

The Effect of Remuneration, Work Motivation and Job Satisfaction on Employees Performance

Anggi Rapsanjani, Singmin Johannes

Faculty of Economics and Business, Universitas Mercu Buana
anggi.rapsanjani@mercubuana.ac.id, singmin.johannes@mercubuana.ac.id

Abstract – This study aims to analyze the effects of remuneration, work motivation, and job satisfaction on employees performance. The object of this study are employees working at Housekeeping Department of PT XYZ. This research was conducted to 153 respondents (proportionate simple random sampling) from the total populations of 246 employees. Determination of the number of samples to this research by using the Slovin Formula on employees at the Housekeeping Department of PT. XYZ. This research used quantitative approach by distributed questionnaires. The analyzing used Multiple Linear Regression (SPSS version 23). The results of this study indicate that remuneration, work motivation and job satisfaction have significant positive effects on employees performance. Job satisfaction variable is the most influential variable followed by work motivation and remuneration. It is suggested that the management of PT XYZ to pay attention to promotion policy by multiplying the information about promotion. Its implementation should be more open and involving union so that all employees have the equal opportunities to get their career advancement.

Keywords: remuneration; motivation; job satisfaction; performance

INTRODUCTION

The human resources are the most important assets of an organization. The success or failure of an organization is largely dependent on the caliber of the people working there in. Without positive and creative contributions from people, organizations cannot progress and prosper. In order to achieve the goals or the activities of an organization, therefore, they need to recruit people with requisite skills, qualifications and experience.

The employees have a very important role compared to other production factors, especially in companies that involve employees more in their business (Fawzy, 2012). Ivancevich (2010:229) stated performance is understood as achievement of the organization in relation with its set goals. It includes outcomes achieved, or accomplished through contribution of individuals or teams to the organization's strategic goals. The term performance encompasses economic as well as behavioral outcomes. Brumbach views performance more comprehensively by encompassing both behaviors and results. The behaviors as outcomes in their own right, which can be judged apart from results. Performance is an impact. The roles of any manage can be seen in three parts: Being, Doing and Relating.

In an effort to improve the performance of employees, the motivation process may be internal or external to the individual that arouses enthusiasm, and persistence to pursue a certain course of action. Every company needs a strategic reward system for employees that addresses these four areas: compensation, benefits, recognition and appreciation. The problem with reward systems in many businesses today is twofold: They're missing one or more of these elements (usually recognition and/or appreciation), and the elements that are addressed aren't properly aligned with the company's other corporate strategies.

Remuneration is payment or compensation received for services or employment. This includes base salary and any bonuses or other economic benefits that an employee or executive receives during employment. Remuneration often refers to the total compensation received by an executive, which includes not only the person's base salary but options, bonuses, expense accounts and other forms of compensation. The amount of remuneration and the form it takes is dependent on many factors, including the employee's value to the company (full-time vs. part-time, executive position vs. entry-level), the job type (salary vs. hourly payment, commission vs. basic payment, tipped positions) and the company's business model (some companies offer bonuses or employee stock options while others do not).

The remuneration system at PT XYZ Jakarta is not like the remuneration of other companies that are encouraging the growth of performance based on the ability and weight of the work and the tenure of the employee. The background for the implementation of remuneration is actually only to get around so that the salaries of employees of PT XYZ Jakarta are not reversed by the Provincial Minimum Wage (UMP) and do not violate government regulations regarding the provision of a minimum wage. However, the remuneration at PT XYZ Jakarta is reversed, the work weight and ability are not taken into account and the work period is deleted or not accounted for by employees who have served for decades until now. As Munandar (2011) stated, the remuneration system or payroll system is a system of payment and compensation for services delivered to employees. The payment is made monthly, regardless of the number of hours or working days or the number of products produced. The reward system must be reorganized into a payroll or remuneration system based on employee performance. Baba (2015), employees will give good performance for the needs of the company if the company gives them motivation in equal opportunities for employees to grow and decent remuneration for their employees. Remuneration is given by the company to its employees. The remuneration system can create positive job competition among employees. Differences will appear between the lazy diligent employees, employees who want to learn or not.

