

The Effect of Compensation and Motivation on Job Satisfaction and Employee Performance at SMK Medika Samarinda

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DOI: [10.36348/sjbms.2020.v05i07.009](https://doi.org/10.36348/sjbms.2020.v05i07.009)

| Received: 15.07.2020 | Accepted: 24.07.2020 | Published: 28.07.2020

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Abstract

The purpose of this study is to determine the effect of compensation, motivation, job satisfaction, variables on employee performance, and the effect of job satisfaction variables on the performance of employees of SMK Medika Samarinda. The design of this research is explanatory research. This type of research is descriptive research. The method used to collect data in this study is a survey method. The population of this study was 52 employees. In the sample taken by the author using the census method, because the number of subjects is narrow and the author uses a total of 52 employees as a sample. This study uses the Structural Equation Modeling-Partial Least Square (SEM-PLS) approach to analyze data. The results of research on factors that affect job satisfaction and employee performance are as follows: 1) compensation has a significant negative effect on job satisfaction, 2) motivation has a significant positive effect on job satisfaction, 3) compensation has no significant positive effect on employee performance, 4) motivation Not significant positive effect on employee performance, 5) job satisfaction has a significant positive effect on employee performance. As for the indirect effect, the compensation results did not have a significant negative effect on employee performance through job satisfaction as an intervening variable, and motivation had a significant positive effect on employee performance through job satisfaction as an intervening variable. SMK Medika Samarinda in terms of increasing job satisfaction and employee performance needs to pay attention to the variables examined in work activities at school, based on research only job satisfaction has a significant effect on employee performance. This shows that job satisfaction of employees of SMK Medika Samarinda can affect employees at work.

Keywords: Compensation, Motivation, Job Satisfaction, Employee Performance.

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INTRODUCTION

Samarinda Medical Vocational School is a vocational school that has been running for 13 years. Teachers and employees who are competent in their fields are one of the things that must be possessed in order to continue to develop and compete in other schools. The management of SMK Medika must pay attention to employee performance. Management is required to be able to manage and build the performance of all employees so that they can make maximum contributions to the agencies. In addition, good relations between management and employees need to be built so that employees feel comfort and

satisfaction at work. Job satisfaction is what will make employees loyal to the agency.

Seeing the importance of employees in organizations, motivation also plays an important role [1]. Low motivation makes it difficult for employees to complete the task responsibilities received because they lack enthusiasm and give up easily, and likewise if they provide the right motivation, employees will be more enthusiastic in working [2, 3]. States motivation as a willingness to carry out high efforts to achieve organizational goals that are conditioned by meeting individual needs. In addition to motivation, another factor that can improve employee performance

productivity is the provision of compensation. Providing compensation is one step by management to appreciate all kinds of employee work that has been completed. Compensation can be either material or non-material.

LITERATUR REVIEW

Effect of Compensation on Job Satisfaction

Compensation can help strengthen the organization's key values and facilitate organizational achievement. Employees who are compensated will be satisfied with their work and will do their jobs better [4]. Although important, compensation is a tool not a goal. Then compensation is placed on the independent variable [4].

Saman A find that compensation has a significant effect on job satisfaction. But it is different from the results of the study which found that compensation had no significant effect on job satisfaction [5-10].

Hypothesis I: Compensation has a significant positive effect on job satisfaction

Effect of Motivation on Job Satisfaction

Motivation aims to change the motivation in employees to be higher [4, 11] says motivation can increase energy which will have an impact on improving performance. So job satisfaction in achieving organizational goals will be affected, and lead to higher job satisfaction [4, 10, 12] found that motivation had a significant effect on job satisfaction.

Hypothesis II: Motivation has a significant positive effect on job satisfaction

Effect of Compensation on Employee Performance

Compensation is able to have an impact on sustainability of organizational activities and future planning plans [13]. Because employees will feel able to maintain their dignity, fulfill life needs by providing knowledge, skills and time to the agency [13]. Employees feel that what they are doing is valued by the agency and will continue to provide the best.

Edison E, Yohny A, & Imas K *et al.* [14, 5, 6, 15] find that compensation has a significant effect on employee performance.

