

Examining the Impact of Job Security and Motivation on Organizational Performance: The Mediating Roles of Job Satisfaction and Organizational Commitment in PDAM Tirta Montala, Aceh Besar, Indonesia

Munazir, Muhammad Adam, Sofyan Idris

Master of Management Study Program, Faculty of Economics and Business, Syiah Kuala University

DOI : <https://doi.org/10.51583/IJLTEMAS.2024.130716>

Received: 18 July 2024; Accepted: 01 August 2024; Published: 20 August 2024

Abstract: This research aims to analyze the influence of job security and motivation on organizational performance with job satisfaction and organizational commitment as intervening variables at PDAM Tirta Montala, Aceh Besar Regency. The number of respondents was 153 people. The selection of respondents used a census approach. The research results show that there is a significant influence of the 5 direct hypothesis influences that were tested. Likewise, of the 2 indirect hypotheses tested, both have a significant influence. The study conducted at the Tirta Montala Regional Drinking Water Company (PDAM) in Aceh Besar has important managerial implications for the sustainability and development of this company. These implications can guide managers and stakeholders in making strategic decisions, optimizing performance, and increasing operational efficiency

Keywords: Job Security' Motivation, Organizational Performance, Job Satisfaction and Organizational Commitment

I. Background

Organizational performance is an important aspect that must be studied in a PDAM Tirta Montala because it has a direct impact on the success and continuity of the business (Lucky, EOI, Minai, MS, & Rahman, HA 2013). Organizational performance reflects the extent to which PDAM Tirta Montala achieves its goals. Evaluation of organizational performance helps in assessing the extent to which PDAM Tirta Montala has succeeded in implementing strategies and achieving predetermined targets (Bakotić, D. (2016). PDAM Tirta Montala which has good organizational performance tends to be more competitive. High performance enables PDAM Tirta Montala to stand out in the market, attract customers, and compete effectively with competitors. Strong organizational performance creates an environment that supports growth and innovation (Kalogiannidis, S. 2021). development, and creating of innovative products or services.

However, the question is how the goal of improving organizational performance can be achieved as planned. Not all PDAM Tirta Montala management who are given the mandate to manage the organization can fulfill the expectations of PDAM Tirta Montala owners to place PDAM Tirta Montala as a well-performing organization.

This also happened to PDAM Tirta Mountala Aceh Besar. Customers have submitted many complaints regarding PDAM Tirta Montala's services. A resident of Monsinget Hamlet, Gampong Kajhu, Baitussalam District, Aceh Besar Regency named Lestari admitted that he was disappointed with the services provided by PDAM Tirta Mountala. The reason is that water has not flowed to residents' homes for a week. The result of no water supply from PDAM, said Lestari, has had an impact on his daily activities (Tati Firdiyanti 2023; Muhammad Fahmi 2023).

PDAM Tirta Mountala Aceh Besar is PDAM Tirta Montala which is responsible for the supply and distribution of drinking water in the Aceh Besar Regency area. As PDAM Tirta Montala's drinking water area, PDAM Tirta Mountala has a strategic role in ensuring the availability of clean, safe and affordable drinking water for the people in the area. PDAM Tirta Montala is operated by the Aceh Besar Regency government to meet the population's basic needs for access to clean water, as well as ensuring the maintenance of water quality in accordance with applicable health and safety standards. Through efficient and sustainable distribution efforts, PDAM Tirta Mountala plays a role in improving the welfare of local communities through reliable and quality drinking water services.

Existing literature generally explores affective, continuity, and normative commitment, there is limited understanding of Public Service Commitment (Kalogiannidis, S. (2021), a specific dimension of commitment that specifically applies to organizations operating in the field of public service, such as PDAM Tirta Mountala. However, Public Service Commitment which includes employee dedication and loyalty to the mission of providing clean and easily accessible water to the community, which reflects a commitment to community welfare, has not been widely discussed, although it is considered very important for public utility organizations its impact on overall organizational performance remains unexplored.

