Does Interpersonal Relations and Work Incentives Affect Work Motivation and Organizational Commitments?

Muhammad Ramaditya¹,², Lisa Rosa Liana², Ridwan Maronrong³

¹,²,³ Department of Management, Sekolah Tinggi Ilmu Ekonomi Indonesia, Jakarta, Indonesia
ramaditya@stei.ac.id
https://doi.org/10.31603/bisnisekonomi.v18i2.3741

Abstract

This study aims to determine the effect of interpersonal relationships and work incentives on work motivation and organizational commitment of PT. Technology Karya Mandiri. The research sample was total all employees of 70 respondents. The method of collecting data through a questionnaire and used path analysis method using SmartPLS 3.0. Based on the results of the study, work motivation and organizational commitment has a positive and significant effect on interpersonal relationships. Work motivation and organizational commitment has a positive and significant effect on work incentives. Moreover, Organizational commitment has a positive and significant effect on work motivation. Work motivation has a negative and not significant effect on interpersonal relationships through organizational commitment. Work motivation has a negative and not significant effect on work incentives through organizational commitment. This study gives implications to provide a knowledge and optimization of human resource management strategies. The enhancement of motivation and commitment can be well received by his subordinates and other continuous efforts are made to improve both operational improvement and continuous improvement to create a highly dedicated human resources management.

1. Introduction

Organization behaviour is a set of activity carried out on almost every individual in the organization. In doing work, individuals will not be separated from other individuals. Because the individual is part of one's work environment. Other individuals can act as coworkers, superiors, or subordinates who support the work can be completed properly. Every individual in an organization or company plays a role and is interrelated with one another. The relationship between individuals is often referred to as interpersonal
relationships. Good interpersonal relationships will lead to mutual understanding and comfort in work. Some forms of good interpersonal relations between fellow workers and the company are forms of cooperation and trust (Wahyuni et al., 2016). Cooperative or in this case can be interpreted as a collaboration of various individuals, groups and organizations to achieve common goals.

The policy of providing incentives is very important to note, because this relates to the work of the employees in doing their jobs. Given the incentives that are in accordance with the production standards and work standards that have been determined, it means giving satisfaction to its employees and making a stronger relationship between employees and the company they work for. Therefore, the connection that leads to the achievement of objectives will produce very beneficial results for both the company and the employees themselves (Ramaditya, 2019). Providing an incentive system is expected to create a reciprocal relationship between employees and companies, employees get justice in the form of incentives that will be able to increase motivation and performance, while for companies will be able to increase business productivity (Akbar, 2016). In this connection, awards to bridge the gap between company goals and employee expectations and aspirations need to be provided. To be effective, an incentive system must meet three things, namely, sufficient to meet basic, equal, and fair needs (Al-Naqbi et al., 2018). Incentives are a means of motivation can be given limitation of stimulants or intentional motivations given to workers so that within them arises a greater enthusiasm for achievement for the organization. Besides, incentives also as an additional remuneration given to certain employees whose performance is above standard performance. This incentive is a tool used to support the principle of fair compensation (Al-Naqbi et al., 2018).

Organizational commitment is valuable for the whole organization, and not only for work, or working groups. Employee commitment itself is relative from the individual in identifying his involvement in the part of the organization itself (Burhanis et al., 2019). Organizational commitment is a psychological state that is characterized by believing and accepting the goals and values of the organization (Syamsuri, 2017). Organizational commitment provides a significant impact on work behavior such as performance, job satisfaction, employee absences and also employee turnover (Pranita, 2018). Those literatures mentioned interpersonal relationship and incentives affect work motivation. However, none of them relating it to organisational commitment. Hence, this research takes that opportunity to test the effect of those variables not only to work motivation but also to organisational commitment.

