The Effect Of Job Motivation, Compensation, Organizational Culture Towards Job Satisfaction And Employee Performance Of The Ministry Of Man Power

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Abstract: The high absenteeism of employees and the lack of a sense of justice to the provision of compensation to employees is a factor that indicates the cause of the declining motivation to work on employees that can result in the decrease of employee performance, it is necessary to do research on whether the work motivation, compensation and organizational culture has provided job satisfaction as well as increased performance. Our study aims to determine the effect of job motivation, compensation, organizational culture on job satisfaction and employee performance. Our study is conducted to employees who work in the Ministry of Man Power by using surveys. Methods of data analysis in our study using Structural Equation Model (SEM). Research shows that motivation has influence on job satisfaction, compensation has no effect on job satisfaction, organizational culture has no effect on job satisfaction, job motivation does not affect the performance of employees, compensation does not affect the performance of employees, organizational culture has influence on employee performance and job satisfaction has influence on the performance of employees.

Keywords: motivation, compensation, organizational culture, job satisfaction, employee performance.

I. INTRODUCTION

Human resources is used not only as a tool in the production process but it has an important role in the production activities of an organization. Status of human resources at this time is not only as a production tool but also as a driver and determinant of the process of production and all activities of the organization. Performance can be defined as complex and constantly need to be improved both in terms of individual, group, or organization. Good performance must be accompanied by well-qualified human resources so the company's goals can be achieved. Employee dissatisfaction is the starting point of the problems that arise in organizations such as absenteeism, conflicts between leaders and subordinates and employee turnover. In terms of employees, dissatisfaction can lead to decreased motivation, morale declining employment and falling labor to see both qualitatively and quantitatively. Productive culture is a culture that can make the organization strong and the company's goals can be accommodated. Build a strong organizational culture requires a long process due to changes in the organization regarding changes in people who are in the organization including differences in perceptions, desires, attitudes, and behavior. Compensation system is one of the subsystems that are important in human resource management. Thus, adequate compensation will spur a person's spirit and loyalty to the organization because they feel cared for and valued according to their expectations.

Attendance data of Bureau of Personnel, in January showed Ministry of Man Power employee absenteeism reaches 26 people and continued to decline until June to 14 people. Absentee rate in July rose to 19 people. The increase in the level of attendance occurred in the month of September as many as 24 people and in December by 28 people. Employee absenteeism, when considered in most of the information is absent, where the percentage of absences for attendance reached 38.17% in a year. The high absenteeism with the statement indicates that the absent employee motivation to work is still lacking, causing their not optimal performance. For that we need a way to motivate employees, among others by providing compensation, since compensation has a function as an encouragement and a boost in the form of wages / salaries so that employees are more enthusiastic in completing the work. The compensation is important for the organization because it reflects the organization's efforts to defend human resources and demonstrates the growth of the organization in attracting employees which have impact on employee performance improvement. Compensation which is provided appropriately will motivate and will be more concentrated to achieve the goals and objectives of the organization.

Nurfaiyah and Damajanti (2012) stated that motivation, organizational culture, leadership have significant effect on job satisfaction and employee performance in PT. Samwon Busana Indonesia. Jehanzeb, Rasheed, Raheed, Aamir (2012) mentioned that the level of remuneration, motivation and job satisfaction of employees have strong relationships in the banking sector of Saudi Arabia. Sledge, Miles, Coppage (2008)

Our research aims to: (1) determine the effect of job motivation on employee satisfaction; (2) determine the effect of compensation on employee satisfaction; (3) determine the influence of organizational culture on employee satisfaction; (4) determine the effect of job motivation on employee performance; (5) determine the effect of compensation on employee performance; (6) determine the influence of organizational culture on employee performance; (7) determine the effect of job satisfaction on employee performance.

II. LITERATURE RESEARCH

Employee Performance

Mathis and Jackson (2000), states that the performance is what is done or not done by employees. Robbins (2006) found that employee performance is a function of the interaction between ability and motivation. Employee performance refers to one's achievement as measured by criteria established by the organization. Measurement of the performance of employees are affected by job performance, obedience, honesty, cooperation and initiatives (Elias, 2001).

Job Satisfaction

Job satisfaction is an effective or emotional response to various aspects of the job (Kreitner and Kinicki, 2005). Robbins (2006), defines job satisfaction as a general attitude of the individual toward his work, the difference between the amount of rewards received by a worker and the amount they believe they should receive. Thus, dimensions of job satisfaction according to Munadar, Smith, Kendall and Hulin (2004) are condition of employment, colleagues, promotion opportunities, supervision, salary.