Meanwhile, based on the observations and interviews with the Human Capital Department unit, there were problems with employee performance, as seen in the absence chart of PT XYZ Housekeeping Department who tended in the period 2012-2016 presented that from 246 employees, the percentage of absenteeism at the Housekeeping Department of PT XYZ increased the increase from 9.40% in 2012 to increase to 19.55% or more than 1/5 of the number of employees in 2016:

Table. 1 PT XYZ Housekeeping Department Absenteeism 2012-2016

No	Year	Total	Absence (%)
1	2012	214	9,40
2	2013	225	14,40
3	2014	231	16,60
4	2015	244	14,60
5	2016	246	19,55

Source: Human Capital, 2016

Absence from work is defined as non-attendance when attendance is scheduled or clearly expected. The majority of absences are generally attributed to sickness or incapacity, but there may be other reasons. According to Brown & Sessions (1996), there are three different classes of absenteeism: absence of sickness, absence of accidents and a residual class, interpreted as voluntary absence. The causes of absenteeism are in general multi-faceted, and are not only by the health status of individuals, but also by the social insurance system, the work environment, biological factors, attitudes and commitment to work, macroeconomic conditions and other social and psychological determinants. In line this, absenteeism may be caused by the employee's inability to come to work; motivation to attend work is assumed a major factor determining how often an employee is absent (Obasan Kehinde, 2011).

Based on the pre-research survey conducted by involving 30 employees, it is known that the company faces a gap between the reality that occurs with the desired expectations. This can be seen from the indication of the low level of dissatisfaction at work felt by the employees. Employees who feel dissatisfied with their work can have a negative impact on the company. Every company will definitely try to create job satisfaction for its employees. This raises expectations for the company that employees will be high-performing in order to achieve maximum profits for the company.

LITERATURE REVIEW

Human resource management is the strategic and coherent approach to the management of an organization's most valued assets-the people working there who individually and collectively contribute to the achievement of the objectives of the business. Human resource management is concerned with

the people dimension in management (De Cenzo and Robbins, 2013). Since every organization is made up of people, acquiring their services, developing their skills, motivating them to higher levels of performance and ensuring that they continue to maintain their commitment to the organization are essential to achieving organizational objectives. This is true, regardless of the type of organization-government, business, education, health, recreation, or social action.

Remuneration intended to stimulate employees to be motivated to do the work, which is expected to be generated employee performance is much better and the maximum. Remuneration is important for both employers and employees. It is important to the employees because it is one of the main reasons for which people work. Employees' living status in the society, motivation, loyalty, and productivity are also influenced by the Remuneration (Aswathappa, 2008). Remuneration includes both financial and non-financial benefits. Financial elements comprise two elements, namely: direct and indirect forms of payments to the employee. Direct Remuneration includes hourly and monthly rated wages or salaries, and incentives such as bonuses, commissions, and profit-sharing plans. Indirect Remuneration includes benefits such as provident fund, gratuity, and health insurance, paid leaves, vacations, company car, furnished house, retirement benefits, stock option, and the like. Non-financial benefits comprise challenging job, responsibilities, appreciation, working environment, empowerment, and others.

According to Maslow (Hasibuan, 2014) in our actions as human beings are motivated in order to achieve certain needs. Maslow introduced a new area of attention in the field of psychology. While psychological theories and schools of thought were dominated by psycho-analysis and behaviorism, psychology focused heavily on problematic behaviors. Maslow on the other hand was more interested in learning and understanding what motivates people. He was also much interested in comprehending what people do, in order to achieve what makes them happy. As a humanist psychologist, Maslow believed that people have an innate desire to be self-actualized: that is, the desire to be all they can fully be. Yet for Maslow, in order to achieve these ultimate goals of what people really want to be, a number of more basic needs must be met, such as the need for food, safety, love, and self-esteem, among others. Once that level is fulfilled the next level up is what motivates us, and so on.

1. **Physiological needs** - these are biological requirements for human survival, e.g. air, food, drink, shelter, clothing, warmth, sex, sleep. If these needs are not satisfied the human body cannot function optimally. Maslow considered physiological needs the most important as all the other needs become secondary until these needs are met.
2. **Safety needs** - protection from elements, security, order, law, stability, freedom from fear.
3. **Love and belongingness needs** - after physiological and safety needs have been fulfilled, the third level of human needs is social and involves feelings of belongingness. The need for interpersonal relationships motivates behavior
4. **Esteem needs** - Maslow indicated that the need for respect or reputation is most important for children and adolescents and precedes real self-esteem or dignity.
5. **Self-actualization needs** - realizing personal potential, self-fulfillment, seeking personal growth and peak experiences. A desire "to become everything one is capable of becoming."