Hypothesis III: Compensation has a positive and significant effect on employee performance

Effect of Motivation on Employee Performance

Motivation is a situation that gives rise to the desire of the individual (self) in trying to achieve his desires [16]. Performance is the result of work

completed which is the responsibility and duty of an employee and has quality [17]. Motivation can lead to individual enthusiasm to improve their expertise, even strengthen commitment to the agency, so that in the end it can improve individual performance and organizational performance [4]. Employees who have motivation are more productive than employees who have no motivation [18].

Saeed MM, & Asghar MA. [19-21, 1, 22, 18, 23-26] find that motivation has a significant effect on employee performance. But different from the results of research [27-30, 12] which found that motivation had no significant effect on employee performance.

Hypothesis IV: Motivation has a significant positive effect on employee performance

Job Satisfaction Influences Employee Performance

Job satisfaction for employees tends to increase productivity, pride and high commitment to their work [4]. When employees feel satisfied at work, the organization will be more effective [3]. Performance by employees will also be better.

Purnama Y, Saban D, Kusumah MSA [6, 9, 12, 25, 26] find that job satisfaction has an effect significant positive on employee performance.

Hypothesis V: Job satisfaction has a positive and significant effect on employee performance

METHODOLOGY

Sources and Type of Data

Based on the type of research, this research is an expansive study, namely research to find out and explain the influence between compensation, motivation, job satisfaction, and employee performance and continued with hypothesis testing, this research is a study that explains the causal relationship between variables. This research is also included in the descriptive study, because it provides a descriptive explanation of the variables to be studied.

The population of this study was all employees of SMK Medika Samarinda totaling 52 people consisting of 22 men and 30 women. In taking the sample the author uses the census method, it is because in terms of the area of this study only covers a narrow area or subject [31]. Analysis of the data used by the author is Structural Equation Model-Partial Least Square (SEM-PLS).

Conceptual Frameworks

The theoretical framework in this study can be described as follows:

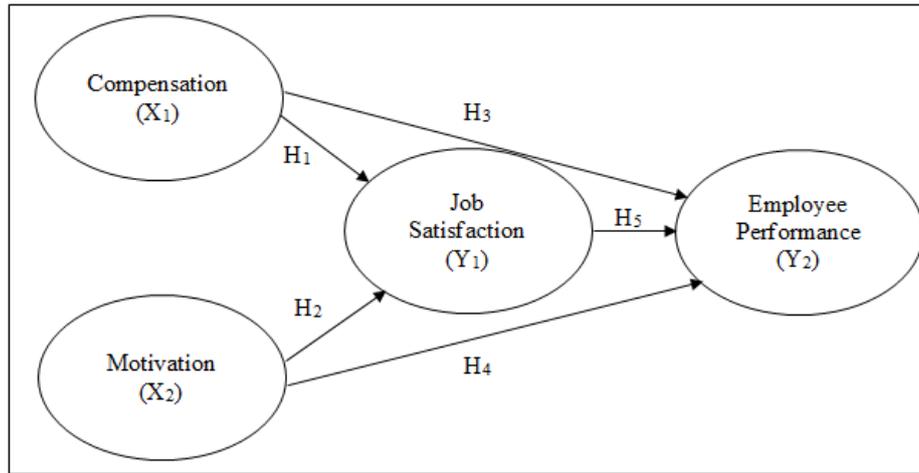


Fig-2: Conceptual Frameworks

Measurement of Variables

The method of collecting data through a questionnaire method, namely by asking a number of

questions to respondents adjusted to the purpose on the study. The following are indicator questions for each research variable:

Table-1: Research Variables Indicators

Variables	Calculation method
Compensation	1) Wages or salaries; 2) Professional allowances; 3) Temporary benefits; 4) Incentives; 5) Health; 6) Pension funds; and 7) Vacation.
Motivation	1) Physiological needs; 2) Security needs; 3) Award needs; and 4) Self-actualization needs.
Job Satisfaction	1) Rewards; 2) The work itself; 3) Promotional opportunities; 4) Supervision; 5) Co-workers; 6) Conditions of work; and 7) Job security.
Employee Performance	1) Quality; 2) Quantity; 3) Timeliness; 4) Cost effectiveness; and 5) Independence.

