

# Analysis of the Influence of Employee Salaries, Job Stability, Job Enrichment on Employee Commitment with Job Satisfaction as Mediation

Muhammad Donal Mon, Herianto Wiranata  
*Universitas Internasional Batam (UIB), Indonesia*

**Abstract:** This study aims to examine the effect of employee salary, job stability, and job enrichment on employee commitment to the manufacturing industry in Batam with job satisfaction as mediation. The object of research is employees who work in manufacturing companies in the city of Batam. The sampling technique used random sampling by using questionnaires for data collection by distributing questionnaires directly and partly through google forms, because not all companies and employees can be found directly during this pandemic. The data that has been collected was tested using Smart PLS version 3.0 to test the validity of the reliability and hypothesis testing. The results showed that job stability and job enrichment had no positive and significant effect on employee satisfaction, while salary, job stability and job enrichment and job satisfaction had a positive and significant effect on employee commitment. In the mediation test, job enrichment does not have a positive effect on work commitment with job satisfaction as mediation. The results of this study are expected to be input for business actors in manufacturing companies which are widely available in Batam. Several limitations and recommendations for future research were also included in this study.

**Keywords:** Salary, Stability, Enrichment, Satisfaction, Commitment.

companies and a total of 55 thousand employees. Batamindo Industrial Estate is one indicator of national industrial growth which is expected to encourage the progress of the national industry by the community and the central government.

The results of data from the Batam City Central Bureau of Statistics show that the growth of the manufacturing industry in the city of Batam tends to decline, namely from 2013, namely 7.18% and in 2017 it fell to 2.19% (BPS, 2021).

According to (He *et al.*, 2020), the virus which is now endemic to humans which disturbs one's respiratory tract is the corona virus which can be transmitted to other humans by means of saliva, nasal breathing and viruses around the body. This rife virus has spread to various countries including our country today, namely Indonesia in a fairly short period of time. The virus that has plagued this has a very strong influence. The spread of the corona virus in Indonesia is very fast, which has made hundreds of thousands of Indonesians and thousands of Batam people positive for the corona virus so that the company and the people of Batam are affected by this deadly virus.

## I. INTRODUCTION

Batam City, which is located in the Riau Archipelago province, is one of the places or cities that support the country's economy. The development of the industrial sector in the city of Batam is very fast because it is supported by the availability of facilities and supporting facilities. Batam is a gateway for imports and exports because of its proximity to foreign countries such as Singapore and Malaysia. The central government and local governments pay attention to the manufacturing industry sector in Batam because this sector can make the economy or income increase so that it can compete fairly with neighboring countries with good and healthy criteria. In this industrial competition, development and improvement are carried out so that the manufacturing sector makes the economy strong enough

The Manufacturing Industrial Area in Batam is the Batamindo industrial area, the Tunas industrial area, the Panbil industrial area, the Cammo industrial area and others. The largest area known to the community is the Batam Indo area. There are hundreds to thousands of foreign investors investing in the Batamindo Industrial Estate with 65

## II. LITERATURE REVIEW

According to (Mahmood *et al.*, 2019), the most important asset in managing a company is human resources who are running well and are active in managing employees for the better by improving employee quality. The role of human resources in a company is seen from the quality of work produced by company employees and the work productivity of company employees. Kianto *et al.*, (2017), Human Resources play an important role in every employee development process in a company. The company conducts employee development to improve company performance so that the company becomes more advanced. How to develop company employees by conducting training so that employees' abilities and creativity can increase. Winda *et al.*, (2017), employee salary is something that company employees receive in the form of money or indirectly in the form of money. Employees get it because company employees have worked hard for a company. Salary affects the work performance of an employee, job satisfaction of an employee, and motivation of an employee. So, it is very important for the attention of Human Resources in a company to regulate the correct and fair wages received by employees.