By exploring the unique context of public service commitment in PDAM Tirta Mountala Aceh Besar, this research can contribute new insights into the relationship between specific dimensions of commitment and organizational performance, by addressing gaps in the existing literature. This research gap aims to dig deeper into the factors that influence Organizational Commitment and

its implications for PDAM Tirta Montala water provider, providing actionable insights for organizational leaders seeking to strengthen the level of commitment among employees.

II. Literature Review and Hypothesis Development

The Effect of Job Security on Job Satisfaction and Organizational Performance

According to Artz, B., & Kaya, I. (2014), job security has a significant impact on employee job satisfaction. High job security creates an environment that provides a sense of certainty and comfort, increases motivation, and reduces stress levels. Strong job security can also strengthen positive emotional ties to the organization and increase employee loyalty. Conversely, a lack of job security can create uncertainty and anxiety, reduce job satisfaction, and potentially affect organizational performance (Kwabiah, A., Hodibert, VA, & Amankwa, R. 2016); Umrani, WA, Afsar, B., Khan, M., & Ahmed, U. 2019)..

According to Lucky, EOI, Minai, MS, & Rahman, HA (2013), job security also has a significant impact on organizational performance. Employees who feel safe tend to be more focused, dedicated and contribute positively. Job security creates a stable foundation for productivity, reduces stress, and improves psychological well-being. By ensuring good job security, organizations can create a strong foundation for achieving long-term goals and improving service quality (Imran, R., Majeed, M., & Ayub, A. (2015).

H1: The Effect of Job Security on Job Satisfaction

H2: The Effect of Job Security on Organizational Performance

The Influence of Motivation on Organizational Commitment and Performance

Al-Madi, FN, Assal, H., Shrafat, F., & Zeglat, D. (2017) and also Tadvana, S. (2017) confirmed that individual motivation has a significant influence on organizational commitment. Motivation that comes from recognition, development opportunities, and a sense of personal accomplishment can strengthen employees' emotional ties to the organization. Motivation also has a positive impact on organizational performance, encourages active involvement, and creates a dynamic work environment (Đorđević, B., Ivanović, Đ. M., Lepojević, V., & Milanović, S. 2020; Salleh, SM, Zahari, ASM, Said, NSM, & Ali, SRO 2016; Rahim, AR, & Jam'an, A. 2018).).

H3: Influence of Motivation on Organizational Commitment

H4: Influence of Motivation on Organizational Performance

The Effect of Job Satisfaction on Organizational Performance

According to Latif, MS, Ahmad, M., Qasim, M., Mushtaq, M., Ferdoos, A., & Naeem, H. (2013), job satisfaction has a big impact on organizational performance. Satisfied employees tend to be more productive, creative and have higher levels of performance. A high level of satisfaction also influences employee absenteeism and turnover, maintaining a stable workforce (Miah, MM (2018; Yousef, DA 1998).

H5: Effect of Job Satisfaction on Organizational Performance

The Influence of Organizational Commitment on Organizational Performance

Nikpour, A. (2017) states that organizational commitment has a significant impact on the overall performance of an entity. Employees who have high commitment tend to show better performance, creating a sense of responsibility and loyalty to the vision, mission and values of the organization. Organizational commitment also creates a positive work environment, increases team collaboration, and supports the constructive exchange of ideas (Kwabiah, A., Hodibert, VA, & Amankwa, R. 2016).

H5: Effect of Job Satisfaction on Organizational Performance

In the context of PDAM Tirta Montala, creating a safe work environment, motivating employees, increasing job satisfaction, and building organizational commitment are important steps to achieve optimal organizational performance. By understanding and optimizing these factors, organizations can achieve their long-term goals, improve service quality, and ensure sustainability of overall performance.



Figure 1. Research Framework

III. Research Methods

3.1 Research Instruments

All measurement items were taken from previous research to ensure validity; however, slight changes to the statements were made to fit the current analysis. For organizational performance, measurement uses 5 items adapted from Berberoglu, A. (2018). For the Work Motivation variable, it is taken from 5 items developed by Anwar, K., & Aima, MH (2019).

For Job Satisfaction, measurement is carried out using 5 items developed by Ventakesh (2012). Then the Organizational Commitment variable was measured using 5 measurement items developed by Bytyqi, Q. (2020).. A questionnaire with a 5 point Likert scale was used to collect data. Apart from that, this research used in-depth interviews with several sources (informants). This is done to obtain in-depth information related to research variables and to support the results of quantitative analysis.

3.2 Population and Research Sample

Population according to (Supriadi & Sui Pheng, 2018; Hair, Joseph F., William C. Black, Barry J. Babin, Rolph E. Anderson, & Ronald. L. Tatham. 2014) is the total collection of elements in an area that you want to study, which consists of objects/subjects that have certain qualities and characteristics determined by researchers to be studied and then conclusions drawn. The population in this study were all employees at PDAM Tirta Mountala, totaling 153 employees.

3.3 Data analysis

The data analysis technique in this research is descriptive and verification. Descriptive analysis was conducted to assess the demographic profile of respondents and the internal consistency of the constructs. (Ferdinand, Augusty. 2014). Meanwhile, verification analysis uses SEM (Structural Equation Modeling) to verify the relationship paths between variables in this research. (Ghozali, I. (2018). In addition, the SEM analysis software is IBM SPSS-AMOS version 22.

IV. Research Results and Discussion (Discussion)

4.1 Characteristics of Respondents

The research results showed that the respondents at PDAM Tirta Montala, Aceh Besar Regency were dominated by male employees, namely 121 people, while there were 32 female employees. In terms of age, the largest number of respondents were in the 31-35 year age range, with 60 people, ahead of respondents aged 26-30 years with 45 people. The majority of respondents have employment status as permanent employees (72 people), compared to contract employees (65 people). The educational characteristics of the respondents show that the majority have a bachelor's educational background (86 people), followed by high school graduates (48 people) and Diploma III (7 people). Postgraduate education was attended by 12 respondents. Employee work periods tend to be between 2-3 years, with the number of respondents being 57 people, while there are fewer people with work periods of less than 1 year or more than 5 years.

Thus, it can be concluded that the employees of PDAM Tirta Montala, Aceh Besar Regency who were respondents have the general characteristics of being men aged 31-35 years, with permanent employee status, with a bachelor's degree, with a work period of 2-3 years. They are considered to be productive and innovative young workers, with the potential to improve PDAM performance in providing quality drinking water services to the community.

4.2 Research Instrument Testing: Validity and Reliability

Construct validity testing using Average Variance Extracted (AVE) shows that all variables, namely Job Security, Motivation, Job Satisfaction, Organizational Commitment, and Organizational Performance, have an AVE value > 0.50, meeting the construct validity requirements. This indicates that the latent construct is able to cover most of the diversity of manifest variables involved in the research. The existence of this strong representation indicates that the measuring tool has adequate validity.

Next, a discriminant validity test was carried out to ensure significant differences between the concepts measured. Table 4.2 shows that the diagonal values (top values) of the Job Security, Motivation, Job Satisfaction, Organizational Commitment and Organizational Performance variables exceed the construct validity values in the same row, indicating that there are real differences between these variables. This indicates that the discriminant coefficient meets the requirements, ensuring discriminant validity between variables.

Reliability testing using the Cronbach Alpha (CA) method shows CA values above 0.60 for all variables, indicating an adequate level of consistency. These results provide confidence that the measurement instruments for the variables Job Security, Motivation, Job Satisfaction, Organizational Commitment and Organizational Performance are reliable and have high reliability. In this way, research results can be interpreted with strong confidence, establishing a solid foundation for data analysis and accurate conclusions in the research context.

c. Measurement Model (Measurement Model)

Convergent validity aims to recognize the validity of each relationship between the marker and the construct or latent variable. In this research, a loading factor limit of 0.50 will be used. From the measurement calculations, it appears that there is 1 indicator

that does not meet the requirements because it has a loading factor figure below that required, namely 0.5. So this indicator must be eliminated. After being eliminated, the new model measurement photo is

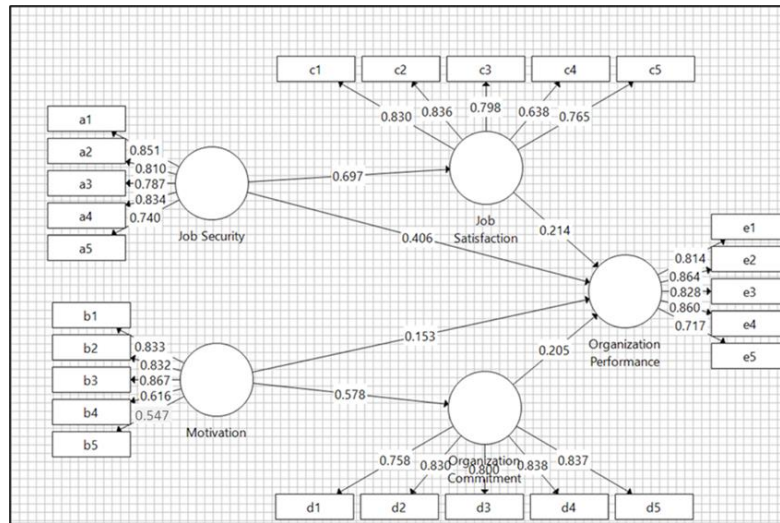


Figure 2. New Measurement Model

The new loading factors can be seen in the table below.

Table 1. New Loading Factor

Indicator	Original (O)	Sample	T Statistics (O/STDEV)	P Values
a1 <- Job Security	0.851		34,448	0
a2 <- Job Security	0.81		23,634	0
a3 <- Job Security	0.787		16,988	0
a4 <- Job Security	0.834		40,352	0
a5 <- Job Security	0.74		17,682	0
b1 <- Motivation	0.833		24,916	0
b2 <- Motivation	0.832		33.15	0
b3 <- Motivation	0.867		48,278	0
b4 <- Motivation	0.616		8,837	0
b5 <- Motivation	0.547		3,712	0
c1 <- Job Satisfaction	0.83		33,759	0
c2 <- Job Satisfaction	0.836		33,956	0
c3 <- Job Satisfaction	0.798		15,236	0
c4 <- Job Satisfaction	0.638		6,767	0
c5 <- Job Satisfaction	0.765		22,377	0
d1 <- Organization Commit	0.758		14,991	0
d2 <- Organization Commit	0.83		35,847	0
d3 <- Organization Commit	0.8		29,218	0
d4 <- Organization Commit	0.838		33,892	0
d5 <- Organization Commit	0.837		47,861	0
e1 <- Organization Perform	0.814		29,534	0

e2 <- Organization Perform	0.864	42.106	0
e3 <- Organization Perform	0.828	26,639	0
e4 <- Organization Perform	0.86	44,341	0
e5 <- Organization Perform	0.717	14,072	0

Source: Data processing results (2024)

From Table 4.9 above, it can be seen that none of them has a coefficient value below 0.5 or rounded up to 0.5. So, in terms of factor loading, all existing indicators are said to have a loading factor that is more than the required requirements, so they are said to be valid for inclusion in structural testing. However, before proceeding with structural testing, we will first look at the suitability of the model to see how fit the model that is built is according to the existing data. Testing is carried out with Goodness of Fit.

4.3 Verifying Hypothesis Testing

4.3.1 Direct Hypothesis Testing

After all assumptions have been met, the next hypothesis test will be carried out as proposed in the previous chapter. Testing of the 6 direct hypotheses of this research was carried out based on the Critical Ratio (CR) value of a causal relationship from the SEM processing results as in table 4.11 below.

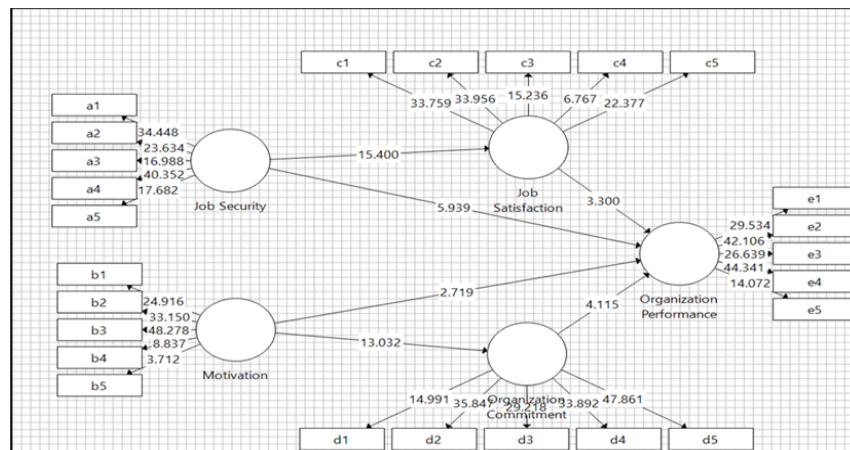


Table 4.21 Results of Direct Influence Hypothesis Testing

	Original Sample	Sample Mean	Standard Deviation	T Statistics	P Values
Job Satisfaction -> Organization Performance	0.214	0.215	0.065	3.3	0.001
Job Security -> Job Satisfaction	0.697	0.7	0.045	15.4	0
Job Security -> Organization Performance	0.406	0.402	0.068	5,939	0
Motivation -> Organizational Commitment	0.578	0.588	0.044	13,032	0
Motivation -> Organization Performance	0.153	0.154	0.056	2,719	0.007
Organization Commitment -> Organization Performance	0.205	0.205	0.05	4,115	0

Hypothesis 1 examined the relationship between job satisfaction and organizational performance. The test results revealed a t-statistics value of 3.3 with a p-value of 0.001, indicating a significant relationship. The low p-value supports rejecting the null hypothesis, thereby confirming that job satisfaction significantly impacts organizational performance.

In Hypothesis 2, the relationship between job security and job satisfaction was analyzed. The results showed a t-statistics value of 15.4 with a p-value of 0, confirming a significant relationship. It can be concluded that job security significantly influences the level of job satisfaction.

Hypothesis 3 focused on the relationship between job security and organizational performance. The test results indicated a t-statistics value of 5.939 and a p-value of 0, confirming a significant relationship. The rejection of the null hypothesis suggests that job security has a notable impact on organizational performance. Hypothesis 4 explored the effect of motivation on organizational commitment. The analysis showed a t-statistics value of 13.032 and a p-value of 0, indicating a very significant relationship. The low p-value highlights the high impact of motivation on organizational commitment. Hypothesis 5 investigated the relationship between motivation and organizational performance. The test results yielded a t-statistics value of 2.719 and a p-value of 0.007, showing a significant relationship. Although the impact is not as strong as other hypotheses, motivation still significantly influences organizational performance.

Finally, Hypothesis 6 analyzed the effect of organizational commitment on organizational performance. The results revealed a t-statistics value of 4.115 and a p-value of 0, demonstrating a significant effect. The rejection of the null hypothesis confirms that high organizational commitment positively impacts organizational performance.

V. Managerial Implications

The study at PDAM Tirta Montala in Aceh Besar provides significant managerial insights that can guide strategic decisions to optimize performance and enhance operational efficiency. Managers and stakeholders can leverage these findings to make impactful changes. Increasing job satisfaction is crucial; implementing policies and programs that improve the work environment and facilities can boost employee satisfaction, leading to higher productivity and better customer service. Strengthening job security is another key area; focusing on effective job security measures, such as ensuring job stability and a supportive work environment, can significantly enhance employee satisfaction and performance.

Additionally, encouraging motivation and organizational commitment is essential. Developing incentive programs and reinforcing company values can improve team performance and employee contributions. Optimizing personnel systems is also vital; enhancing aspects like payroll and career development opportunities can increase overall satisfaction, motivation, and commitment among employees. Focusing on employee development through training and development programs can improve qualifications and competencies, positively impacting organizational performance. Lastly, improving communication and engagement within the organization can strengthen employees' sense of ownership, increase their motivation, and reinforce their commitment to the company's goals.

These implications encourage a holistic approach to human resource management at PDAM Tirta Montala, to create a better work environment and improve overall organizational services.

VI. Conclusion

From the results of the study at PDAM Tirta Montala in Aceh Besar, there are conclusions that have important implications for operational sustainability and organizational development. This study explores the relationship between job satisfaction, job security, motivation, organizational commitment, and organizational performance. The conclusions of this analysis provide an in-depth look at the company's internal dynamics, providing direction for further action.

The results of the analysis show that job satisfaction has a significant impact on organizational performance at PDAM Tirta Montala. The positive relationship between employee job satisfaction and organizational performance emphasizes the importance of prioritizing aspects that influence job satisfaction, such as the work environment, personnel policies, and career development opportunities. This conclusion illustrates the need for management to understand employee needs and expectations to create supportive working conditions, creating a healthy balance between job demands and individual satisfaction. Other findings suggest that job security has a positive impact on job satisfaction and organizational performance, providing a basis for improving job security policies and practices. Management can consider providing better job security, transparent communication about job security policies, and creating a stable work environment. Employee well-being and confidence in the stability of their jobs can create a solid foundation for increased productivity and overall organizational performance.

Other key findings highlight the importance of motivation and organizational commitment. By knowing that motivation has a positive effect on organizational commitment, and both have a positive impact on organizational performance, PDAM Tirta Montala management can design strategies to increase employee motivation and commitment. Incentive programs, career development opportunities, and a motivating organizational culture can be a focus for strengthening employee engagement and their contributions to organizational goals.

Bibliography

1. Al-Madi, F.N., Assal, H., Shrafat, F., & Zeglat, D. (2017). The impact of employee motivation on organizational commitment. *European Journal of Business and Management*, 9(15), 134-145.

2. Anwar, K., & Aima, MH (2019). The Effect of Competence and Motivation on Organizational Commitments and its Implications on Employee Performance. *Dynasty International Journal of Educational Management and Social Science*, 1(2), 183-196.
3. Artz, B., & Rich, I. (2014). The impact of job security on job satisfaction in economic contractions versus expansions. *Applied Economics*, 46(24), 2873-2890.
4. Bakotić, D. (2016). Relationship between job satisfaction and organizational performance. *Economic research-Ekonomska istraživanja*, 29(1), 118-130.
5. Berberoglu, A. (2018). Impact of organizational climate on organizational commitment and perceived organizational performance: empirical evidence from public hospitals. *BMC health services research*, 18, 1-9.
6. Bytyqi, Q. (2020). The impact of motivation on organizational commitment: An empirical study with Kosovar employees. *Prizren Social Science Journal*, 4(3).
7. Dorđević, B., Ivanović, Đ. M., Lepojević, V., & Milanović, S. (2020). The impact of employees' commitment on organizational performance. *Strategic Management*, 25(3), 28-37.
8. Ferdinand, Augusty. 2014. *Management Research Methods*. BP University. Diponegoro. Semarang
9. Ghozali, I. (2018). "Multivariate Analysis Applications Using the IBM SPSS Program" Edition. Sembilan. Semarang: Diponegoro University Publishing Agency
10. Hair, Joseph F., William C. Black, Barry J. Babin, Rolph E. Anderson, & Ronald. L. Tatham. 2014. *Multivariate Data Analysis*. New Jersey: Pearson Education
11. Imran, R., Majeed, M., & Ayub, A. (2015). Impact of organizational justice, job security and job satisfaction on organizational productivity. *Journal of Economics, Business and Management*, 3(9), 840-845.
12. Kalogiannidis, S. (2021). Impact of employee motivation on organizational performance. A scoping review paper for the public sector. *The Strategic Journal of Business & Change Management*, 8(3), 984, 996(3).
13. Kwabiah, A., Hodibert, V. A., & Amankwa, R. (2016). Job Security, Job Satisfaction and Organizational Commitment as Correlates of Job Performance among Workers in Takoradi, Ghana. *ADRRI Journal (Multidisciplinary)*, 25(7), 18-30.
14. Latif, M.S., Ahmad, M., Qasim, M., Mushtaq, M., Ferdoos, A., & Naeem, H. (2013). Impact of employee's job satisfaction on organizational performance. *European journal of business and management*, 5(5), 166-171.
15. Lucky, EOI, Minai, MS, & Rahman, HA (2013). Impact of Job Security on the Organizational Performance in. *Research journal of business management*, 7(1), 64-70.
16. Manzoor, Q. A. (2012). Impact of employees motivation on organizational effectiveness. *Business management and strategy*, 3(1), 1-12.
17. Miah, M. M. (2018). The impact of employee job satisfaction toward organizational performance: A study of private sector employees in Kuching, East Malaysia. *International Journal of Scientific and Research Publications*, 8(12), 270-278.
18. Nikpour, A. (2017). The impact of organizational culture on organizational performance: The mediating role of employees' organizational commitment. *International Journal of Organizational Leadership*, 6, 65-72.
19. Rahim, AR, & Jam'an, A. (2018). The analysis of the influence of motivation and organizational commitment on employees' performance in Telkom Kandatel Gorontalo Province. *Problems and perspectives in management*, (16, Iss. 4).
20. Salleh, SM, Zahari, ASM, Said, NSM, & Ali, SRO (2016). The influence of work motivation on organizational commitment in the workplace. *Journal of Applied Environmental and Biological Sciences*, 6(58), 139-143.
21. Sugiyono. (2016). *Sugiyono, Research Methods*. Sugiyono.
22. Supriadi, LSR, & Sui Pheng, L. (2018). *Research Design and Methodology*. https://doi.org/10.1007/978-981-10-5487-7_9
23. Taduvana, S. (2017). The impact of job security on job satisfaction and organizational commitment at Femina Garments in Zimbabwe: a case study (Doctoral dissertation).
24. Tati Firdiyanti (2023) Residents of Aceh Besar Disappointed with PDAM Tirta Mountala Services, Water Doesn't Flow for a Week. <https://www.ajnn.net/news/warga-aceh-besar-kecewa-dengan-jasa-pdam-tirta-mountala-sepekan-air-tak-mengalir/index.html>.
25. Muhammad Fahmi (2023) Residents of Aceh Besar Disappointed with Tirta Mountala PDAM Service for a Week with No Water Flowing. <https://www.ajnn.net/news/warga-aceh-besar-kecewa-dengan-jasa-pdam-tirta-mountala-sepekan-air-tak-mengalir/index.html>.
26. Umrani, W.A., Afsar, B., Khan, M., & Ahmed, U. (2019). Addressing the issue of job performance among hospital physicians in Pakistan: The role of job security, organizational support, and job satisfaction. *Journal of Applied Biobehavioral Research*, 24(3), e12169.
27. Yousef, D. A. (1998). Satisfaction with job security as a predictor of organizational commitment and job performance in a multicultural environment. *International journal of Manpower*, 19(3), 184-194.