Luthans (2011) stated that job satisfaction focuses on employees' attitude towards their job and organizational commitment focuses on their attitude toward the overall organizational performance. He further says that job satisfaction is a result of employee perception of how well their job provides those things that are viewed as important. According to Gusmarany (2016) which refer to Robbins dan Judge, Moreover, indicators used in this study for job satisfaction variable which conclude job satisfaction in 5 (five) indicators; satisfaction with salary, satisfaction with promotion, satisfaction with colleagues, satisfaction with supervisor, satisfaction with the job itself.

Gomes (2013) stated that job performance is a record of the results or outcomes produced from a particular job function or certain activities in a certain time period. Increased according to Gomes (2013) suggested employee performance dimensions; Quality of work, Quantity of work, Job Knowledge, Creativeness, Cooperation, Dependability, Initiative, Personal Qualities.

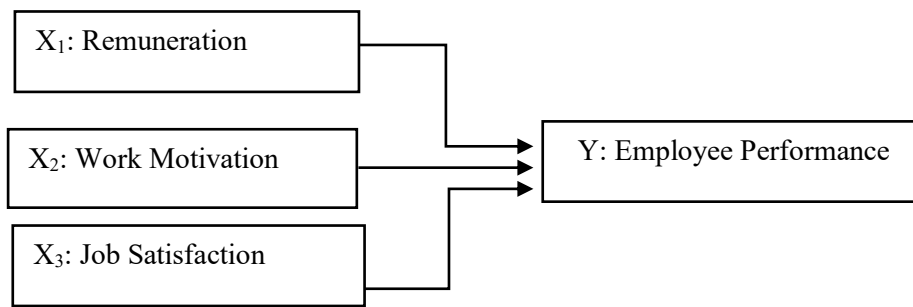


Figure 1. Research Framework

METHODS

The research was conducted at Housekeeping Department, PT. XYZ which amounted to 246 employees. Determination of the number of samples to this research by using the Slovin Formula and the sample used is 153 employees at the Housekeeping Department of PT. XYZ with using Proportionate Simple Random Sampling technique. This research method used quantitative approach using questionnaire and analyzed by using Multiple Linear Regression then all data is processed by using computer software applications SPSS 23.0 for Windows.

RESULT and DISCUSSION

Multiple linear regression analysis is used to predict the situation (increase and decrease) of dependent variables when two or more independent variables as predictive factors are manipulated (increase and decrease in value). Simultaneous tests were conducted to determine whether multiple linear regression can be used to measure the effect of variable Remuneration, Work Motivation, and Job Satisfaction partially or jointly on Employee Performance.

Table 3. ANOVA^a

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	423.375	3	122.225	16.823	.000 ^b
	Residual	478.167	150	7.525		
	Total	901.542	153			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), X3_KK, X2_MK, X1_REMU

From Table 3 of ANOVA^a test, obtained F-test = 16,823, so F-table < F-count (2,66 < 16,823) meaning that Ho is refused and Ha is accepted so it can be said there is significant effect simultaneously between the variable of Remuneration (X₁), Work motivation (X₂) and Job Satisfaction (X₃) against Performance (Y).

Table 4. Results of Linear Regression Coefficients Analysis

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.534	.830		1.428	.841
	X1_REMU	.425	.237	.282	2.674	.022
	X2_MK	.647	.275	.644	1.987	.043
	X3_KK	.751	.223	.372	2.956	.046

a. Dependent Variable: Employee Performance

Based on the results of data processing multiple linear regression equation as follows:

$$Y = 2.534 + 0.425X_1 + 0.647X_2 + 0.751X_3$$

which: Y= Performance, Constant= 2.534, Regression coefficient= 0.425; 0.647; 0.751, X₁= Remuneration, X₂= Work Motivation, X₃= Job Satisfaction. The following statements describe the equation:

- Constant positive value of 2.534 with insignificance value 0.841 > 0.05, which means that if the variable of remuneration, work motivation and job satisfaction is zero, employee performance is still positive although it is still low.
- Regression coefficient of Remuneration (X₁) variable is 0.425 with significance value 0.043 < 0.05; it means when the independent variables score increase by 1 point, the score of Employee Performance (Y) variable will increases by 0.425 point
- Regression coefficient of Work Motivation (X₂) variable is 0.647 with significance value 0.043 < 0.05; it means when the independent variables score increase by 1 point, the score of Employee Performance (Y) variable will increases by 0.647 point.
- Regression coefficient of Job Satisfaction (X₃) variable is 0.751 with significance value 0.046 < 0.05; it means when the independent variables score increase by 1 point, the score of Employee Performance (Y) will variable increases by 0.751 point.