Organizational Culture

According to Robbins (2008), organizational culture is a system that is jointly interpreted by all employees in an organization that differentiates one organization to another. Luthans (2006) defines organizational culture as the value found, excavated, or developed by a group when faced with the problem both internal problems and external perceived valuable and need to be taught to every new employee as a way of seeing, thinking, and feeling about the issue. Mathis and Jackson (2000) suggest organizational culture is a pattern of shared values and beliefs that give meaning and rules of behavior for organizational members. The dimensions of Robbins and Judge (2008) are innovation and risk taking, attention to details, orientation to results, orientation to people, orientation to team, aggressiveness and stability.

Compensation

One way to improve performance management, motivate and improve employee performance is through compensation (Mathis, 2000). Dessler (2010), states that the employee compensation refers to any form of payment or reward for employees and derived from their work. Mondy (2008) states that the term compensation includes all total rewards given to employees as a good lead for their services. Veitzhal, Rival and Ella (2010) say that the compensation can be divided into two, the first direct compensation that is compensated directly perceived by the recipient, in the form of salaries, wages, incentives that are vested and it is the company's obligation to pay it. Second indirect compensation, compensation can not be felt directly by employees, the benefits and services (support services). Benefits and services are additional compensation (financial or non-financial) provided by the company's policy to all employees in an effort to improve their welfare, such as holiday allowances, pensions, uniforms, sports and excursions (family gathering).
Job Motivation

Jones and George (2008) state that motivation is the central management, for explaining how people behave and how they do work in the organization. Uno (2012), says that motivation is the impulse contained in a person to try to establish behavioral changes that better meet their needs. Dimensions of motivation by McClelland (1987) which, motivation is the emergence of behavior because it is influenced by the needs that exist in human beings.

First, Need for achievement is the need to achieve success, as measured by the standard of excellence in a person. These needs, closely linked with employment and direct behavior in an attempt to achieve some degree. Second, the need for affiliation, the need for warmth and support in relationships with others. This needs to hold direct behavior in intimate relationships with others and third, need for power, the need for control and influence over others. This requirement causes the person concerned less or not care about other people's feelings.

III. RESEARCH HYPOTHESES

Singh and Tiwari (2011), Nurfaiyah and Damajanti (2012), Jehanzeh, et al. (2012) and Roos and Eeden (2012) state that work motivation has influence on job satisfaction, which in their research motivation is a process that explains the intensity, direction and persistence of effort to achieve a goal. An employee who is not satisfied with the work can be motivated to work better to improve himself. So high motivation will reflect a sense of responsibility and passion that creates a desire to work and provide something that is best for the job. Based on the above literature hypothesis that can be submitted:

H1: High motivation will increase job satisfaction

Luthans (2006) states that the compensation is very influential on job satisfaction. Money not only makes employees can make ends meet, but also the amount of compensation can be used as one of many indicators of how company values an employee. Nelson (2008), Yaseen (2013), Salisu, et al. (2015) say that there is influence between compensation and job satisfaction of employees. The level of compensation for each of the different agencies is caused by several factors that influence them, namely the demand and supply of labor, the ability of the agency / company, capabilities and skills of the workforce, the role of corporations, labor unions, the size of the job risks, government intervention and cost of living. Based on the above literature hypothesis that can be submitted:

H2: High compensation will increase job satisfaction.

Sempane, et al. (2002), Sledge, et al. (2008), Nurfaiyah and Damajanti (2012) and Habib, et al. (2014) say that organizational culture has influence on job satisfaction, it can be said the better the culture of the organization the higher employee satisfaction. Employee perceptions towards culture or customs within an organization may determine employee satisfaction. Based on the above literature hypothesis that can be submitted:

H3: High organizational culture will increase job satisfaction.

Nurfaiyah and Damajanti (2012), Susan, et al. (2012) and Sofat (2012) state that work motivation has influence on employee performance. Increased motivation lead to improved performance and reduced motivation led to a decline in performance (Kothari, 2008). The higher the level of employee motivation in carrying out the work, the higher the employee’s job performance or achievement of that employee. Based on the above literature hypothesis that can be submitted:

H4: High motivation will improve employee performance.

Teclmichael and Soeters (2006), Javed, et al. (2010) and Hameed, et al. (2014), the compensation has effect on the performance of employees, because appropriate amount of compensation will improve performance. The compensation is one form of implementation of human resource management functions that relate to all types of individual awards as an exchange in performing organizational tasks. Based on the above literature hypothesis that can be submitted:

H5: High compensation will improve employee performance.