The old Manpower Regulation in Law Number 13 of 2003 uses the city minimum wage (UMK) with a number of working days, namely 7 hours on 6 working days for a worker and 8 hours on 5 working days for a worker. Therefore, when an employee or worker is sick by giving a sick letter from the doctor to the company, the worker gets 25% to 100% wages and when a worker marries, gives birth, and someone dies, the employee is paid 1 to 3 working days. Meanwhile, the new regulation which was inaugurated in 2020, which is called the Omnibus Law Bill, uses the provincial minimum wage (UMP) by providing bonuses and other awards for someone who works in accordance with one's tenure at work (BPS, 2021). The Omnibus Law Bill applies 8 hours to 6 working days. Disadvantages of Manpower in Law Number 13 of 2003, there are no bonuses and awards for workers, while the drawback of the Omnibus Law Bill is that it uses provincial wages so that salaries are smaller. The Omnibus law bill has longer working hours. The equation is that both employees give severance pay so that employees will feel satisfied because the company provides the best for these employees.

According to (Sánchez-Sellero *et al.*, 2017), job stability is an employee who works on an activity in the company for a long period of time in the company. An employee can stay in a company because company employees are very satisfied with the company's Human Resource management so that employees can work well in the company. Martinez-Sanchez *et al.*, (2018), job enrichment is the responsibility of a worker and gives authority to company employees to make decisions so that employees become easier to carry out their duties and the ability of an employee can also increase. Employees become happy and satisfied with their work so that an employee's performance can increase. Job satisfaction is a person's feeling towards a job. An employee who is satisfied with his job can be seen through his attitude, namely by doing his job well so that employees can provide work results that are appropriate or even exceed expected so that the company becomes better and progresses because of the employee's performance (Mon, Jasar, & Arafah, 2019). Employee commitment is someone who has a purpose in carrying out their duties properly and responsibly. These employees are also loyal to the company because these employees have a high desire for themselves in giving their time, energy and responsibility to the company they occupy so that the employee integrates with the company they occupy.

III. RESEARCH METHODS

The problem that occurs in this research is analyzing manufacturing companies in Batam city by determining the effect of salary on job satisfaction, the effect of stability in a job on job satisfaction, the effect of job enrichment on job satisfaction, the effect of employee salaries on an employee's commitment, the effect of job stability on commitment. employees, the effect of job enrichment on employee commitment, the effect of employee salaries on employee commitment with employee satisfaction as mediation, the effect of job stability on employee commitment with

employee satisfaction as mediation, and the effect of job enrichment on employee commitment as mediation. This research was conducted by looking for information so as to collect data to determine the effect of real research and various sources.

This research is a quantitative study using a questionnaire in collecting data on employees of the manufacturing industry in the city of Batam. The way to solve problems distribute questionnaires to employee of the manufacturing company with method random sampling selected any criteria requirement so that they get their information and opinion summarize the results of the questionnaire then make observations by gathering information about the manufacturing company so that data collected are tested with Smart- PLS 3.0, by testing the outer model to see the validity and reliability test and the inner model test to see the direct test of each variable and the mediation test on the previous hypothesis.

IV. RESULTS AND DISCUSSION

According to (Mahmood *et al.*, 2019), Human Resources to test the influence of the three practices of the Human Resources section which is an independent model from the main journals in this study, namely salary, job stability, and job enrichment on employee commitment in a company, which mediation is job satisfaction. This study also provides information on the relationship between the actual practices of Human Resources in a company and the behavior or attitudes of employees that affect performance. The studies that have been carried out also provide perspectives, namely new views on real fields based on the development of perspectives in their respective countries. We discuss implications for theory and practice that can serve as lessons for practitioners by anyone. For those who want to know this information because this study has tested a model that is similar to the main model.



Figure 1 Model of the Influence Relationship between Employee Salary, Job Stability, and Job Enrichment on Employee Commitment and Job Satisfaction as mediation

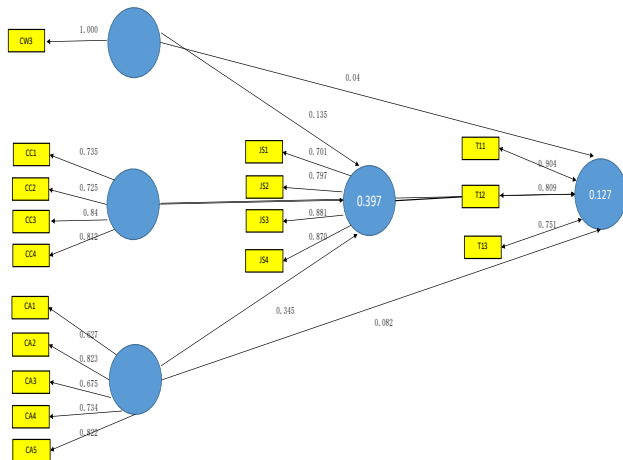
The results of the data validity test are listed in Table below:

Tabel 1 Validity Test

Variabel	AVE	Conclusion
Salary	1,000	Valid
Enrichment	0,528	Valid
Stability	0,665	Valid
Satisfaction	0,724	Valid
Commitment	0,872	Valid

Source: Primary data processing (2021)

Figure 2 Path Diagram of the Validity Test Results



Tabel 2 Reliability Test Results

Variabel	Composite Reliability	Conclusion
Salary	0,646	Reliabel
Enrichment	0,694	Reliabel
Stability	0,656	Reliabel
Satisfaction	0,652	Reliabel
Commitment	0,650	Reliabel

Source: Primary data processing (2021)

The test results in Table 2 indicate the value of confidence in all variables so that each variable is interrelated. The employee salary variable has a reliable value, job enrichment with 0.646. This shows that this variable meets the reliability criteria, which is above 0.6 so that these variables can be tested (Mahmood et al., 2019). The Job Stability variable has a reliable reliability value of 0.656. This value indicates that this variable meets the reliability criteria above 0.6 so that it can be tested further.

Job stability variable has a confidence value of 0.694. This value indicates that the job stability variable meets the reliability criteria above 0.6 so that it can be tested further. The job satisfaction variable has a value of 0.65; this value indicates that the Job Satisfaction variable meets the reliability criteria above 0.6 so that it can be tested further. The variable of employee commitment has reliability consisting of intensity equal to 0.650. This value indicates that the employee commitment variable deliberately meets the reliability criteria above 0.6 for further testing.

Data Test Results, According to (Hendryadi, 2017), the test results reveal that the p-value of job enrichment is lower than 0.05, so that 0.026 of the independent variables has little significant effect on the dependent. Path analysis shows that the P value of the job satisfaction variable on employee salaries is less than 0.05, namely 0.000, so that Job Satisfaction has a significant impact on employee salaries.

The results of the analysis test indicate that the value on p on job stability on employee commitment mediated job satisfaction is higher than 0.05. Job enrichment variable does not have a significant effect on t, with job satisfaction as mediation. The analysis test results reveal that the p-value of job stability on commitment in a company is from 0.05, namely 0.091, so that job stability does not have a significant effect on a company.

The analysis test results show that the P value of the job satisfaction variable on organizational commitment is less than 0.05, namely 0.007, so that the job satisfaction variable has a significant influence on employee commitment. The results of this data analysis test revealed that the p-value of job stability on the desire to move to work mediated by organizational commitment was more than 0.05, namely 0.156, so the job enrichment variable had a small significant impact on the relationship.

The results of this variable analysis test indicate that the P value of the Employee's Salary on Job Satisfaction is less than 0.05, so that the Coworker Competence variable has a very significant effect on Job Satisfaction. The results of the analysis test describe the P value of employee salaries on organizational commitment with job satisfaction as mediation less than 0.05, namely 0.021, so that employee salaries have a significant impact on organizational commitment with job satisfaction as mediation.

The results of the analysis test show that the P value of the job enrichment variable on Organizational Commitment is greater than 0.05, namely 0.101, so that the job enrichment variable does not have a significant effect on organizational commitment. The results of the analysis test found that the p value of the Job Stability Variable with the effect of job satisfaction was higher than 0.05, namely 0.204, so that the Job Stability variable did not have a significant impact on organizational commitment with job satisfaction as a mediation.

The results of the R Square test (coefficient of determination) can be seen in Table 3 below:

Table 3 R Square Test Results (Coefficient of Determination)

Variable	R Square Adjusted	Conclusion
Satisfaction	0,127	Small

Source: Primary data processing (2021)

The table above shows the R value of the squared 0.196, which means that the endogenous variable, which is independent, can explain that the exogenous variable is dependent on organizational commitment, the percentage is 19.6%. Meanwhile, the other 81.4% can be explained by other variables not in this study.

Based on the data analysis that has been carried out by the researcher, it can be seen in table 4 and a further explanation is presented as follows:

Tabel 4. Summary of Hypotheses

	Hypotheses	Information
H1	There is a significant influence employee salary on job satisfaction.	Accepted
H2	There is a significant influence job enrichment and job satisfaction.	Not Accepted
H3	There is a significant influence Job Stability on job satisfaction.	Not Accepted
H4	There is a significant influence employee salary and employee commitment.	Accepted
H5	There is a significant effect of job enrichment on employee commitment.	Accepted
H6	There is a significant influence of Job Stability and employee commitment.	Accepted
H7	There is a significant influence of job satisfaction and employee commitment.	Accepted
H8	There is a significant influence between employee salaries and employee commitment mediated by job satisfaction.	Accepted
H9	There is a significant influence between job enrichment and employee commitment mediated by job satisfaction.	Not Accepted
H10	There is a significant influence between Job Stability on employee commitment mediated by job satisfaction.	Accepted

Source: Primary data processing (2021)

## V. CONCLUSION

The purpose of this research that has been done is to present the results of the problem formulation presented in this study, which mainly focuses on several variables that have an influence on company employees to determine the situation and conditions in Batam city such as income and employee relocation in this manufacturing industry. The results of this study have a positive impact on workers who have thoughts of moving in a job by considering their satisfaction through salary and job satisfaction related to the employee. This research indicates that job satisfaction greatly affects a person's work commitment so that salary, job enrichment, and worker stability are very important in one's job to maintain one's job in a company. Furthermore, enrichment also has an influence on job satisfaction because a person must have a responsibility to do his job so that the company will be more advanced and better. Job stability is also considered to make employees stay at the company by the way the company treats employees at the company as worthy as family members, thus making the company have a very high sense of kinship.

An employee's salary is very influential on an employee because in this world everything you want to buy uses money so money is very important to someone's life. An employee also works to earn money so that an employee must pay attention to the amount of money given by his company to further think about whether the amount of money is sufficient or not to meet the employee's life needs. So the company also has to think about whether the salary given to the company is suitable or not.

Job enrichment has little effect on an employee because job enrichment is a principle in a person, namely being responsible for what is done so that it is his obligation to his company. Employees must have good skills with good morale in doing their work so that their work results are good. The company can help the employee to be more advanced by providing training for the employee and asking the employee to take part in training from various places to increase integrity in the employee so that the employee is happy because the company is well appreciated and the employee will feel that the company is suitable for this employee. because the company can help these employees develop themselves for the better.

Job satisfaction is very important for someone to make an employee happier because their needs are met to meet their personal and family needs. Job satisfaction comes from a salary that matches the employee then does the task on time and gets tasks that can be completed properly so that from these factors the employee feels happy and happy so that the employee feels that his workplace is a good place to work and is very suitable for him.

Employee commitment is very important for a company because there are employees who are committed to working hard to make the company more advanced and have good principles to make the company more profitable and employee commitment also helps the company because employees are committed to staying in the company for a long time. it is easier to control and carry out its functions properly so that with the commitment of these employees a company can run well. Companies must also take good care of their employees so that company and company employees can establish peaceful relationships.

At this time the corona virus has greatly affected many companies so that many manufacturing companies have gone bankrupt. The corona virus also greatly affects the salaries of employees whose salaries are cut by the company, and employees must also spend more money to buy equipment such as masks and alcohol to always maintain cleanliness together. The corona virus is a dangerous virus, while the cure rate is still low, so people still follow health protocols well.

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