The Effect of Remuneration on Employee Performance

The effect of the Remuneration variable on Performance shown in Table 1.2 shows that the significance value is 0.022. Because the sig value is smaller than 0.05, it can be said that the Remuneration variable has a significant effect on Performance. T-test shows that t-test is 2.674 and obtained t-table which is equal to 1.975. Because the value of t-test is greater than t-table, so it can be concluded that H₀ is rejected and H_a is accepted, thus the variable Remuneration has a significant effect on Performance.

This is supported by research conducted by Retnoningtyas (2014) which states that Remuneration has a significant positive effect on Performance. Then the same research conducted by Muhammad (2015) which states that Remuneration has a significant positive effect on performance and research conducted by Munyua (2015) which states that there is a significant positive relationship between remuneration and performance.

The Effect of Work Motivation on Employee Performance

The effect of the Work Motivation variable on Performance as shown in Table 5.18 that the significance value is 0.043. Because the sig value is smaller than 0.05, it can be said that the work

motivation variable has a significant influence on performance. The t-value shows that t-test is 1.987 and it is obtained that t-table is 1.975. Because the value of t-test is greater than the value of t-table, so it can be concluded that H0 is rejected and Ha is accepted, thus the variable Work Motivation has a significant effect on Performance. This is supported by research conducted by Nasution (2013) which states that Work Motivation has a significant positive effect on Performance. Then the same research was conducted by Oktaviann (2016) which states that there is a positive and significant influence between Work Motivation on employee performance and research conducted by Riyadi (2012) which states that there is a significant influence between Work Motivation on Performance.

The Effect of Job Satisfaction on Employee Performance

The effect of the variable Job Satisfaction on Performance as shown in Table 5.18 that the significance value is 0.046. Because the sig value is smaller than 0.05, it can be said that the work motivation variable has a significant effect on performance. t-test shows that t-test is 2.956 and obtained t-table which is equal to 1.975. Because the value of t-test is greater than the value of t-table, so it can be concluded that H0 is rejected and Ha is accepted, thus the variable Job Satisfaction has a significant effect on Performance. This is supported by research conducted by Palagia (2011) which states that Job Satisfaction has a significant positive effect on Performance. Then the results of research conducted by Utomo (2010) state that there is a positive and significant influence between Job Satisfaction on employee performance

The coefficient of determination is a measure used in statistical analysis that assesses how well a model explains and predicts future outcomes. It is indicative of the level of explained variability in the data set. The coefficient of Determination (R^2) of this research is:

Table 5. Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.726 ^a	.527	.497	2.72430

a. Predictors: (Constant), X₃, X₂, X₁

b. Dependent Variable: Employee Performance

The coefficient of determination (R^2) can be said that the value of R-square is 0.527, which means that 52.70% of variable employee performance can be explained by the variable remuneration, work motivation and job satisfaction, while the remaining 47.30% is explained by other variables not examined in this study. This indicates that the other factors related to Remuneration, Work Motivation, and Job Satisfaction there are other variables that contribute to Employee Performance at Housekeeping Department PT. XYZ.

CONCLUSION

Based on the analysis and discussion can be summarized as follows:

1. Remuneration of a significant effect on the performance of employees at Housekeeping Department PT XYZ. Because the sig value is smaller than 0.05, it can be said that the Remuneration variable has a significant effect on Performance. T-test shows that t-test is 2.674 and obtained t-table which is equal to 1.975. Because the value of t-test is greater than t-table, so it can be concluded that H0 is rejected and Ha is accepted.
2. Work motivation of a significant effect on the performance of employees at Housekeeping Department PT XYZ. Because the sig value is smaller than 0.05, it can be said that the work motivation variable has a significant influence on performance. The t-value shows that t-test is 1.987 and it is obtained that t-table is 1.975

3. Job performance of a significant effect on the performance of employees at Housekeeping Department PT XYZ. Because the sig value is smaller than 0.05, it can be said that the work motivation variable has a significant effect on performance. t-test shows that t-test is 2.956 and obtained t-table which is equal to 1.975

RECOMMENDATION

1. To use other methods in examining the effect of remuneration, work motivation and job satisfaction on performance, for example through interviews with respondents, so that the information and data obtained are more complete and clear
2. To adding the number of samples used and exploring the influence of dependent variables on employee performance and using other variables such as; organizational culture, training, work environment and compensation to predict employee performance.