Daft (2010), organizational culture positively improves employee performance by motivating, shaping and channeling their behavior towards the achievement of company objectives. Roos and Eeden (2012), Alyahyah and Saad (2013), Shahzad, et al. (2013) and Agwu (2014), organizational culture has an influence on employee performance. Establishment of good performance is generated if there is communication between all employees so as to form the internalization of a strong corporate culture and understood in accordance with the values of the organization that may cause a positive perception among all levels of employees to support and influence the climate of satisfaction that have an impact on employee performance (Mangkunagara, 2010). Based on the above literature, hypothesis that can be submitted:

H6: Good cultural organization will improve employee performance.

Luthans (2006), job satisfaction can be acquired by the employee both by providing appropriate salary, given jobs according to their expertise and relationships with superiors are good, this will improve the
The Effect Of Job Motivation, Compensation, Organizational Culture Towards Job Satisfaction And performance of employees. Nurfaiyah and Damajanti (2012), and Asghar Awan (2014) and Fadlallh (2015), job satisfaction has influence on employee performance, the better the job satisfaction will improve employee performance. Job satisfaction received and perceived by an employee will affect the results of his work. Based on the above literature hypothesis that can be submitted:

H₇: Good organizational culture will improve employee performance.

Framework of the research can be described as figure 1

**Figure 1 Research Framework**

![Research Framework Diagram](image)

IV. RESEARCH METHOD

Population and Sampling Technique

Our research uses survey which is distributed to the employees of the Ministry of Man Power which is amounted to 300 respondents. In determining the size of the sample we adjust it with standardized sampling technique and use Structural Equation Modeling (SEM) analytical technique. Sampling process is done by using Maximum Likelihood Estimation (ML) technique, of which the effective amount of sampling reaches approximately 150-400 samples (Sekaran, 2004).

**Measurement**

In our study, there are three independent variables (exogenous), i.e. motivation, compensation, and organizational culture and two dependent variables (endogenous) i.e. job satisfaction and employee performance. In our study, the variables are measured by: motivation dimension of McClelland (1987), which consists of dimensions of need for achievement, need for affiliation and need for power. Compensation dimension of Veitzhal, Rival and Ella (2010), the compensation can be divided into two, namely: financial and nonfinancial. Cultural organizations are using the dimensions of Robbins and Judge (2008) that are innovation and risk taking, attention to details, results orientation, people orientation, team orientation, aggressiveness and stability. Job satisfaction is measured by the dimensions of Munadar, Smith, Kendall and Hulin (2004), which are a condition of employment, colleagues, promotion opportunities, supervision, salary. Furthermore, the performance of employees with dimensions of Ilyas (2001), which includes performance, obedience, honesty, cooperation and initiatives.

Furthermore, the measurement of the dimensions is shown in the form of a set of questionnaire, we perform validity and reliability testing. Validity test of Confirmatory Factor Analysis is done by looking at the value of Kaiser-Meyer-Olkin Measure of Sampling (KMO) and Measures of Sampling Adequacy (MSA). In this test the value obtained must be greater than 0.5, which means that the factor analysis is right or appropriate for use, and can be further processed (Malhotra, 2004). The scale of work motivation is 30 operational and only 21 are valid operating, the scale of compensation there are nine operational and only 8 are valid operating, organizational culture there are 14 operational and only 9 are valid operating, job satisfaction there are 31 operational and only are 21 valid operating and employee performance there are 12 operational and all are declared invalid.

Cronbach alpha values reliability test is greater than > 0.5, which means reliable (Anindita and Hashim, 2009), which can be said to be operational in the operational of job motivation, compensation, organizational culture, employee satisfaction and performance can be said to be reliable as a means of data collection in research. The next stage, our data is analyzed by using SEM (Structural Equation Modeling). SEM is able to explain the relevance of variables in a complex way as well as direct and indirect effects of one or more variable against another (Hair, 2013).
V. RESULT

Our research focuses on job motivation, compensation, organizational culture towards job satisfaction and employee performance and the results show that seven hypotheses bring result that not all data supports the hypotheses or not all the hypotheses are accepted, as proven by Structural Equation Model we have done, which can be seen in Figure 2 below:

**Figure 2 Path Diagram T-Value**

Description of Figure 2:
JM (Job Motivation), Com (Compensation), CO (Cultural Organization), JS (Job Satisfaction), and EP (Employee Performance).