Source: data processed (2020).

RESULT AND DISCUSSION

Validity Test

Validity test used is valid or whether a questionnaire is valid. Said to be valid if the questions in the questionnaire are able to describe variables. A variable is said to be valid if the value of r results is

greater than r table. And vice versa if the value of r is smaller than r table then the variable is invalid [35].

The following are the result of the validity test of the trial instrument using PLS with 52 samples:

Table-2: Validity Test

Variable	R Square	Adjusted R Square	Results
Compensation (X ₁)	X1.1	0,658	Valid (>0.227)
	X1.2	0,895	Valid (>0.227)
	X1.3	0,699	Valid (>0.227)
	X1.4	0,724	Valid (>0.227)
	X1.5	0,897	Valid (>0.227)
	X1.6	0,813	Valid (>0.227)
	X1.7	0,782	Valid (>0.227)
Motivation (X ₂)	X2.1	0,747	Valid (>0.227)
	X2.2	0,853	Valid (>0.227)
	X2.3	0,851	Valid (>0.227)
	X2.4	0,826	Valid (>0.227)
Job Satisfaction (Y ₁)	Y1.1	0,751	Valid (>0.227)
	Y1.2	0,832	Valid (>0.227)
	Y1.3	0,836	Valid (>0.227)
	Y1.4	0,893	Valid (>0.227)
	Y1.5	0,860	Valid (>0.227)
	Y1.6	0,835	Valid (>0.227)
	Y1.7	0,921	Valid (>0.227)
Employee Performance (Y ₂)	Y2.1	0,935	Valid (>0.227)
	Y2.2	0,943	Valid (>0.227)
	Y2.3	0,912	Valid (>0.227)
	Y2.4	0,898	Valid (>0.227)
	Y2.5	0,881	Valid (>0.227)

Source: output SmartPLS (2020).

Reliability Test

Reliability is an index that illustrates the extent to which the gauges are reliable. The technique used to conduct reliability testing is to use alpha cronbach. If reliability of less than 0.60 is considered bad, reliability in the range of 0.70 is acceptable, and more than 0.80 is good [35].

Based on the research results of the questionnaire distributed to 52 respondents, it can be seen that the results of the PLS data processing shows that the r results of all variables stated are greater than r tables. Tus it can be concluded that the questionnaire on each indicator is said to be valid and can then be used in research.

Table-3: Reliability Test

Variable	Cronbach's Alpha	Results
Compensation (X ₁)	0,894	Reliable (>0.6)
Motivation (X ₂)	0,837	Reliable (>0.6)
Job satisfaction (Y ₁)	0,934	Reliable (>0.6)
Employee Performance (Y ₂)	0,951	Reliable (>0.6)

Source: output SmartPLS (2020).

Based on the results of the reliability test, it is known that the Cronbach alphabet number is greater than the minimum value (0.60). Therefore, it can be concluded that the research instrument used to measure the compensation, motivation, job satisfaction, and employee performance variables can be said to be reliable and can then be used in research.

Hypothesis Results

To observe the factors that influence job satisfaction and employee performance, this study will use factors that can directly and indirectly affect the performance of employees at SMK Medika Samarinda. The variables taken to represent these factors are compensation, motivation, and job satisfaction.

Variables are defined first and then how they can directly or indirectly affect employee performance.

The size of the significant of the hypothesis of residence can be used in comparison t-table and t-statistics. If the t-statistic value is higher than the t-table value, it means that the hypothesis is supported. For 95% condifence (alpha 5%), the t-table value for the one-tailed hypothesis is >1.96. thus if the t-statistic value >1.96, the research hypothesis is proven.

