

# The Effect of Motivation and Compensation on Job Performance through Job Satisfaction of Vocational Higher Education Lecturers in East Kalimantan

Suminto, Damar Nurcahyono, Kristin Wulansari, Della Olivia Caterina Kalangit  
*Business Administration, Information Technology, Politeknik Negeri Samarinda, Jl. Cipto Mangunkusumo, Samarinda, Indonesia*

Keywords: Motivation, Compensation, Job Satisfaction, Job Performance, Lecturer

Abstract: This research aims to analyze and prove the effect of motivation and compensation directly on Job Performance and indirectly through Job Satisfaction of Vocational Higher Education lecturers in East Kalimantan. Primary data were collected through questionnaire distribution designed with Likert scale to 259 students, fellow lecturers, and leaders. Analysis of the data collected using multivariate linear regression analysis with the AMOS program Structural Equation Model as a tool. The analysis revealed that motivation directly had a significant positive effect on Job Performance and indirectly through Job Satisfaction. Meanwhile, indirect compensation through Job Satisfaction has a significant positive effect, but indirectly has no significant effect on Job Performance. The implication of this research is that increased motivation encourages the creation of Job Satisfaction and Has an effect on the increase of Job Performance. Meanwhile, the increase in compensation can encourage an increase in Job Satisfaction but it does not necessarily increase the Job Performance of Vocational Higher Education lecturers in East Kalimantan. Job Satisfaction is able to be a good mediator in the realization of Job Performance or in other words job satisfaction is a prerequisite for achieving Job performance.

## 1 INTRODUCTION

This Higher education is one of the educational institutions in the national education system. Under Law No 20 of 2003 concerning the National Education System, higher education institutions are obliged to provide education, research and community service (Depdiknas, 2003). Lecturers are an important component of a vocational colleges, so that the quality of their performance needs to be maintained. Matter that affect lecturer performance do not only come from variables related to the learning process, but also from other variables such as motivation, leadership style, organizational culture, organizational climate, compensation, job satisfaction. The following are the research results (Mariani *et al.*, 2017) state that leadership, organizational climate, motivation have a significant positive effect partially and simultaneously on employee performance. While compensation and job satisfaction mediated by Organizational commitment has a significant positive impact on the performance of lecturers (Zain *et al.*, 2017). The research results

(Arifin, 2017) shows compensation does not have a significant impact on results, work satisfaction has a significant effect on performance. Meanwhile, compensation and job satisfaction have no effect on the performance of lecturers. Effect of motivation on the performance of lecturers at the institute of social and political science (IISIP) Yapis Biak. (Handayani, 2019) stated that motivation influenced the performance of lecturers. Therefore, the results of researchers show inconsistencies in results, so in this case, there is still a research gap. There are five variables in this paper: motivation, compensation as independent variable, job performance as intervening, job performance as dependent variable. Each variable came from (Robbins & Timothy, 2009) "Motivating, in an organizational context, it is the process of working to achieve organizational goals as a means of meeting their own personal wishes" and "job satisfaction: positive feelings about one's job resulting from the evaluation of its characteristics". (Masruroh *et al.*, 2012) Compensation is one of the

dominant factors in encouraging someone to improve performance. An employee achieves performance outcomes of the duties assigned to employee (Ismaini & Gunawan, 2019).

## 2 LITERATURE REVIEW

### 2.1 Definition of Motivation

(Lecturer, 2018) the term motivation comes from the word "mover" in Latin, which implies encouragement or movement. Motivation is a state that moves a worker who is guided or directed to accomplish the organizational objectives of the business. Employees who are pro and optimistic towards the job situation are encouraged to reach optimum efficiency through their mental attitude. (Harwiki, 2016) in comparison, workers do not have the spirit of work, readily give up, and trouble completing their job with poor job motivation. According to (Isahrabiu, 2018) the cause of behaviour is reason, the motivation of an individual, conscious or unconscious, arises from his needs. It can also be argued that motivation or need is an internal condition, deprivation that induces a person to do something while evaluating motivation. Furthermore (Wang et al., 2016) in a person who supports an individual's desire to undertake such tasks in order to accomplish goals, motivation is a personal condition. The desire that resides in someone is therefore a guiding force that will realize a behaviour in order to achieve its fulfilment goals. Motivation indicators used in this study refer to (Siagian, 2008) as 1) driving force, 2) willingness, 3) eagerness, 4) forming expertise, 5) forming skills, 6) responsibility, 7) obligations and 8) goals.

### 2.2 Definition of Compensation

Martocchio (2015) said that compensation is an intrinsic and extrinsic reward received by employee after they done their work. Futhermore (Mondy & Wayne, 2008) the cumulative remuneration earned by the employee as a replacement for the services they render is compensation. Compensation is adequately provided and the workers are more fulfilled and driven to accomplish the organization's objectives. In addition, compensation is also a custodian to stay afloat. Providing appropriate compensation in tertiary institutions will attract quality people to join, retain qualified lecturers, and motivate lecturers to improve performance.

Therefore, Compensation is all income earned by employees directly or indirectly in exchange for services rendered to the institution in the form of money or products. Awards received by lecturers in any form are closely related to the job satisfaction of a lecturer. Indicators of direct and indirect compensation used are 1) salary or wage, 2) allowances, 3) incentives, 4) facilities, 5) services.

### 2.3 Definition of Job Satisfaction

Job satisfaction is the subjective point of view of a person encompassing the way he/she feels about his/her job and the organization employed. In addition, work satisfaction is the good emotional state arising from the accomplishment of job values. (Cronley and Kim, 2017). When lecturers feel satisfied with their work, they prefer to execute and complete tasks with all their skills. (Siagian, 2002) says that a person feels satisfied in his job because he/she realizes that what he has achieved is maximal. There are positive feelings about their job for someone with a high level of job satisfaction. Therefore, job satisfaction is the result of interaction between humans and the work environment, where the internal and external organizational environment is a factor that shapes the organizational climate.

### 2.4 Definition of Job Performance

According to (Al Mehrzi and Singh, 2016) Job performance is the outcome or degree of an individual as a whole's performance in performing activities over a given period of time relative to different possibilities, such as job standards, objectives or targets or predetermined mutually accepted criteria. In addition (Yang et al., 2016) state that performance is simply what workers do or do not do. (Ismaini & Gunawan, 2019) Performance results are achieved by an employee of the responsibilities that has delegated to employee. Furthermore, according to (Ursa, 2007) suggesting performance indicators include 1) job efficiency is how well an employee does what needs to be done.

2) job quantity is how long in one day an employee works. This amount of work can be seen from the respective work pace of each employee. 3) Duties implementation is the extent to which employees are able to do their work accurately or without errors. 4). Responsibility for work is knowledge of the duties of workers to carry out the work provided.

## 2.5 Previous Research

The results of previous research (Veronika, 2018) entitled The effect of compensation and job motivation on employee performance with job satisfaction as a mediating factor: a study at the Directorate General of Taxes Regional Offices of Bali, the finding showed that Compensation and Job motivation had a significant effect toward employee performance, furthermore, job satisfaction had a significant effect toward employee performance, and job satisfaction had a significant effect towards employee performance. (Setiadi *et al.*, 2016) in their research entitled At Semen Indonesia Limited Company, the impact of compensation and work motivation on employee performance shows that: 1) compensation, work motivation are positive and significant in employee performance at the same time; 2) compensation, work motivation are positive and significant in employee performance; 3) work motivation has a dominant effect on employee performance. Other research from (Raka *et al.*, 2018): 1) motivation has a positive and important impact on the performance of the employee; 2) motivation has a positive and significant impact on job satisfaction; 3) job satisfaction has a positive and significant impact on the performance of the employee; 4) motivation has a positive and significant impact on performance through job satisfaction. The problem is whether the effect on work satisfaction and success of motivation and compensation also applies to lecturers of Vocational Higher Education in East Kalimantan? For this reason, this research has been conducted to analyze whether or not there is a direct and indirect influence on motivation and compensation variables on job satisfaction and performance. The hypothesis is

- H1: Motivation has a major effect on job satisfaction
- H2: Motivation has a major effect on the performance
- H3: Compensation has a major effect on job satisfaction
- H4: Compensation has a major effect on the performance
- H5: Job Satisfaction has a major effect on the performance

## 3 RESEARCH METHOD

### 3.1 Types of Data

The data that was used are primary data obtained through questionnaire distribution to respondents: fellow lecturers, students, and superiors at Samarinda State Polytechnic, Samarinda State Agricultural Polytechnic, and Balikpapan State Polytechnic. The sample was 259 respondents, using the Slovin (1967) in (Sugiyono, 2012) with an error rate of 5% and Likert scale of 1-5.

### 3.2 Analysis Method

The collected data were then analyzed by multivariate linear regression of the Structural Equation Model (SEM) used, tool which was operated through the AMOS 23 program. Test the validity and reliability of the instrument used with a valid measure, seen from the value of  $r > 30$ . An instrument is declared reliable if the minimum reliability coefficient is 0.60. It can be inferred, on the basis of the above opinion, that an instrument is declared reliable if the value for negligence is  $> 0.60$ , while an instrument is declared unreliable if the value for negligence is  $< 0.60$ , this refers to the opinion (Sugiyono, 2012). Assumption Test for SEM which includes Normality, Linearity, Multicollinearity tests. Confirmatory analysis test on SEM is used to confirm the most dominant factors in a group of variables. The goodness of fit of the model test, and hypothesis Test

### 3.3 Variables and Indicators

The exogenous variable is Motivation (X1) with indicators that adopt (Siagian, 2008) which consists of X1.1 driving force, X1.2 Willingness, X1.3 Eagerness, X1.4 Forming Expertise, X1.5 Forming Skills, X1.6 Responsibilities, X1.7 Obligations, X1.8 Objectives. The second exogenous variable is Compensation (X2) measured by indicators consisting of X2.1 Salary or wages, X2.2 Allowances, X2.3 Incentives, X2.4 Facilities, X2.5 Services. Meanwhile, the intervening variable is Job Satisfaction (Y1) measured by the indicators used by (Viethzal, 2014): Y1.1 likes work, Y1.2 loves work, Y1.3 positive work morale, Y1.4 Work discipline, Y1.5 Job Performance. The endogenous variable is Job Performance (Y2) measured by indicators adopted from (Mitchel & Larson, 1987) in (Riduan, 2009): Y2.1 Ability, Y2.2 Initiative,

Y2.3 Timeliness, Y2.4 Quality of work, Y2.5 Communication.

## 4 RESULT AND DISCUSSION

### 4.1 Validity and Reliability

The pilot test was carried out to test the validity and reliability of the testing tools used in a sample of 30 respondents. The test results show that the average of the eight motivation indicators has a correlation coefficient of 0.744 greater than 0.30. Likewise, the average of the five compensation indicators has a correlation coefficient value of 0.441, greater than 0.30, and the average correlation coefficient value of the Job Satisfaction indicator is 0.821 greater than 0.30, and the average correlation coefficient value of the Job Performance indicator. equal to 0.820 is greater than 0.30. This the instrument that represents the variables used in this study is declared valid because each of them has a correlation coefficient > 0.30. The research instrument is also reliable because each instrument has a Cronbach alpha value > 0.60. This means that the instrument can represent the research variables so that the questionnaire can be continued up to 259 according to the predetermined number of samples.

### 4.2 Assumption SEM Model Test

The test results using the One-Sample Kolmogorov-Smirnov Test show a Monte Carlo Sig (2-tailed) of 0.164, where the sig > 0.05 value, which means that the data is normally distributed. Furthermore, pay attention to the variance inflation factor (VIF) for each motivation variable of 2.525, the compensation variable of 1.386, and the Job Satisfaction variable of 2.701, Job Performance variable of 3.277 where each of these numbers is < 10.00, that means that the variables are not multicollinear. Meanwhile, the results of the Linearity Test between the variables of motivation, compensation, and job satisfaction with job performance from the ANOVA table show a Sig value of 0.391 where the value of Sig > 0.05, which means there is a linear relationship between the research variables. The results of SEM assumption test: data is normally distributed, no multicollinearity between exogenous variables, and between research variables are linearly related. This shows that it fulfils the requirements to be continued in hypothesis testing with multivariate linear regression.

### 4.3 Goodness of Fit Model Test

The goodness Fit of model test results: the GFI value is 0.856 close to 1.00 and with a cut off  $\geq 0.90$  it means good. RMSEA of 0.070 with a cut off  $\leq 0.08$  means that the smaller the better, AGFI of 0.824 is close to 1.00 with a cut off  $\geq 0.90$  which means good, TLI of 0.884 is close to 1.00 with a cut off  $\geq 0.95$  which means quite good, and CFI of 0.897 is close to 1.00 with a cut off  $\geq 0.95$  means good enough. The test results confirm that the research model built is suitable for testing and proving the influence between the variables under study. The results of AMOS analysis obtained the loading factor of each relationship between variables and the path coefficient of each influence between variables.

H1: Motivation has a significant effect on Job Satisfaction, as evidenced by the CR value of 7.410 which is greater than the CR-table  $\pm 1.96$  and with a probability value of 0.000 less than 0.05.

H2: Motivation has a significant effect on Job Performance, as evidenced by the CR value of 3.821 which is greater than the CR-table  $\pm 1.96$  and with a probability value of 0.033 which is smaller than 0.05. The biggest contribution to the significant positive influence on the motivation variable on Job Satisfaction and Job Performance is derived from the X1.7 obligation indicator with a loading factor of 0.704 and followed by the second strongest is X1.2 willingness with a loading factor of 0.665, the third is X1.6 responsibility with loading factor of 0.663, the fourth is X1.8 with a loading factor of 0.661, and the fifth is X1.3, willingness with a loading factor of 0.625. Meanwhile, the other three indicators contribute with a loading factor of less than 0.600.

H3: Compensation has a significant effect on Job Satisfaction, as evidenced by the CR value of 3.383 which is greater than the CR-table  $\pm 1.96$  and with a probability value of 0.000 less than 0.05. The biggest contribution to the significant positive influence on the compensation variable on Job Satisfaction and Job Performance comes from the X2.3 indicator, which is an incentive with a loading factor of 0.735 and followed by the X2.2 indicator, an allowance with a loading factor of 0.680. While H4: Compensation has a significant effect on Job Performance, it is not proven because the test results show CR 1.298 where this value is smaller than the CR table  $\pm 1.96$  and with a probability value ( $p$ ) = 0.647 > than  $\alpha 0.05$ . The CR value and the probability indicate that compensation has no significant effect

on Job Performance. Meanwhile H5: Job Satisfaction has a significant effect on Job Performance, it is proven. From the test results, it shows the CR value of 7.227 where this value is greater than the CR table, which is  $\pm 1.96$  and with a probability value ( $p$ ) of 0.000 where this value is <than  $\alpha 0.05$ .

Table 1. Influence among Research Variables

Variable influence	Standardized Path Coefficient	Critical Ratio	Probability	Explanation
MV → JS	0.981	7.410	***	Sig
MV → JP	0.414	3.821	0.033	Sig
CP → JS	0.405	3.383	***	Sig
CP → JP	0.116	1.298	0.647	Not Sig
JS → JP	0.720	7.227	***	Sig

Source: Researcher’s computation 2020

The largest contribution came from the Y1.3 indicator, which is positive work morale with a loading factor value of 0.798, and followed by the second-largest contributor is Y1.5 indicator, namely work performance with a loading factor of 0.744, the third-largest contributor is Y1.1 indicator likes work with loading factor is 0.701, and the fourth largest contributor is Y1.4 work discipline with a loading factor of 0.644, and the smallest contributor is Y1.2 indicator, which is loving work with a loading factor of 0.595. In terms of the Job Performance variable, the largest contribution came from the Y2.5 indicator for communication with a loading factor of 0.799, followed by Y2.4 Quality of work with a loading factor of 0.728, an indicator of Y2.2 initiative with a loading factor of 0.723, and Y2.1 The loading factor is 0.721, and the smallest is Y2.3 indicator. Loading factor of time accuracy is 0.544.

The results of assumption testing and the direct and indirect effect of motivation on Job Performance directly or indirectly affect Job Performance.

The impact of motivation on Job Satisfaction is stronger than the influence of motivation on the Job Performance. These factors stimulate lecturers to take actions that will result in the achievement of job satisfaction and in the end, will result in high Job Performance. This the findings in this study are that the scope of the motivational instrument for Vocational Higher Education lecturers in East Kalimantan is the spirit of obligation, responsibility, high willingness to realize, there are goals to be achieved, willingness in its implementation. Meanwhile, the implication is the ownership of high

lecturers' work motivation as the main capital to achieve job satisfaction and performance.

Table 2. Direct, Indirect and Total Effect of Research Variable

Exogenous Variable	Direct Effect	Indirect Effect	Total Effect
Motivation	0.390	0.8383	1,2283
Compensation	-0.030	0.2324	0,2024
Total			1,4307

Source: Researcher’s computation 2020

The results of hypothesis testing and the direct and indirect effect between compensation on job performance, directly/indirectly do not automatically affect Job Performance.

Compensation directly has no significant effect on Job Performance, so even though there is a total effect between the two variables, it is mostly supported by the indirect effect of compensation on Job Performance through Job Satisfaction. The increase in compensation given to lecturers cannot automatically increase the performance of lecturers at Vocational Higher Education in East Kalimantan. Compensation indicators that contribute greatly are incentives and allowances.

Teaching incentives and structural position allowances for lecturers with relatively small additional assignments have not been able to improve communication quality and work quality, initiative, and workability. This is possibly why compensation has no significant effect on lecturer Job Performance. This is what is new in this study compared to previous similar studies which state that Compensation has a significant effect on Job Performance. The results of this study are not in line with (Veronika, 2018) and (Setiadi *et al.*, 2016).

Job satisfaction in this study plays an important role in intervening between motivation and compensation with Job Performance.

Job satisfaction can mediate well the influence of exogenous variables with endogenous and contribute greatly to the total effect. This means that motivation and compensation encourage lecturers to be satisfied so that lecturers have positive work morale, work performance, and enjoy work more, as well as increase work discipline. This condition is expected to improve Job Performance.

The research model that has been modified is illustrated in Figure 1.

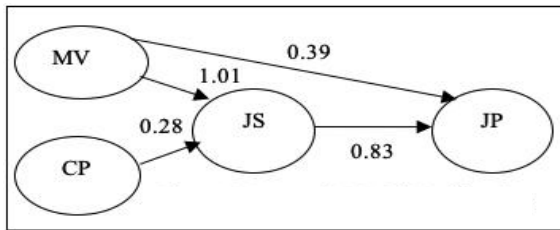


Figure 1: Research Model Modification

## 5 CONCLUSION

In this study, motivation either directly or indirectly through Job Satisfaction has a significant positive effect on Job Performance. Compensation directly has no significant effect on Job Performance, while indirectly through Job Satisfaction has a significant positive effect. Compensation in the form of incentives and allowances does not automatically increase the job performance of lecturers in vocational higher education environments in East Kalimantan. The condition for achieving Job Satisfaction is a prerequisite for the creation of Job Performance for vocational higher education lecturers in East Kalimantan. Indicators of motivation variables that have a significant impact on Job Satisfaction and Job Performance: obligation, willingness, responsibility, goals, and willingness. The compensation variable indicators that have a significant contribution to the occurrence of a significant effect on Job Satisfaction are incentives and allowances. Indicators of Job Satisfaction variables that have contributed greatly are positive work morale, work performance, enjoyment of work, and work discipline. Meanwhile, job performance variable indicators that have a big contribution are communication, work quality, initiative, ability and punctuality.

## REFERENCES

Al Mehrzi, N., & Singh, S.K. (2016). Competing through employee engagement: A proposed framework. *International journal of productivity and performance management*, 65(6), 831-843.

Arifin, M. (2017). Effect of compensation and job satisfaction on performance (study of the teacher training and education faculty, Muhammadiyah University of North Sumatra. *Jurnal edu tech Vol.3 No.2*, 87-97.

Cronley, C., & Kim, Y.K. (2017). Intention to turnover: Testing the moderated effect of organizational culture,

as mediate by job satisfaction, within the Salvation Army. *Leadership & organization development journal*, 38(2), 194-209.

Depdiknas. (2003). *Law number 20 concerning the national education system*. Jakarta.

Handayani, S. (2019). The eEffect of motivation on lecturer performance at the institute of social and political science (IISIP) yapis biak. *Jurnal ilmu administrasi publik: Jurnal pemikiran dan penelitian administrasi publik*, 9(1), 29-36.

Harwinki, W. (2016). The impact of servant leadership on organization culture, organizational commitment, organizational citizenship behaviour (OCB) and employee performance in women cooperatives. *Procedia- social and behavioral science*, 219, 283-290.

Isharabiu, U. (2018). The role of personnel management and workers motivation in an organization. *IOSR Journal of business and management (IOSR-JBM)*, 20(4), 22-32.

Ismaini, R., & Gunawan, H. (2019). Implikasi penerapan sistem manajemen mutu terhadap kinerja karyawan dan budaya organisasi. *Journal of applied accounting and taxation*, 44-48., <https://doi.org/10.30871/jaat.v4i1.1165>.

Judge, T., Bono, J.E., & Thoresen, C.J. (2001). The job satisfaction- job performance relationship: A qualitative and quantitative review. *Psychological bulletin*, 376-407.

Law, R. (2005). Republic of Indonesia law number 14 of 2005. *Teachers and lecturers*, Jakarta, DKI, Indonesia: State Secretariat.

Lecturer, I. (2018). Analysis of organizational culture, competence and work motivation : The effect on satisfaction and performance of government employees of parepare. *Russian journal of agriculture and socio-economic science*, 74(2), 148-155.

M, U. (2007). Job satisfaction and organizational commitment to the gunadarma university teaching staff. *Jurnal psikologi 1(1)*, 64.

Mariani, N.P., Sumada, I.M., & Laksmi, A. (2017). The influence of leadership, organizational climate, and work motivation on employee performance at STIES wira medika bali. *Jurnal administrasi publik*, 8-14.

Martocchio, J. J. (2015). *Strategic compensation: A human resource management approach (7thed)*. New Jersey: Pearson.

Masuroh, U., Thomas, P., & Latifah, L. (2012). The effect of compensation and work discipline on the performance of economics teachers at SMA negeri brebes. *Economic education analysis jurnal 1(2)*, 2.

Moody, & Wayne, R. (2008). *Manajemen SDM (10ed, Vol.3)*. Jakarta: Erlangga.

Raka, B.I., Yuesti, A., & Landrah, N. (2018). Effect of motivation to employee performance which was mediated by work satisfaction in PR smiling tour Denpasar. *International journal of contemporary research and review*, 9 (08), 10959-20973 <https://doi.org/10.15520/ijcrr/2018/08/569>.

Robbins, S.P., & Timothy, A.J. (2009). *Organizational Behavior*. New York: Upper Saddle River.

- Setiadi, R.U., Setiadi, P.B., & Indroyono. (2016). The impact of compensation and work motivation on employee at semen indonesia limited company. *International journal of academic research and reflection*, 4(3), 64-85 ISSN 2309-0405.
- Sugiyono. (2012). *Reserach method of quantitative qualitative and R&D*. Bandung :Alfabet.
- Veronika, A. (2018). The impact of compensation and job motivation on employee performance with job satisfaction as mediating variable: A study at bali regional offices of direktorate general of taxes. *Russian journal of agriculture and economic science (RJOAS)*, 1(73), DOI <http://org//10.18551/rjoas.2018-01.12>.
- Viethzal, R. (2014). *Human resource management for companies*. Jakarta : Rajagrafindo Persada.
- Wanf, X.H., Kim, T.Y., & Lee, D.R . (2016). Cognitive diversity and team creative : Effect of team intrinsic motivation and transformational leadership. *Journal of business research*, 69(9), 3231-3239.
- Yang, Y., Lee, P.K.C., & Cheng, T.C.E. (2016). Continuous improvement competence, employee creativity, and new service development performance: A frontlineemployee perspective. *International journal of production economics*, 171, 275-288.
- Zain, R., Yuliana, & Anas, T.R. (2017 Mei 2017/1438). The effect of compensation and job satisfaction on lecture performance at the faculty of tarbiyah and teacher training, UIN sunan kalijogo yogyakarta. *Managerial: journal of managemnt*.