Path T.Value diagram (Figure 2) shows that the motivation to work in our research uses three dimensions which cover achievement motivation 3.24 (MK1), affiliated motivation of 4.44 (MK2) and the power motivation of 5.41 (MK3). It is perceived from the value of those dimensions that power motivation has the highest value on job satisfaction. It has been suggested that most of the employees are still motivated to gain power because they thought that when they gain power or strategic position it is easy to develop a strategy so that it can reach the goal that could have an impact on their job satisfaction.

Variables of compensation in our study cover eight operations i.e. Kom1 at 13.02, Kom2 at 13.19, Kom3 which is amounted to 7.72, Kom4 at 14.51, Kom5 at 14.49, Kom6 amounted to 7.71, Kom7 of 8, 61 and Kom8 at 17.42. In our study the operational compensation which has the lowest value is operational Kom6 nonfinancial compensation concerning health insurance, which insurance administration obtained from the Ministry of Man Power is automatically deducted from their monthly salaries in accordance with the rank of the employee group.

Organizational culture variables in our study include 9 operations i.e. Bo1 amounted to 9.08, Bo2 at 10.78, Bo3 amounted to 7.88, Bo4 at 10.78, Bo5 amounted to 8.16, Bo6 amounted to 7.21, Bo7 at 3.81, Bo8 amounted to 7.76 and Bo9 amounted to 5.58. In our study the operational culture of the organization that has the highest impact are Bo2 and Bo4 each with indicators of attention to details and results orientation with the operational employees are expected to show precision in the work and focus more on the results of the techniques and processes to achieve a good result so they can improve their performance.

Job satisfaction variables in our study cover five dimensions which include the work itself (Kk1), a salary of 3.62 (Kk2), the opportunity to gain promotion 3.83 (Kk3), supervision of 1.21 (Kk4) and co-workers of 0.63 (Kk5). In our it is observed that opportunity to get a promotion has the highest value. The opportunity to get a promotion at work place became one of the main objectives for each employee. To achieve this goal, each employee should improve the performance of his/her work so he/she can have priority to get a promotion if there are vacant positions.
VI. DISCUSSION

Based on Figure 2 Path Diagram T-Value above mention hypotheses in our study, which are displayed on structural equation as presented in the following:

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Hypothesis Statement</th>
<th>T-Value</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1</td>
<td>High motivation will increase job satisfaction .</td>
<td>3.57</td>
<td>Data supports hypothesis</td>
</tr>
<tr>
<td>H2</td>
<td>High compensation will increase job satisfaction .</td>
<td>-7.62</td>
<td>Data does not support hypothesis</td>
</tr>
<tr>
<td>H3</td>
<td>High organizational culture will enhance job satisfaction .</td>
<td>-0.84</td>
<td>Data does not support hypothesis</td>
</tr>
<tr>
<td>H4</td>
<td>High motivation will improve employee performance .</td>
<td>0.99</td>
<td>Data does not support hypothesis</td>
</tr>
<tr>
<td>H5</td>
<td>High compensation will improve employee performance .</td>
<td>-0.96</td>
<td>Data does not support hypothesis</td>
</tr>
<tr>
<td>H6</td>
<td>Good organization culture will improve employee performance .</td>
<td>3.39</td>
<td>Data supports hypothesis</td>
</tr>
<tr>
<td>H7</td>
<td>High job satisfaction will improve employee performance .</td>
<td>2.78</td>
<td>Data supports hypothesis</td>
</tr>
</tbody>
</table>

The first hypothesis (H1), it was found that the analysis results support the hypothesis H1 that there is influence between work motivation at 3.57 on job satisfaction. This shows that job satisfaction is influenced by employee motivation. The higher employee motivation will increase the job satisfaction of employees at the Ministry of Man Power.

The second hypothesis (H2), it was found that the analysis results do not support the hypothesis H2 that high compensation does not increase the job satisfaction of -7.62. This indicates that the compensation has no effect on job satisfaction. Every organization should strive to improve employee job satisfaction by providing fair compensation program and worth as well as competitive. Expected high job satisfaction makes employees become more loyal to the organization, more motivated to work, have pleasure in work and will ultimately increase their productivity.

The third hypothesis (H3), it was found that the analysis results do not support the hypothesis H3, i.e. a high organizational culture does not improve the job satisfaction of -0.84. This suggests that organizational culture has no effect on job satisfaction. Good organizational culture within an organization does not always affect job satisfaction of its employees. But there are a number of researches which get the contrary result where good organizational culture can improve job satisfaction of its employees.

The fourth hypothesis (H4), it was found that the analysis results do not support the hypothesis H4, i.e. job motivation does not affect employee performance of 0.99. This suggests that motivation does not affect the performance of employees. The motivation of the employees of the Ministry of Man Power is low, so the impact on their performance is also low.