The smart PLS program is carried out by t-test on each track. The test results can be seen in table 4 and table 5 below:

Table-4: Bootstrapping Test

Variable	Original Samples	Sample Mean	Standard Deviation	T-Statistic	P-Values	Conclusion
Compensation (X1) → Job Satisfaction (Y1)	-0,140	-0,119	0,090	1,551	0,122	Rejected
Motivation (X2) → Job Satisfaction (Y1)	0,972	0,956	0,077	12,620	0,000	Received
Compensation (X1) → Employee Performance (Y2)	0,139	0,165	0,163	0,852	0,394	Rejected
Motivation (X2) → Employee Performance (Y2)	0,190	0,164	0,207	0,918	0,359	Rejected
Job Satisfaction (Y1) → Employee Performance (Y2)	0,549	0,554	0,167	3,290	0,001	Received
Compensation (X1) → Job Satisfaction (Y1)	-0,140	-0,119	0,090	1,551	0,122	Rejected

Source: output SmartPLS (2020).

Table-4: Indirect Effect Test

Variable	Original Samples	Sample Mean	Standard Deviation	T-Statistic	P-Values	Conclusion
Compensation (X1) → Job Satisfaction (Y1) → Employee Performance (Y2)	-0,077	-0,070	0,057	1,351	0,177	Rejected
Motivation (X2) → Job Satisfaction (Y1) → Employee Performance (Y2)	0,534	0,533	0,175	3,049	0,002	Received

Source: output SmartPLS (2020).

Based on the analysis results in tables 4 and 5 above, the results of the research can be discussed as follows:

- 1) Compensation gives a negative influence on job satisfaction with a value of -0.140, it can be seen that compensation gives no significant effect on job satisfaction because of t-statistics ($1.551 < 1.96$), so the results of the study are not in line with the hypothesis which states compensation directly significant effect on job satisfaction.
- 2) Motivation gives a positive influence on job satisfaction with a value of 0.972, it can be seen that motivation provides a significant effect on job satisfaction due to t-statistics ($12.620 > 1.96$), so the results of the study are in line with the hypothesis which states that motivation directly has a significant effect on job satisfaction.
- 3) Compensation has a positive influence on employee performance with a value of 0.139, it can be seen that compensation has a significant effect on employee performance due to t-statistics ($0.852 < 1.96$), so the results of the study are not in line with the hypothesis that compensation directly has a significant effect on employee performance.
- 4) Motivation gives a positive influence on employee performance with a value of 0.190, it can be seen that motivation gives insignificant influence on employee performance because of t-statistics ($0.918 < 1.96$), so the results of the study are not in line with the hypothesis that motivation directly influences significant on employee performance.
- 5) Job satisfaction gives a positive influence on employee performance with a value of 0.549, it can be seen that job satisfaction gives a significant effect on employee performance due to the results of hypothesis testing ($3.290 > 1.96$), so the results of the study are in line with the hypothesis which states job satisfaction directly significant effect on employee performance.
- 6) Compensation gives a negative influence on employee performance through job satisfaction with a value of -0.077, it can be seen that compensation provides no significant effect on employee performance through job satisfaction due to t-statistics ($1,351 < 1.96$), so the results of the hypothesis state compensation in indirect does not significantly influence employee performance through job satisfaction.
- 7) Motivation provides a positive influence on employee performance through job satisfaction with a value of 0.534, it can be seen that motivation gives a significant effect on employee performance through job satisfaction due to t-statistics ($3.049 > 1.96$), so the hypothesis results imply motivation indirectly significant effect on employee performance through job satisfaction.

CONCLUSION

In an effort to increase job satisfaction and employee performance, agencies need to pay attention to factors that can influence. The variables studied were found to be able to influence job satisfaction is

motivation. Motivation given to employees in agencies needs to be maintained. Although the motivation given has not been able to influence employee performance. Management allows to increase motivation that has not been maximized, providing opportunities for permanent staff appointments so that employees of SMK Medika Samarinda provide the best performance and are more enthusiastic.

While the compensation variable given does not affect job satisfaction and employee performance. Management needs to provide more compensation to its employees. Such as providing opportunities for competent and high-quality employees and teachers to become permanent employees, so that the compensation received will be in accordance with their performance. Compensation that can be given such as providing health benefits or mutual entertainment, this is in addition to increasing job satisfaction, the employee's performance will be better. Because employees feel their work is appreciated. The satisfaction that is gained will create loyalty at SMK Medika Samarinda.

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