article is licensed under:

