

# The Effect of Organizational Culture, Leadership and Compensation Towards Motivation and Organization Commitment In PT. Andalas Karya Mulia Pekanbaru

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## Abstract

*The purpose of this study was to examine the influence of organizational culture, leadership and compensation on motivation, organizational culture, leadership, compensation and motivation on organizational commitment, and the influence organizational culture, leadership and compensation on organizational commitment mediated by motivation. The Population of this research was 137 people. Meanwhile the samples of this study were 102 respondents which were determined based on the slovin formula. The data used in this study is the primary data with data collection techniques are interviews and questionnaires, and to prove the result of this research using Structure Equation Modell (SEM) with a program tool namely Partial Least Square (PLS). The results of this research showed that organizational culture had a positive but not significant effects on motivation, leadership and compensation had significant positive effects on motivation, organizational culture, compensation and motivation had significant effects on organizational commitment, leadership had a positive but not significant effects on organizational commitment and organizational culture and motivation had significant positive effect on commitment organization and are fully mediated by motivation. The empiric finding, indicated that to increase organizational commitment need to pay attention to factors that influencing organizational commitment such as motivation, organizational culture, leadership and compensation.*

**Keywords:** *organizational culture, leadership, compensation, motivation, organizational commitment*

## Introduction

Organizational progress cannot be separated from the importance of human resources in the organization. The relationship between the organization and employees is manifested into a mutually beneficial commitment between one and the other. The growing commitment of the employee's personal self towards the organization in which he works will be very important in terms of the company's survival. Organizational commitment is a situation where an employee sides with a particular organization and its goals and intentions to maintain membership in the organization. Organizational commitment also has relevance to organizational culture. Harmonious goals achieved

between employees and organizations through culture will build an organizational commitment within the employee.

As a sign of positive commitment: employees show enthusiasm, solve problems, report progress, and demonstrate initiative. While a sign of poor commitment is to submit resignations, ignore the problem, be silent and lack of initiative (Langdon and Osborne, 2001: 45) here is an employee attendance table:

**Table 1. Employee Attendance 2016**

Month	Permission	Alpa	Late Delivery> 8:00	Outgoing Employees
January	5	2	12	8
February	2	1	13	3
March	7	5	18	1
April	6	2	14	3
May	11	3	11	
June	6	3	11	
July	17	2	21	
August	6	2	16	6
September	6	6	10	3
October	8	3	17	1
November	2	1	7	2
December	2	2	9	

Source PT. Andalas Karya Mulia Pekanbaru

Low employee commitment can be proven by employee absenteeism issues. It is contained in Table 1.1, where based on information obtained from the company that every month alpha employees are always present even if only one person. Another problem is not only alpha that interfere with work activities but the delay in presence is very much seen. If employees are often late, of course the work target cannot be fulfilled. For employees who are informally permitted to provide absence and permit information. But still if it is every month a lot of it will definitely affect the completion of work. If all three forms of absenteeism are added for each month, it can be concluded that many employees are not committed to work, because if the employee has a good commitment, of course, will comply with existing regulations so that employees can maintain membership in the company. Employee resignation also caused the company had shaken and disrupted the company's operations because some of the employees are competent employees and experts in the field. To recruit new employees of course not easy and takes time and cost is not small.

**Table 2. Data Number of Outgoing Employees**

Year	Number of employees	Number of Employees Signed in	Number of Employees out
2014	298	6	24
2015	231	8	9
2016	233	4	27

Source: PT. Andalas Karya Mulia Pekanbaru

Based on the data the number of employees out during the last 3 years shows that the employee turnover rate is quite high, this proves the low motivation of work that affects the decrease in employee commitment to the company. Strong organizational culture has a greater impact on employee behavior and is more directly attributed to a reduction or decrease in employee exit rates.

In increasing the commitment of employees of course a leader has an important role. Leaders are people who have the skills or ability to influence others to achieve organizational goals.

The phenomenon encountered in the field is still seen a rigid relationship between subordinates and bosses are less communicative so that complaints and problems in the field employees are not delivered perfectly. In addition, there is still a lack of firm leadership in enforcing the rules and rules established in the absence of appreciation from the leadership to subordinates such as the absence of giving sanctions to employees who do not implement the rules and the lack of awards to employees who excel.

Increased corporate profits, company developments and increased living needs should give rise to compensation to employees. From the results of observations in the field and interviews with some employees obtained the fact that some employees complain of compensation they receive every month that is often the occurrence of delay in payroll employees. This of course has an impact on

employee work motivation and decreased commitment.

Based on the description, the purposes of this research are:

1. To know the influence of organizational culture on employee work motivation
2. To know the influence of leadership on employee work motivation
3. To know the effect of compensation on employee work motivation
4. To determine the effect of organizational culture to organizational commitment
5. To know the influence of organizational culture on organizational commitment through employee work motivation
6. To determine the effect of leadership on Organizational Commitment
7. To know the influence of leadership on organizational commitment through employee work motivation
8. For determines the effect of compensation on Organizational Commitment
9. To determine the effect of compensation on organizational commitment through employee work motivation
10. To know the influence of work motivation of employees to organizational commitment

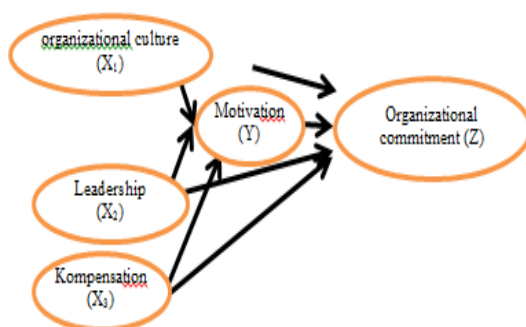


Figure 1. Framework

*Hypothesis*

Based on the framework of the research model above, the research hypothesis proposed in this study are as follows:

- 1 : Organizational culture affects employee work motivation
- 2 : Leadership influences the employee's motivation
- 3 : Compensation affects employees' motivation
- 4 : Organizational culture is influential on organizational commitment.
- 5 : Organizational culture affects organizational commitment through Motivation
- 6 : Leadership affects organizational commitment
- 7 : Leadership affects organizational commitment through motivation
- 8 : Compensation affects organizational commitment
- 9 : Compensation affects organizational commitment through motivation
- 10 : Motivation affects organizational commitment

**Research Methods**

*Population and Sample*

Population in this research is all employee of office which exists in PT. Andalas Karya Mulia Pekanbaru which amounted to 137 people. The method of determining the number of samples (size of samples) is determined based on the calculation of the Slovin formula with a tolerable error rate of 5%.

$$n = \frac{N}{1 + Ne^2}$$

$$n = \frac{137}{137(0,05)^2 + 1}$$

$$n = 102 \text{ orang}$$

Where, n = number of samples, N = population number, and e = percentage of tolerable error rate is 5%. By using the formula above will be obtained the number of samples of 102 employees of the employee population of PT.Andalas Karya Mulia, amounting to 137 people

#### Data Collection Technique

Methods of data collection using Likert scale with score range 1 to 5.

#### Data analysis technique

##### 1. Test Instruments

In this research, validity test and reliability test is done to test the questionnaire as the primary data. The questionnaire test was conducted in 102 respondents. Test the questionnaire are:

##### a. Validity test

The distributed questionnaires were tested with validity tests. Test validity is done with the purpose of being a clue about the extent where a measuring *instrument* (instrument) can measure what it wants be measured. The questionnaire can be said to be valid (valid) if it has grains a questionnaire statement that is interconnected with the desired concepts. If there is a statement not related, means the statement is invalid (no legitimate) which will then be replaced or removed with the concept of another valid statement (valid).

##### b. Reliability Test

Reliability refers to the consistency or reliability of measurements that implies accurate measurement so that reliability can be interpreted as the level of confidence in

the results of a measurement (Azwar, 2010).

The measurement of reliability is calculated by the coefficient of *alpha cronbach*. Aiken (2002) says that the alpha cronbach coefficient of 0.6 to 0.8 is sufficient in a tool for determining differences between groups, as long as the tool is not used to compare individuals with other individuals. The division of alpha cronbach coefficients (Guilford in Sugiyono, 2010) can be distinguished as follows:

**Table 3. Cronbach Alpha Coefficient of Reliability**

Criteria	Coefficient
Very Reliable	> 0.900
Reliable	0.700 - 0.900
Quite Reliable	0.400 - 0.700
Less Reliable	0.200 - 0.400
Not Reliable	<0.200

The calculated reliability value is then compared with the critical value for the *product r* correlation *moment*. If the value of reliability is greater than the correlation value for *product moment* then the questionnaire is declared reliable.

##### a. Indicator Suitability Model

a) *Average Path Coefficients (APC), Average R-squared (ARS), and Adjusted Average R-Squared (AARS), APC, ARS and AARS* are used to measure the average coefficient of path (coefficient coefficient).The required value is smaller than 0.05 .

B) *R-Squared or Adjusted R-Squared*, This Indicator is used to see how big influence caused by independent variable to dependent variable in research model. There are three levels of influence that can be seen from the R-squared value or the adjusted R-square value, i.e. if the value of  $\leq 0.70$  is said to have a strong effect,

$\leq 0.45$  is said to have moderate and  $\leq 0.25$  effect is said to be weak.

- C) Average-block Variance Influence Factor (AVIF) and Average Full Collinearity Variance Influence Factor (AFVIF).

AVIF and AFVIF used to measure whether in the research model there is problem multicollinearity. The ideal value required for AVIF and AFVIF is  $\leq 3.3$ . However, the value of  $\leq 5$  is still acceptable provided that many constructs in the research model are measured by a single indicator (single indicator)

- d) Tenenhaus Goodness of Fit (GoF)  
GoF values will indicate the predictive power of a research model. If the value of  $\geq 0.10$  then it is said strength of model prediction weak. If the value of  $\geq 0.25$  then said moderate strength moderate model prediction. If the value is  $\geq 0,36$  then it is said strength of strong model prediction.
- e) Sympon's Paradox (SPR)  
SPR is a measure that indicates the existence of causality problems in the research model. When *these paradox sympons* occur, the causality relationship in the research model is suggested to be *reserved*.
- f) RSCR  
RSCR is an index to measure the extent to which a model free from R-squared contributions is negative. Ideally = 1, but the value of  $\geq 0,7$  is still acceptable.
- g) SSR  
SSR is an index to measure the extent to which a model is free from the problem of statistical suppression effects. For now the acceptable SSR value is  $\geq 0.7$
- h) NLBC DR  
NLBCDR is an index to measure the extent to which the bivariate non linear coefficients of the relationships are

supported for the hypothesis of causal relationships within the model. Acceptable NLBCDR is  $\geq 0.7$  which means 70%

- i) Significance (Two-Tailed)  
The value of P-value significance to determine the influence between variables based on hypotheses built through re-sampling procedure. The value of significance used is two tailed, with p-value 0.10 (significance level = 10%), 0.05 (significance level = 5%) and 0.01 (significance level = 1%).

- b. PLS (Partial Least Square)

PLS can be used to confirm the theory and explain whether or not the relationship exists between latent variables. Because of more emphasis on data and with limited estimation procedures, the model misspecification does not significantly affect parameter estimation. Excess PLS is able to analyze as well as construct formed with reflexive indicators and formative indicators.

Stages of analysis in research use this including *outer testing mode l / measurement model* for specifies the relationship between variables latent with indicator or variable it s manifest. In stage this is done some measurement including *convergent validity* and *discriminate validity*. Next stage is rate *inner mode l*, conducted by the test *R-square* for the construct model.

## Research Result

- a. Data analysis

Test Validity Result Construct (*construct validity*)



**Table 4. Latent Variable Correlations**

Variables	BO	KEP	KOM	MOT	COMIT
BO	<b>0.676</b>	0.400	0.393	0.454	0.500
KEP	0.400	<b>0.682</b>	0.633	0.691	0.544
KOM	0.593	0.633	<b>0.768</b>	0.617	0.590
MOT	0.454	0.691	0.617	<b>0.691</b>	0.679
COMIT	0.500	0.644	0.590	0.479	<b>0.629</b>

Source: Data processing with warpPLS, 2017

In accordance with SEM-PLS testing procedure, *average variance extracted* (AVE) in table 4.1 5 can be concluded:

- A. Organizational Culture Variables have AVE of 0, 676 greater than the critical limit of 0.50 to meet the criteria of discriminant validity
- b. Leadership variables have an AVE of 0, 682 greater than the critical limit of 0.50 so as to meet the criteria of discriminant validity
- c. Compensation Variables have AVE of 0, 768 greater than the critical limit of 0.50 so as to meet discriminant validity criteria
- d. Motivation Variables have AVE of 0, 691 greater than the critical limit of 0.50 so as to meet the criteria of discriminant validity
- e. Organizational Commitment variable has an AVE of 0, 629 greater than the critical limit of 0.50 so as to meet the criteria of discriminant validity

*Test Results of Construction Reliability (Reliability Construct)*

The construct reliability of the *measurement model* with reflexive indicator can be measured by looking at the *composite reliability* value of the indicator block measuring the construct. A construct is said to be reliable if the value of *composite reliability* above 0.70 (Jogiyanto and Abdillah, 2009: 62). Here is

the value of *composite reliability* presented in table 4. 2 below.

**Table 5. Composite Reliability**

Construct	<i>Composite Reliability</i>
Organizational Culture (BO)	0. 909
Leadership (K)	0. 839
K compensation (KS)	0.8 77
Motivation (M)	0. 864
Organizational Commitment (KO)	0.865

Source: Data processing with WarpPLS, 2017

The table above shows that the value of *composite reliability* for all constructs is above 0.7 indicating that all constructs in the estimated model meets the criteria reliably. The lowest *composite reliability* value is 0.8 39 in Leadership (K) variable and the highest *composite reliability* value is 0 .909 in Organization Culture (BO) variable.

*Conformity Testing Model*

In the Partial Least Square method, after a research model is stated to meet the validity and reliability test criteria, the other parameter is the fitness test. Test results of suitability model can be seen in table 4.3 below:

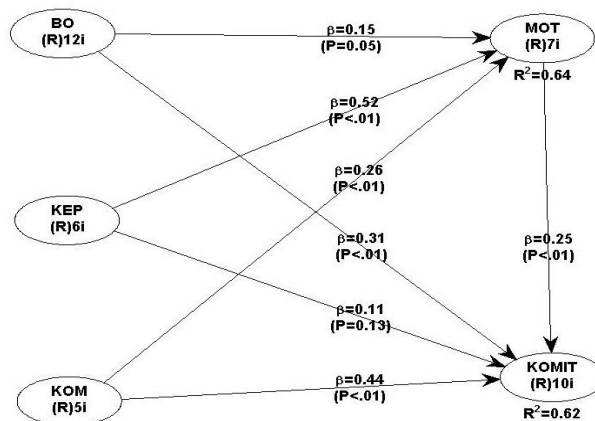
**Table 6. Conformity Testing Results**

No	Parameter	Results	Cut off Value	Interpretation
1	Average path coefficient (APC)	0.272 P<0.001	P <0.05	Fit
2	Average R-squared (ARS)	0.633 P <0.001	P <0.05	Fit
3	Average adjusted R-squared (AARS)	0.610 P <0.001	P <0.05	Fit
4	Average block VIF (AVIF)	1.642	acceptable if ≤ 5, ideally ≤ 3.3	Ideal
5	Average full collinearity VIF (AFVIF)	2.250	acceptable if ≤ 5, ideally ≤ 3.3	Ideal
6	Tenenhau's GoF (GoF)	0.550	small > = 0.1, medium > = 0.25, large > = 0.36	Large
7	Sympson's paradox ratio (SPR)	1,000	acceptable if > = 0.7, ideally = 1	Ideal
8	R-squared contribution ratio (RSCR)	1,000	acceptable if > = 0.9, ideally = 1	Ideal
9	Statistical suppression ratio (SSR)	1,000	acceptable if > = 0.7	Ideal
10	Nonlinear bivariate causality direction ratio (NLBCDR)	1,000	acceptable if > = 0.7	Acceptable

Source: Data Processing Research Result, 2017

*Testing Relationships between Variables*

Testing the relationship between variables either *direct effect* or *indirect effect* can be seen in the image of the research model below:



**Figure 2. Research Model**

**Table 7. Correlation among Latent Variables**

No	Path	Direct Effect		Indirect Effect		
		Mediation	Coefficient	P-value	Coefficient	P-value
1	BO MOT		0.15	= 0.05		
2	KEP MOT		0.52	<0.01		
3	KOM MOT		0.26	<0.01		
4	BO KO		0.31	<0.01		
5	BO KO	Motivation			0.021	0.290
6	KEP KO		0.11	0.135		
7	KEP KO	Motivation			0.047	0.029
8	KOM KO		0.44	<0.001		
9	KOM KO	Motivation			0.042	0.175
10	MOT KO		0.25	0.004		

Based on the table above test results it can be concluded as follows;

- 1) The test result showed that the *direct effect* Effect of Organization Culture (BO) on Motivation (MOT) is 0.15 and p = 0.05 which means organizational culture have positive but not significant effect on motivation.
- 2) The test results showed that the directness Efficiency Effect Leadership toward Motivation is 0.52 and p <0.01 which means leadership has a significant positive effect on motivation.

- 3) The test results show that the *direct effect* of Efficiency Compensation on Motivation is 0.26 and  $p < 0.01$  which means compensation has a significant positive effect on motivation.
- 4) The test results show that the *direct effect* coefficient Culture Organization (BO) against Organizational Commitment (KO) is 0,31 and  $p < 0.001$  which means significant. The result indicates the coefficient *indirect effect* on the organizational culture KO 21, but fell to 0.0 p-value 0.290 becomes insignificant. This means that in accordance with the requirements of mediation effect then the form of mediation is full mediation (*full mediation*) Motivation which is a mediating variable, fully mediates, no other mediating factors influence the relationship between Organizational Culture and Organizational Commitment.
- 5) Test results show that the coefficient of *direct effect* of leadership on Organizational Commitment is equal to 0.107 and P-value of 0,135 which means not significant. Under the Baron and Kennes (1986) rule, a mediation effect test can be performed if the primary (direct test) effect of the independent variable on the dependent is significant. If not significant then the mediation effect test cannot be performed.
- 6) The test results show that the *direct effect* coefficient of compensation to the Organizational Commitment is 0,439 and  $p < 0,001$  which means significant. The estimation results indicate *indirect effect* coefficient compensation against KO changed to 0,042 and p-value = 0,175 become insignificant. This

means that in accordance with the conclusion of mediation then the form of mediation is full mediation (full mediation) Motivation which is a mediating variable, fully mediates, no other mediating factors influence the relationship between the Companions and Organizational Commitment.

### Hypothesis

Based on the analysis of path analysis with for each variable that is: organizational culture, leadership, compensation, motivation and organizational commitment have the following hypothesis:

- a. H1: Organizational Culture has positive effect not significant to motivation.  
The test results show that the *direct effect* coefficient of organizational culture on motivation in model (1) is 0.15 with p-value value of  $0.05 = 0.05$  meaning not significant then  $H_0$  is accepted and  $H_1$  is rejected, it means Organizational Culture have a positive but not significant effect on motivation.
- b. H2 : There is a leadership influence on motivation  
Test results show that the coefficient of *direct effect* of leadership on motivation in model (1) is equal to 0,52 with p-value value equal to  $0,001 < 0,05$  meaning significant. Significant here means  $H_0$  is rejected and  $H_1$  is accepted, meaning that leadership has significant (significant) to motivation.
- c. H3 : There is a compensatory effect on motivation  
Test results show that the *direct effect* coefficient of compensation on motivation in model (1) is equal to 0.26 with p-value value of  $0.001 < 0.05$  meaning significant. Significant here means  $H_0$  is rejected and  $H_1$  is accepted, meaning that compensation significantly (significant) to motivation.



- d. H4 : There is an influence of organizational culture on organizational commitment

The test results show that the *direct effect* coefficient of organizational culture on organizational commitment in model (1) is 0.305 with p-value value of 0.001 <0.05 meaning significant. Significant here means  $H_0$  is rejected and  $H_1$  is accepted, meaning Organizational Culture Affects Organizational Commitment

- e. H5: There is an influence of organizational culture on organizational commitment through motivation.

The test results show that the *direct effect* coefficient of organizational culture on organizational commitment in model (1) is 0.305 and p-value 0.001 <0.05 meaning significant. Significant here means  $H_0$  is rejected and  $H_5$  is accepted, meaning there is an influence of organizational culture on organizational commitment through motivation. The result of model estimation (2) shows the coefficient of *indirect effect* of organizational culture toward organizational commitment changed to 0,021 and p-value changed become insignificant (0,290). The estimation result shows the coefficient of *indirect effect* of organizational

culture toward organizational commitment on model (2) to 0,021 and not significant (0,290). This means that in accordance with the requirements of the mediation effect mediation is the form of *full mediation*. Motivation is a mediating variable, fully mediated; no other mediating factors influence the relationship between organizational culture and organizational commitment.

- f. H6 : There is a leadership influence on organizational commitment

Test results show that the coefficient of *direct effect* of leadership on

organizational commitment on model (1) is equal to 0.107 with p-value = 0.135 which means > 0.05 means not significant. Not significant here means  $H_0$  is accepted and  $H_2$  is rejected, meaning leadership has no effect on organizational commitment

- g. H 7: There is a leadership influence on organizational commitment through motivation.

Test results show that the coefficient of *direct effect* of leadership on organizational commitment on model (1) is 0.107 and p-value 0.135. Under the Baron and Kennes (1986) rule, a mediation effect test can be performed if the primary (direct test) effect of the independent variable on the dependent is significant. If not significant then the mediation effect test cannot be performed. Not significant here means  $H_0$  is accepted and  $H_6$  is rejected, meaning leadership has no effect on organizational commitment through motivation.

- h. H 8 : There is a compensation effect on organizational commitment

The test results show that the *direct effect* coefficient of compensation on organizational commitment in model (1) is 0.439 with p-value <0.001 which means still <0.05 meaning significant. Significant here means that  $H_0$  is rejected and  $H_3$  is accepted, meaning that compensation is no influence on organizational commitment.

- i. H9: There is a compensatory effect on organizational commitment through motivation.

The test results show that the *direct effect* coefficient of compensation on organizational commitment in model (1) is 0.439 and p-value <0.001 which means significant. Significant here means  $H_0$  is rejected and  $H_7$  is accepted, it means that compensation has an effect on Organizational Commitment through

motivation. The model estimation result (2) shows the *indirect effect* coefficient of compensation of organizational commitment changed to 0.042 and p-value changed to insignificant (0,175). This means that according to the conclusion of mediation the form of mediation is *full mediation*. Motivation which is a mediating variable, fully mediates, no other mediating factors influence the relationship between compensation and Organizational Commitment. The relationship between variable compensation and organizational commitment variable through motivation is significant with motivation as full mediation. This means  $H_0$  is rejected and  $H_7$  is accepted. This means that there is compensation effect on organizational commitment through motivation.

- j.  $H_{10}$ : There is a motivation for organizational commitment

Test results show that the *direct effect* coefficient of motivation on organizational commitment in model (1) is 0.249 with a p-value of 0.004 which means still  $<0.05$  meaning significant. Significant here means  $H_0$  is rejected and  $H_4$  is accepted, meaning that motivation has an effect on Organizational Commitment.

### Discussion of Research Results

#### 1. The influence of Organizational Culture on Employee Motivation

Test results show that there is a positive and insignificant influence between the Organization Culture on employee motivation. This condition shows that the implementation of organizational culture in the company does not directly affect the motivation, but there are other factors that influence. As in this research is the length of employee work in the company give impact to improvement of employee work ability, improvement of employee

salary or compensation received employees. Implementation a good organizational culture is still needed, but it does not necessarily directly affect employee motivation.

#### 2. Influence Leadership on employee motivation

From the results of research shows that there is a positive and significant influence between Leadership on employee motivation. This explains that the better the leadership run in the company will increase employee work motivation. Based on the responses of respondents, that indicator leadership that has the highest score is the leadership guiding subordinates and leaders always organize work and goals. This has an impact on increasing employee motivation. Leaders who expect to motivate must communicate vision, mission and follow-up to demonstrate mutual understanding. Employees need to know what they are doing to impact organizational progress and managers need to ensure that their subordinates know their roles and significance. This is corroborated by research conducted by Yohanis (2015) that leadership has a significant effect on employee motivation.

#### 3. Effect of Compensation on employee motivation

From the results of the study shows that there is a positive and significant influence between compensation on employee work motivation. This shows that compensation has an effect on employee work motivation, where the better and the amount of attention given to the company to increase the compensation earned employees will further increase employee motivation.

Based on the responses of respondents, that the compensation indicator that has the highest score is the benefits received by employees is in accordance with their sacrifices to the

company. However, the company still needs to pay attention to the payment system of salary which always happens the delay of each month it need to be the attention of the management company because it will have an effect and give direct impact to the increase of work motivation of employee.

#### 4. The Influence of Organizational Culture on Organizational Commitment.

Test results indicate that there is significant influence between Organization Culture on Organizational Commitment. This condition shows that the implementation of organizational culture in the company directly influence the Organizational Commitment. Organizational culture based on perceptions of respondents has been defined clearly, contains the ability of employees to work, prioritizing facilities and infrastructure, tolerance of risk, freedom of expression, accuracy and thoroughness in work, authority and leadership attention on long-term planning, inter-departmental cooperation, proud and appreciated, a strong commitment to quality, follow-up of leadership to subordinate suggestions, safe and supportive working environment and rewards from the company for employees who improve work ability (appreciation). Based on the respondents' responses it is known that the indicator that has the highest average response is the employee's working ability (individual initiative). While the indicators that have the lowest average of respondents' responses are the leaders follow up on subordinate suggestions (management support).

A good organizational culture will enhance the ownership and commitment of organizational members to their organizations and working groups (Robbins and Judge, 2009: 36). Organizational culture that integrates well into each employee will produce a good attitude and

understanding in carrying out each type of work. Employees who have a good understanding and attitude towards their work will be able to produce and do the job more optimally and can minimize the problems, so as to generate a high commitment to remain part of the company, devote all its ability to achieve the goals of the company.

#### 5. The influence of Organizational Culture on Organizational Commitment through Motivation.

From the test results indicate that there is a significant influence between Organizational Culture on organizational commitment through Motivation. This condition shows that organizational culture that is well implemented has an effect on Employee Motivation. The organizational culture based on the perceptions of the respondents has clearly defined the Individual Initiative, Risk Tolerance, Direction, Integration, Management Support and Supervision. Based on the responses of respondents note that the indicator that has the highest average response is individual initiative (*individual initiative*), with indicators Employee work capability and Determination of infrastructure and facilities.

Application of organizational culture is closely related to the characteristics of respondents regarding the employment period. The lengths of time employees have devoted themselves in the company of influencing them to implement organizational culture in the world of work. Based on this research, it shows that the better the organizational culture will increasingly increase employee motivation, without the implementation of good organizational culture it will be more difficult for the organization to motivate employees to work better.

#### 6. The influence of leadership on organizational commitment

Test results show that leadership has a positive but insignificant effect. Leadership has no direct effect on organizational commitment, but there are other factors that influence it. After more in-depth interviews it was found that employees with good leadership perceptions did not necessarily affect employees' commitment to stay in the company. But employees expect to develop their skills, besides other factors that can give a big influence on employee commitment such as compensation (salary) high, employee characteristics such as age, gender, education work duration also affect the organizational commitment. From the characteristics of respondents by age group, most respondents are aged over 40 years, this causes employees to have a high commitment to the company due to lack of employment alternatives when the employee leaves the organization and economic considerations. In addition, the characteristics of respondents based on the employment period showed that most of the respondents had worked over 5 (five) years. The condition shows the high commitment of the respondents. Long term work affects the equality of values that individuals have in tune with the values that the organization has.

The results of this study are in line with the research conducted by Deddy et al (2014) which states that leadership has no significant effect on organizational commitment.

#### 7. The Influence of Leadership on Organizational Commitment through Motivation.

Test results show that leadership has no direct effect on Organizational Commitment through motivation. Under the Baron and Kennes (1986) rule, a mediation effect test can be performed if the primary (direct test) effect of the independent variable on the dependent is significant. If not significant then the mediation effect test cannot be performed. This may be due to

other factors either directly or indirectly affecting the organization's commitment.

#### 8. The Influence of Compensation to Organizational Commitment.

The study results show that there is a significant influence between Compensation to Organizational Commitment. This explains that existing compensation affects organizational commitment. Respondents' answers about compensation include categories agree / good, meaning that the existing compensation system in the company has made a high employee commitment. Nevertheless there are still some things that should be more concerned the company in the provision of compensation to employees such as timeliness in payroll employees. This is an obstacle in increasing organizational commitment. If we consider that the recapitulation of organizational commitment variables has an average score of 3.55. This result certainly can not be said optimally, because the highest average value is expected to be at number 5. If viewed all the answers per indicator are all good but not very good.

The results of observations and interviews of authors that there are still frequent delays in payroll employees. Incentive or bonus payments also fail to improve organizational commitment because there is no transparency in the incentives. The compensation program should reflect efforts to keep employees committed to the organization. The results of this study can be concluded that the better compensation received by employees will be the higher the organization's commitment, the lower the compensation given the company's employee commitment will decrease.

#### 9. The Influence Compensation for the Organization's commitment through motivation.

From the research result show that there is significant influence between

compensation to organizational commitment through motivation. The compensation variable has 5 (five) indicators: salary, allowances, facilities, incentives/bonuses and payment system. Respondents' answers about compensation include categories agree / good, that is The salary received is fair in accordance with the work provided, the benefits received are in accordance with the sacrifices given employees to the company, facilities provided the company has been supporting and assisting employees in their work. The category of respondents' answers is as high as the employee benefits indicator. However, the company still needs to pay attention to the salary payment system that always happens monthly delays. From the in-depth interview that the salary delays is done because of the impact of frequent employee delays in the work so that management retreat in the salary payroll employees. This is done so that employees are aware to come to work place on time. In addition bonus / incentive indicators also have low scores where incentives / bonuses given are still not able to motivate employees.

Provision of compensation in the form of incentives is expected to be the driving factor to improve work performance above the standard. The ability of an organization to carry out compensation depends on the pooled funds for such as necessity. The collation of funds certainly as a result of work achievements that have been addressed by employees. The greater the performance of work then the greater the benefits of the organization/company. The size of the company's profits will enlarge the set of funds for compensation, and then the implementation of compensation will be better and vice versa. Provision of compensation in the form of incentives is expected to be the driving factor to improve work performance above the standard. The ability of an organization to carry out compensation depends on the pooled funds for such necessity. The

collation of funds certainly as a result of work achievements that have been addressed by employees. The greater the performance of work then the greater the benefits of the organization / company. The size of the company's profits will enlarge the set of funds for compensation, and then the implementation of compensation will be better. Vice versa. Provision of compensation in the form of incentives is expected to be the driving factor to improve work performance above the standard. The ability of an organization to carry out compensation depends on the pooled funds for such as necessity. The collation of funds certainly as a result of work achievements that have been addressed by employees. The greater the performance of work then the greater the benefits of the organization / company. The size of the company's profits will enlarge the set of funds for compensation, and then the implementation of compensation will be better. The greater the performance of work then the greater the benefits of the organization / company. The size of the company's profits will enlarge the set of funds for compensation, and then the implementation of compensation will be better and vice versa. The greater the performance of work then the greater the benefits of the organization/company. The size of the company's profits will enlarge the set of funds for compensation, and then the implementation of compensation will be better. Vice versa. Based on this research, it shows that the better compensation received by employees will increase their work motivation, if the compensation received by employees decreases the employee's motivation also decreases.

#### 10. The Influence of Work Motivation towards Organizational Commitment.

From the research result show that there is significant influence between motivation to Commitment Organization. This shows that the provision of proper motivation to employees will



have an impact on Organizational Commitment. Descriptive analysis of motivational variables shows that respondents' answers are in good category meaning that salary, convenience received by employees in work, close relationships with all employees, challenging jobs, career development, and all these things can motivate employees to work better, but provision of motivation must continue. Such praise given to employees is seen as effective to increase the motivation of subordinates. With the praise of leadership to subordinates who have done a good job, then subordinates feel to have an important contribution to the company. The new spirit will get bigger with the recognition of that achievement. But the praise that is too often delivered will lead to counter-productive attitudes, for that should be wise in giving praise for employee motivation is higher.

The length of employees working in the company has an impact on their low motivation and influence on organizational commitment. Employees who have recently joined the company usually show high work motivation and high commitment as well. Employee age also has a great impact on work motivation; as it gets older makes the individual have more experience, assessment, work ethics and high commitment to the company

## Conclusions and Recommendations

### Conclusion

Based on the results of research on employee respondents PT. andalas Karya Mulia Pekanbaru, it can be concluded some as follows:

1. The organizational culture variable has a high perception index of respondents. Indicators that have the highest average is the employee's work ability (individual initiative) as well as the indicator that has the lowest average is the leader follow up the advice of subordinates (management support). The test results show that the organizational culture variables that exist in the company

directly affect the organizational commitment. This shows that the better implementation of organizational culture in the company will further enhance the organization's commitment.

2. Leadership variables have a high perception index of respondents is 3.730 but has not reached the highest score of 5 (five). Indicators that have the highest average are to guide subordinates while the indicator with the lowest average is to pay attention to improving the work ability of subordinates. The test results show that the leadership variable there is no direct influence on organizational commitment variable.
3. The compensation variable has a very high perception perception index. Indicators that have the highest average are the salary which means the salary given the company is in accordance with what the employees expect. While the indicator with the lowest average is the payment system regarding the timeliness of payments. The test results show that the compensation variable has a direct influence on organizational commitment. This shows that the better compensation the employee gets will increase the organization's commitment.
4. The motivation variable has a high perception index of respondents. The indicator with the highest average is safety while the lowest indicator is self-actualization. The test results show that the motivation variable has a direct influence on organizational commitment. This shows that with good motivation and right to employees will bring a positive impact on the improvement of organizational commitment. It is necessary to provide continuous motivation that will increase organizational commitment.

### Suggestion

Based on the discussion and conclusions that have been put forward

before the authors suggestions of this study are:

- 1 Variables Organizational culture has a direct influence on organizational commitment, and has a very high perception index of respondents. In the responses of respondent's note that the leader indicator follow up suggestions subordinates have the lowest average. This needs to be addressed by the existing leaders in the company, which in order to establish good communication. While the company also needs to maintain the organizational culture that has been implemented well such as improving the work skills of employees.
- 2 Leadership variables have no direct influence on organizational commitment, although they have a very high perception perception index. There are other variables that have an influence on organizational commitment, it is necessary to get attention by the next researcher to conduct research by using variables other than leadership or add other variables. But leadership gives a direct influence on employee motivation, for that leadership in the company needs to give attention to improve employee work motivation.
- 3 The Compensation variable has a direct influence on organizational commitment, by having a very high perception perception index. In the responses of respondents note that the indicator of the payment system has the lowest average index. This needs to be addressed by the management company. Because during this payroll is done late because to provide deterrent effect to employees because it often violates the rules. However this applies to all employees although not all employees who violate the rules of working hours. For that the company needs to apply the punishment system to employees who violate the rules of the company for example by

way of salary deductions for employees who always come late or undisciplined rather than by way of late salary payment for all employees, because this will affect the employee's commitment. Provision of compensation in the form of bonuses or incentives should also be considered by the management company because it also has a low average of respondents. Companies should have a standard calculation in determining the level of incentives / bonuses.

5. Motivational variables have a direct influence on organizational commitment, with a very high perception index of respondents. In the responses of respondents note that the self-actualization indicator has the lowest average. This needs to be addressed by the parties - the parties that exist in the company, so that employees better understand the vision, mission in work, so have a high commitment.

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