

ABSTRACT

The Influence of Employee Stock Option Program and Job Satisfaction to Employee Commitment (Case Study : Financial Directorate of PT Telkom Indonesia, Bandung)

This study is conducted to analyze how much influence the Employee Stock Option Program (ESOP) and Job Satisfaction to Employee Commitment at Financial Directorate of PT. Telkom Indonesia. In 2013, PT. Telkom Indonesia offers the ESOP to all employees of PT Telkom and subsidiaries that are still active in 2012, as of incentive for company performance in 2012. As of 96.43% of the total employees participated in the program, 2.27% did not participate in the program, and the rest does not give a choice. ESOP is one form of compensation. Compensation is complex and difficult because it involves basic feasibility, logical, rational, and accountable as well as the emotional factor from the aspect of labor. If the employees are not satisfied with the compensation, it will have a negative impact for the organization. According to the opinion of an expert, if all the needs of employees are met, the employee will achieve job satisfaction and commitment to the company

In this study, independent variables are ESOP and job satisfaction. The dependent variable is employee commitment. The object of this research is the employee in financial directorate which is located in Japati Bandung. The primary data obtained by interviews with employees in the human resources management (HRM) and 111 valid questionnaires were collected, while the secondary data obtained from the literature and related documents. This research is a causal research using path analysis techniques.

The results showed that the ESOP conducted by PT Telkom entered in good categories, as well as job satisfaction and commitment of employees at the Directorate of Finance entered the high category. Hypothesis says that there is significant influence between ESOP and job satisfaction on employee commitment, either partially or simultaneously. The magnitude of the effect of the ESOP contribution to job satisfaction was 40.60%, the contribution of direct influence of ESOP to employee commitment is 6.70% while the indirect influence is 35.61%, bringing the total contribution to the ESOP influence employee commitment is 42.31%. Contributions influence job satisfaction on employee commitment amounted to 31.25%. ESOP and job satisfaction simultaneously affect the employee's commitment to the value contribution of 56.3%.

Keywords: *ESOP, job satisfaction, employee commitment.*