PT. Technology Karya Mandiri is a private company engaged in the field of General Contractor & Supplier in the Indonesian region. As a company that is developing and heading for a large company in the field of General Contractor & Supplier in the Indonesian region. Based on the description above, the researcher is interested in further researching the effect of interpersonal relationships and work incentives on work motivation and organizational commitment (Case Study of PT. Technology Karya Mandiridi Jakarta).
2. Literature Review

2.1. An Overview of Interpersonal Relationship, Work Motivation, Incentive and Organizational Commitment

Interpersonal relationships help in cognitive and social growth and development, build coherent and positive personal identities, and belief in interpersonal relationships with social reality. Students who do not have good interpersonal relationships will experience obstacles in the process of interaction, tend to feel isolated or isolated in their environment (Darmawan et al., 2019). Interpersonal relationships are relationships consisting of two or more people, who are interdependent, and use a consistent pattern of interaction (Fung, 2012). Moreover, interpersonal relationships are face-to-face communication, interactions between individuals, verbal and cooperation will arise if people realize that they have the same interests and at the same time have enough knowledge and control over themselves.

Motivation is the key to a successful organization to maintain the continuity of work in the organization with a strong way and assistance to survive. Motivation is providing the right guidance or direction, resources and rewards so that they are inspired and interested in working the way you want (Maduka & Okafor, 2014). Motivation is the process of arousing behavior, maintaining behavioral progress, and channeling specific action behavior. Work motivation as a psychological boost to someone who determines the direction of a person's behavior in the organization, the level of effort, and the level of persistence or resilience in the face of an obstacle (Syamsuri, 2017). High employee motivation to work will make employees eager to be present at the company and comfortable at work (Potu et al., 2013). The more employees are eager to be present at the company and comfortable at work, it will bring up a sense of engagement with the company (Ramaditya et al., 2020). When employees already have a strong sense of attachment to the company, employees will prefer to stay in the company rather than having to leave and re-adapt to the new work environment (Sari et al., 2020).

Incentives consist of material incentives and non-material incentives have a significant effect on work motivation (Al-Naqbi et al., 2018). This shows that giving an incentive will be feedback carried out by a company, so employees will be able to motivate work which will ultimately improve work performance (Maduka & Okafor, 2014). If the provision of incentives can be in accordance with needs or can run as expected, employees will be motivated to work, so that the company's goals to be achieved are realized. Besides giving incentives will make employees more responsible for their work so that company goals can be realized as expected. While material incentives are variables that influence domain on work motivation. This shows that the provision of material incentives is one of the main things that must be considered by the company. The enthusiasm of employees can also be caused by the size of the incentives received. If employees do not get the appropriate incentives with the amount of sacrifice at work, then these employees tend to be lazy to work and not enthusiastic that they end up working at will without any high motivation (Pranita, 2018). Material incentives as a means of motivation that encourage employees to work with optimal abilities, which are intended as extra income outside salary or wages that have been determined. The main purpose of incentives is to provide responsibility and encouragement
to employees in order to improve quality and quantity of work (Potu et al., 2013). While for companies, incentives are a strategy to increase the productivity and efficiency of companies in the face of increasingly fierce competition, where productivity becomes a very important thing (Omolo, 2015).

Organizational commitment is valuable for the whole organization, and not only for work, or working groups. Employee commitment itself is relative from the individual in identifying his involvement in the part of the organization itself (Ahmed, 2015). Organizational commitment is an attitude that reflects employee loyalty to the organization and the ongoing process by which members of the organization express their concern for the organization and success and continuous progress (Julistia, 2015).

2.2. The Effect of Interpersonal Relationship on Work Motivation

Interpersonal relationships are communication that forms face to face, interactions between individuals, verbal and cooperation will lead to interactions of people who are related to the same interests and when needed (Wahyuni et al., 2016). Thus, a good interpersonal relationship will bring employees to be happier to do the work (Ramaditya et al., 2020). Employees who are not satisfied with their work, satisfied when discussing with factors that show extrinsic nature, meaning that they are sourced from workers outside the room, as spoken by the organization, supervision by managers, interpersonal relations, work requirements and acceptance (Yusoff et al., 2016). Observations made by researchers also support the agreed-statement above. Interpersonal relationships that exist between employees of PT. Technology Mandiris is very much needed by the employees who are there. It discusses among employees and helps each other to make each employee comfortable, encouraging each other between employees at work, advising each other between employees if they make mistakes, motivating each other between employees to work harder and giving ideas and assistance to the company. That way employees become motivated to carry out their work.

H1: Interpersonal Relationship has a positive effect on Work Commitment

2.3. The Effect of Incentive on Work Motivation

Incentives can be seen as an additional reward provided to certain employees whose achievements are above standard performance. These incentives are tools used to support fair principles in providing compensation. Incentives consisting of material incentives and non-material incentives have a significant effect on work motivation (Frengki et al., 2017). This shows that an assistance will be feedback carried out by a company, so that employees will be able to motivate work which will ultimately improve their performance (Omolo, 2015). If the incentive assistance can be in accordance with needs, can be run as expected, employees will be motivated to work, so that the company's goals to be achieved are realized. In addition, it will provide incentives that will make the company responsible for its work so that the company's goals can be realized as expected. The results of other which states the imbalance given to motivate the workers or members of the organization so that work motivation and performance is high (Al-Naqbi et al., 2018).

H2: Interpersonal Relationship has a positive effect on Work Commitment
2.4. The Effect of Interpersonal Relationship on Organizational Commitment

Interpersonal relationships are ongoing communication between two people who have a clear relationship (Syamsuri, 2017). The interpersonal relationships have a direct positive effect on organizational commitment. In organizations and companies, relationships become very important in the formation of an effective and efficient company (Wahyuni et al., 2016). Delivery of information between the sender and the recipient is not only done verbally or in writing, but can be in the form of sophisticated communication tools. While the organizational commitment is a form of employee attitude that shows the feelings of joy and alignments themselves against the company (Ramaditya, 2019). If the existing management system in the company is done well, it will foster a high commitment to the work and organization. In creating organizational commitment within oneself, it is necessary to have a relationship that is established in both directions without the slightest regard for subordinates. So, the more often interpersonal relationships are established properly, the more the organizational commitment to employees increases (Ahmed, 2015).

H3: Interpersonal Relationship has a positive effect on Organizational Commitment

2.5. The Effect of Incentive on Organizational Commitment

Incentives are a means of motivation that can be given a limitation of stimuli or intentional impulses given to workers so that within them arises a greater enthusiasm for achievement for the organization (Acar, 2014). The results of hypothesis testing indicate that incentives have a positive and significant effect on organizational commitment. This result implies that the better the incentive policy undertaken, it is able to increase the organizational commitment of employees in carrying out tasks and work (Eka, 2018). In addition, the results of this study provide a clue that the role of incentives given so far at PT. Technology Mandirit's work has been well implemented, and leads to the orientation of the task. In accordance with the role of the incentive's employees are satisfied with the treatment, appreciation, and recognition of the contributions made so far at work. These findings can be interpreted that attractive incentives in carrying out the work are able contributes significantly to increasing organizational commitment of employees. Thus, the incentive scheme that concentrates on task-oriented functions and is provided with a good and transparent system, is proven to be able to provide a sense of accomplishment, satisfied with work, and do something valuable in work so they feel more satisfied with the organization. Company who providing incentives can increase employee organizational commitment. Based on the explanation above, it can be emphasized that incentives have a role in increasing employee organizational commitment (Cubillos, 2012).

H4: Incentive has a positive effect on Organizational Commitment

2.6. The Effect of Work Motivation on Organizational Commitment

Work motivation as a psychological boost to someone who determines the direction of a person's behavior in the organization, the level of effort, and the level of persistence or resilience in the business (Gkanatsas & Krikke, 2020). High employee motivation to work will make employees eager to be present at the company and comfortable at work (Burhanis
et al., 2019). The more employees are eager to be present at the company and comfortable at work, it will bring up a sense of engagement with the company (Ramaditya et al., 2020). When employees already have a strong sense of attachment to the company, employees will prefer to stay in the company rather than having to leave and re-adapt to the new work environment (Sari et al., 2020). Likewise, with employees who work at PT. Technology Karya Mandiri. The needs factor (needs) is the main reason for them to be eager to work. But on the other hand, there needs to be another driving factor from the side of the company where they work to bring up a sense of attachment to the company. For this reason, the company must be able to provide drives and incentives that can increase employee morale at work so that employees' sense of attachment to the company becomes stronger.

H5: Work Motivation has a positive effect on Organizational Commitment

2.7. Research Model

Interpersonal relationships that exist between employees of PT. Technology Mandiris is very much needed by the employees who are there. This is shown by the intimacy between employees and mutual care to make each employee feel comfortable, give each other enthusiasm between employees in work, advise each other between employees if they make mistakes, motivate each other between employees to work harder and provide ideas and ideas for company progress. That way employees become motivated to carry out their work. Incentives are a means of motivation that can be given a limitation of stimuli or intentional impulses given to workers so that within them arises a greater enthusiasm for achievement for the organization. In organizations and companies, relationships become very important in the formation of an effective and efficient company. Delivery of information between the sender and the recipient is not only done verbally or in writing, but can be in the form of sophisticated communication tools. While the organizational commitment is a form of employee attitude that shows the feelings of joy and alignments themselves against the company. If the existing management system in the company is done well, it will foster a high commitment to the work and organization. In creating organizational commitment within oneself, it is necessary to have a relationship that is established in both directions without the slightest regard for subordinates. So, the more often interpersonal relationships are established properly, the more the organizational commitment to employees increases. Conceptual framework is presented in Figure 1.
3. Method

The strategy used in this research is associative strategy. Associative research is research that aims to determine the relationship of two or more variables. In this research, a theory can be built that can function to explain, predict, and control a phenomenon. In this study, researchers used quantitative methods. While the interpretation of the data accompanied by the use of tables, graphs and images. The criteria for respondents who were sampled in this study were all PT. Technology Karya Mandiri Jakarta employees with total 70 respondents. Another term for saturated sampling is the census, where all members of the population are sampled. The data collection method used by researchers in collecting data from respondents is with a questionnaire that contains a statement or question that was directly distributed to employees of PT. Technology Karya Mandiri Jakarta.

In this study used path analysis as the analysis techniques tools in quantitative research. In path, the correlation between variables is related to the parameters of the model expressed by the path diagram. Path analysis has a closeness to multiple regression, so multiple regression is a special form of path analysis. It is important to note that methods must be written in the same order in the results section. The order of writing the method must also be logical according to the type of research conducted. The method for one type of research will be very different from other studies. For example, the presentation of survey research methods for which data will be processed with statistics is very different from the presentation of laboratory test research methods that involve a lot of equipment and materials. Part of the method can be made with several separate subtitles such as materials, tools, and data collection procedures. Data processed uses path analysis with partial least square method using the WarpPLS 3.0 program. The analysis on PLS is carried out in three stages outer model analysis, inner model analysis and hypothesis testing.

4. Result and Discussion

4.1. Descriptive Result

The identity of respondents based on gender, shows the majority of respondents with male gender as many as 43 people and the remaining 27 people of respondents are female. The respondent's identity is based on education, indicating the majority of respondents with high school education are 8 people, the rest respondents have degree of 47 people, and respondents have a Diploma education of 15 people. Thus, respondent identity based on years of service, shows the majority of respondents with tenure of 1 to 5 years as many as 32 people and the remaining 21 people of respondents with tenure of 6 to 10 years, 16 people respondents with tenure up to 20 years and 1 person respondent with tenure of 20 years and above.

4.2. Validity and Realibility Test Result

Convergent Validity is proceeded by looking at the item reliability (indicator validity) shown by the value of loading factor. Loading factor is a number that shows the correlation between the score of a question item with the score of the indicator indicator construct that
measures the construct. A loading factor value greater than 0.70 is said to be valid. After processing the data using SmartPLS 3.0 the result of loading factor on Figure 2.

![Figure 2. Outer model results with SmartPLS 3.0](image)

However, discriminant validity done by looking at the value of the cross-loading measurement construct. The cross-loading value shows the magnitude of the correlation between each construct with the indicator and indicators of the other block constructs. A measurement model has good discriminant validity if the correlation between the construct and the indicator is higher than the correlation with the indicator of the other block construct. After processing the data using SmartPLS 3.0 the results of cross loading can be shown in shows that the correlation value of the construct with the indicator is greater than the value of the correlation with the other construct. Thus, all constructs or latent variables already have good discriminant validity, where the indicators on the indicator block are better than the indicators on other blocks. Outer models in addition are measured by judging convergent validity and discriminant validity can also be done by looking at the reliability of the extract or latent variable measured by the value of composite reliability and Cronbach's Alpha. The construct is declared reliable if the composite reliability has a value more than 0.70, and Cronbach's alpha is above 0.60, then the construct is declared reliable.

The construct is declared reliable if it has value composite reliability above 0.70 and Cronbach's alpha above 0.60. From the results of SmartPLS 3.0 output. above all constructs have composite reliability values above 0.70 and Cronbach's alpha above 0.60. With the resulting value, all constructs have good reliability in accordance with the required drinking value limit. Based on Table 1 all constructs showed AVE values greater than 0.05, This value meets the requirements in accordance with the specified AVE minimum value of 0.05 (see Table 2).
Table 1. Path coefficient Direct Effect

<table>
<thead>
<tr>
<th>No.</th>
<th>Variable</th>
<th>Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Interpersonal Relations → Work Motivation</td>
<td>0.468</td>
</tr>
<tr>
<td>2</td>
<td>Work Incentives → Work Motivation</td>
<td>0.425</td>
</tr>
<tr>
<td>3</td>
<td>Interpersonal Relations → Organizational Commitment</td>
<td>0.272</td>
</tr>
<tr>
<td>4</td>
<td>Work Incentives → Organizational Commitment</td>
<td>0.268</td>
</tr>
<tr>
<td>5</td>
<td>Work Motivation → Organizational Commitment</td>
<td>0.488</td>
</tr>
</tbody>
</table>

Table 2. Path coefficient of indirect effect

<table>
<thead>
<tr>
<th>No.</th>
<th>Variable</th>
<th>Coefficient</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Interpersonal Relations → Work Motivation → Organizational Commitment</td>
<td>0.228</td>
</tr>
<tr>
<td>2</td>
<td>Work Incentives → Work Motivation → Organizational Commitment</td>
<td>0.207</td>
</tr>
</tbody>
</table>

4.3. Discussion

The results of the study concluded that there is a direct influence between interpersonal relationships on employee work motivation. This shows that the interpersonal relationship between PT. Technology Karya Mandiri is really needed by the employees who are there. This is shown by the intimacy between employees and mutual care to make each employee feel comfortable, give each other enthusiasm between employees in work, advise each other between employees if they make mistakes, motivate each other between employees to work harder and provide ideas and ideas for company progress. This makes employees become motivated in carrying out their work. The results of this study are in line with research which concluded that there is a significant influence between interpersonal relationships on the motivation of factory workers in China (Fung, 2012).

The study also shows that there was no direct effect between work incentives on organizational commitment. This shows that the more often interpersonal relationships are established properly, it does not directly influence the increase in organizational commitment to employees. Which means that good interpersonal relationships within the company do not directly foster high commitment to employees for their work or organization. The results of this study are support with research that concluded that interpersonal relationships do not affect organizational commitment (Ahmed, 2015).

Moreover, the result also shows that there is a direct influence between work incentives on organizational commitment. This shows that the better the incentive policy that is carried out, it is able to increase the organizational commitment of employees in carrying out their duties and work. In addition, the results of this study provide a clue that the role of incentives given so far at PT. Technology Karya Mandiri has been implemented well, and leads to the orientation of the task. In accordance with the role of the incentives, employees are satisfied with the treatment, appreciation, and recognition of the contributions made so far at work. This finding can be interpreted that attractive incentives in carrying out work can contribute significantly to increasing employee organizational commitment. The results of this study are support that work incentives have a positive and significant effect on organizational commitment (Al-Naqbi et al., 2018).

The results of the study concluded that there is a direct influence between work motivation on organizational commitment. This shows that high employee motivation to work will make employees eager to be present in the company and comfortable at work. The more employees are eager to be present at the company and comfortable at work, it will bring
up a sense of engagement with the company. When employees already have a strong sense of attachment to the company, employees will prefer to stay in the company rather than having to leave and re-adapt to the new work environment. Thus, high employee motivation can increase employee commitment to continue working at the company. The results of this study are support with study that there is a positive relationship between work motivation and organizational commitment (Widyanto et al., 2018). An organization must consider increasing work motivation to increase the level of commitment of their employees (Syamsuri, 2017).

Furthermore, the study also shows that there is work motivation moderating the influence between interpersonal relationships on organizational commitment to employees at PT. Technology Karya Mandiri. This shows that work motivation is a factor that can increase organizational commitment through interpersonal relationships that are established within the company. Good interpersonal relationships accompanied by high work motivation felt by employees can make employees have an attachment to the company that has an impact on employee loyalty to continue working at PT. Technology Karya Mandiri. The results of this study are in line with research that work motivation increases the effect of interpersonal relationships on organizational commitment (Darmawan et al., 2019). In addition, this study shows that there is work motivation moderating the influence between interpersonal relationships on organizational commitment to employees at PT. Technology Karya Mandiri. This shows that work motivation is a factor that can increase organizational commitment through interpersonal relationships that are established within the company. Good interpersonal relationships accompanied by high work motivation felt by employees can make employees have an attachment to the company that has an impact on employee loyalty to continue working at PT. Technology Karya Mandiri.

Finally, this study shows that there is work motivation moderating the effect of work incentives on organizational commitment to employees at PT. Technology Karya Mandiri. This shows that work motivation is a factor that can increase organizational commitment through work incentives provided by the company. Adequate work incentives accompanied by high work motivation felt by employees can make employees have an attachment to the company that has an impact on employee loyalty to continue working at PT. Technology Karya Mandiri. The results of this study are in line with research which concluded that there was a significant relationship between incentives in the form of rewards and recognition and organizational commitment through high employee motivation (Al-Naqbi et al., 2018).

5. Conclusion

In Conclusion this study gives clear picture on Interpersonal relationships affect motivation, then to increase motivation can be done by increasing interpersonal relationships, namely by creating conditions so that between employees can help each other and work together in completing their duties. Work incentives affect organizational motivation and commitment, so to be able to increase motivation and organizational commitment to employees, it can be done by increasing work incentives by means of the
company giving praise both verbally and in writing, formally or personally for employees who excel.

Motivation affects organizational commitment, so to be able to increase employee organizational commitment can be done by increasing work motivation by means of an encouragement from within the employee to achieve the work targets set by PT. Technology Karya Mandiri Jakarta. The organizational commitment of employees at PT. Technology Karya Mandiri can be maintained where employees are happy to spend their careers at PT. Technology Karya Mandiri Jakarta is a factor that keeps employees committed to the company.

Incentives Policy consisting of material incentives and non-material incentives have a significant effect on work motivation. This shows that giving an incentive will be feedback carried out by a company, so employees will be able to motivate work which will ultimately improve work performance. If the provision of incentives can be in accordance with needs or can run as expected, employees will be motivated to work, so that the company's goals to be achieved are realized. Besides giving incentives will make employees more responsible for their work so that company goals can be realized as expected. While material incentives are variables that influence domain on work motivation. This shows that the provision of material incentives is one of the main things that must be considered by the company.

The enthusiasm of employees can also be caused by the size of the incentives received. If employees do not get the appropriate incentives with the amount of sacrifice at work, then these employees tend to be lazy to work and not enthusiastic that they end up working at will without any high motivation. Material incentives as a means of motivation that encourage employees to work with optimal abilities, which are intended as extra income outside salary or wages that have been determined. The provision of material incentives is intended to meet the needs of employees and employees' families. The main purpose of incentives is to provide responsibility and encouragement to employees to improve quality and quantity. This is the result of his work. While for companies, incentives are a strategy to increase the productivity and efficiency of companies in the face of increasingly fierce competition, where productivity becomes a very important thing.

This research still has limitations and further research developments can be carried out such as more companies can be tested using this model and further research development can be done by testing other variables that are suspected to influence work motivation and organizational commitment such as compensation, job promotions, work placements, organizational culture, and other variables.

________________________________________
_____________________________________

Authors’ Declaration

Authors’ contributions and responsibilities

The authors made substantial contributions to the conception and design of the study. The authors took responsibility for data analysis, interpretation, and discussion of results. The authors read and approved the final manuscript.
Funding
Not applicable.

Availability of data and materials
All data are available from the authors.

Competing interests
The authors declare no competing interest.

Additional information
No additional information from the authors

References


This work is licensed under a Creative Commons Attribution-NonCommercial 4.0 International License