The fifth hypothesis (H5), it was found that the analysis results do not support the hypothesis that high compensation H5 does not improve the performance of employees which is amounted to -0.96. This indicates that the compensation does not affect the performance of employees. Compensation received by employees of the Ministry of Man Power is low, so the impact on their performance is low.

The sixth hypothesis (H6), it was found that the analysis results support the hypothesis that there are significant effect of H6 between organizational culture of 3.39 to employee performance. This shows that the employee performance is influenced by the culture of the organization. The higher the culture of the organization, the more improved the performance of the employees at the Ministry of Man Power. Cultural organizations can help direct the human resources in the achievement of the mission, vision, goal and objectives of the organization. In addition to that, the organizational culture will improve teamwork among units within the organization so that they can be the glue that can bind people in the organization.

The seventh hypothesis (H7), it was found that the analysis results support the hypothesis that there are significant H7 between job satisfaction at 2.78 on employee performance. In this seventh hypothesis can be said that the result of the research shows high job satisfaction improves the performance of employees at the Ministry of Man Power.

Managerial Implication

Our research aims to determine the effect of job motivation, compensation, organizational culture on job satisfaction and employee performance. Managerial implication that can be submitted after looking at the dimensions used in our study includes the results of studies that show there is influence between job motivation

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on job satisfaction. Our research findings have implications for human resource development in a government institution, i.e. to pay more attention to the dimensions of both the motivation in achievement motivation, affiliated motivation, and motivation in terms of power. Dimensions of job motivation can affect job satisfaction where someone will be satisfied with his/her job when first he/she has high motivation to the job. Increased employee job motivation must not be separated from the leadership role in motivating employees. Leaders can approach the employees to provide guidance that can assist employees in completing the task so that employees feel cared for. In addition, by listening to the complaints of the employees, leadership can directly knows whatever constraints faced by the employee in performing their job. It is expected that employees feel valued and it can lead to employee motivation. Managerial implication regarding organizational culture on employee performance in our study covers organizational culture is expected to create a common understanding among the members of the organization about how exactly the organization and how members should behave.

Managerial implication regarding job satisfaction to employee performance in our study is low job satisfaction of employees entails the assumption that whether employees are lazy or diligent they will receive the same amount of remuneration. In this case, it could affect diligent employees and reduce the productivity of employees who are loyal and have a dedication to the job. To increase employee job satisfaction in the Ministry of Man Power, it is necessary to increase the support and direction of the leadership to the subordinates.

VII. CONCLUSION

From the findings of our study we can conclude: first hypothesis, there is influence between work motivation on the job satisfaction of employees of the Ministry of Man Power, the compensation does not affect the job satisfaction of employees of the Ministry of Man Power, organizational culture does not affect the job satisfaction of employees of the Ministry of Man Power, job motivation has does not affect the performance of the employees of the Ministry of Man Power, the compensation does not affect the performance of employees of the Ministry of Man Power, organizational culture has influence on employee performance of the Ministry of Man Power and job satisfaction affects the performance of employees of the Ministry of Man Power.

Limitation

Limitations of our study certainly have an impact on the imperfections of results obtained from our research. These limitations include among other our study uses a set of questionnaires as a measuring tool for the purposes of saving time and energy, so there will be limitations such as bias in completing the questions, there is a possibility that during the time of filling out the questionnaire respondents do not fill it with real answer or just fill it based on the ideal condition and do not state exactly what is happening. This can cause the measurement tool used is not able to describe the real variables.

Suggestion for Future Research

Based on the above findings we can put forward some suggestions that will be able to improve the performance of employees at the Ministry of Man Power in the future. Researchers suggested to sustain and maintain the positive influence of job motivation which has shown dominant influence on job satisfaction or even be improved by providing more motivation by giving attention and awards to employees who have a good performance. In awarding compensation, it is also very important to increase job satisfaction because the higher compensation received by employees, the better it will increase employee satisfaction and it will bring the impact to the organization.

Furthermore, the organizational culture in our research is already good where the organization is expected to create a common understanding among officials about how exactly the organization and how employees should behave. Likewise, job satisfaction owned by an government institution called the Ministry of Man Power has been good so it brings positive effect on employee performance, but it is necessary to maintain it by doing some efforts, i.e. the employees should be able to maximize their ability to work so that the results of their performance will be increased. Our research is still very limited because it only examines the extent, motivation, compensation, organizational culture on job satisfaction and employee performance. Thus, it is advisable for future research to add other variables to the development of research.

REFERENCES

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