REFERENCES

- Aswathappa, K. 2008. *Human Resource Management: Text and Cases*. Delhi: Tata McGraw-Hill Publishing Company Limited.
- Baba, A. 2015. Effect of Remuneration and Achievement Motivation to be SAR Center Employee Performance Industries Results Plantation. Makasar. *Journal of Economic and Sustainable Development*. Vol. 5. pp. 217–224
- Brown, Sarah., John G Session. 1996. The Economics of Absence: Theory and Evidence. *Journal of Economic Survey*. Vol.10 Issue 1. pp.23-53
- Decenzo, David A., Stephen P. Robbin. 2013. *Human Resource Development*. USA: John Willey & Sons inc.
- Fawzy,Azziza. 2012. "Pengaruh Stres Kerja, Kepuasan Kerja dan Komitmen Karyawan Terhadap Intensi Meninggalkan Organisasi Pada PT. Marubeni Raya". *Skripsi*.Fakultas Ekonomi Universitas Gunadarma.
- Gomes, Faustino Cardoso. 2013. *Manajemen Sumber Daya Manusia*. Penerbit Andi. Yogyakarta
- Gusmarany, Etri. 2016. *Faktor-Faktor yang Menentukan Kepuasan Kerja pada Karyawan SMA Yayasan Al-Kautsar Bandar Lampung*. Fakultas Ilmu Sosial dan Ilmu Politik, Universitas Lampung.
- Hasibuan, Melayu SP. 2014. *Manajemen Sumber Daya Manusia*. PT Gunung Agung. Jakarta
- Ivancevich, John M. 2010. *Human Resource Management*. 11th International Edition, Singapore: McGraw-Hill Companies.
- Luthans, Fred. 2012. *Organization Behavior an Evidence-Based Approach*, Tweelfth Edition. New York. McGraw-Hill/Irwin.
- Munandar, A. 2008. *Psikologi Industri dan Organisasi*. Penerbit Universitas Indonesia (UIPress). Jakarta
- Munyua, Caroline Kendi. 2015. "Influence of Remuneration on Performance of Banking Agent Workers in Meru County, Kenya." *International Journal of Economics, Commerce and Management*. Vol. III, Issue 11. pp. 702-706.
- Nasution, Anggara. 2013. *Pengaruh Kepemimpinan, Remunerasi, dan Motivasi Terhadap Kinerja Biro Sumber Daya Manusia Kepolisian Daerah Riau*. Tesis. Universitas Terbuka.
- Obasan Kehinde, A. 2011. Impact of job satisfaction on absenteeism: A correlative study. *European Journal of Humanities and Social Sciences*, 1(1). pp. 25-49.
- Octaviann, Ramona, dkk. 2017. Effect of Job Satisfaction and Motivation towards Employee's Performance in XYZ Shipping Company. *Journal of Education and Practice*. ISSN 2222-1735 (Paper) ISSN 2222-288 X (Online) Vol.8, No.8, 2017. pp.72-73.
- Palagia, Misail, dkk. 2012. Remunerasi, Motivasi, dan Kepuasan Kerja Terhadap Kinerja Pegawai Pada Kantor Pajak. *Jurnal Analisis*, Juni 2012, Vol. 1, pp. 73-78.
- Retnoningtyas, Dwi Indah. 2014. Analisis Pengaruh Remunerasi dan Employee Engagement Terhadap Kinerja Pegawai Lembaga Sandi Negara. *Jurnal MIX*. Volume IV. No. 1. pp. 1-11.
- Riyadi, Slamet. 2011. Pengaruh Kompensasi Finansial, Gaya Kepemimpinan, dan Motivasi Kerja Terhadap Kinerja Karyawan pada Perusahaan Manufaktur di Jawa Timur. *Jurnal Manajemen dan Kewirausahaan*, Vol.13, No. 1, Maret 2011. hal. 40-45.
- Utomo, Sulistyo Budi. 2010. Pengaruh Motivasi dan Kepuasan Kerja Terhadap Kinerja Karyawan CV Berkat Cipta Karya Nusantara Surabaya. *Jurnal Akuntansi, Manajemen Bisnis dan Sektor Publik*. Vol 6 No. 3 Juni 2010. hal. 376-393.