

Effect of remuneration and motivation on employee performance at the state court of Sidoarjo, Indonesia

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Abstract

The purpose of this study was to determine the effect of remuneration and motivation on performance of government agency employees at The State Court of Sidoarjo, Indonesia. The population in this study is a population of all employees at The State Court with a total of 40 employees in 2021. This sampling technique uses a non-probability sampling technique. Data analysis was processed using SPSS version 24 software. The results showed that the variable of remuneration and motivation had an effect on employee performance. This study provides input to enrich the theory of the relationship between remuneration and motivation on performance.

Keywords: Motivation; Performance; Remuneration; State Court

1 Introduction

Human resources are the most important asset in an agency, both government and private agencies. With conditions like today, which are all sophisticated, human resources are required to have superior quality to produce maximum work productivity because human resources are the key to the success of an agency in achieving effective and efficient goals. An agency is also required to develop a new strategy in maintaining human resources in this case are employees so that they can contribute optimally to the agency or organization.

Injustice felt by employees regarding remuneration will make employees feel less satisfied at work which in the end affects individual performance and reduces employee performance. Remuneration has the meaning of any compensation received by employees from the results of the performance and duties of the organization including allowances, prizes, awards or promotions. Another factor that affects employee performance is motivation that comes from inside and outside. Motivation is a trigger for employees or co-workers who can provide enthusiasm in carrying out activities, and make work easier so that they can achieve something specific in accordance with the company's goals.

Research from [1] also states that motivation has a significant influence on employee performance. In other words, motivation can arouse employees' desire to work diligently and seriously and motivation will differ from one employee to another. Employee performance according to [2] is a function of the driving force and ability to complete the task or work of an employee who should have certain abilities.

Based on this description, it becomes the reason for conducting research related to the effect of remuneration and motivation on employee performance at the Sidoarjo District Court.

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2 Literature Review and Hypothesis Development

2.1 Remuneration

Remuneration according to [2] in its position in the bureaucracy is a realignment of the payroll system related to the performance appraisal system. In the big Indonesian dictionary, it can be defined as a gift or award for services or rewards or is usually referred to as compensation so that remuneration is the same as compensation. The difference is only in the use of the two words, because the term remuneration began to be known to the public after the bureaucratic reform program, one of which was the program, is the implementation of remuneration.

Meanwhile, according to [3] remuneration is everything that is given by an agency as remuneration or compensation for work that has been carried out by employees. According to [1] stated that remuneration has two components, namely financial remuneration and non-financial remuneration, including the following;

Financial Remuneration

Financial remuneration consists of direct financial remuneration, namely payments that are directly received by employees in the form of salaries, bonuses, wages and incentives. Meanwhile, indirect financial remuneration is commonly referred to as allowances that cover all financials that are not included in direct remuneration, such as health and life insurance programs, social assistance, benefits (social security, pension insurance, educational assistance) and paid absences such as leave.

Non-Financial Remuneration

Non-financial remuneration is the satisfaction that a person receives for the task or work itself or from the psychological or physical environment in which the employee works. There are two components of non-financial remuneration, namely first, the satisfaction that employees get from the work itself which can be in the form of challenging work, interesting assignments, getting adequate recognition for work achievements achieved or promotion opportunities for employees who have potential. Second, non-financial remuneration related to the work environment means the satisfaction that has been obtained by employees from work that can be created from the agency itself or fellow employees, namely the psychological effect where the employee works which can be in the form of healthy and reasonable agency policies, supervision carried out by competent employees, the presence of supportive and pleasant co-workers, the provision of status symbols, a very comfortable work environment, a fair division of tasks or work and very flexible working hours, and so on.

Based on the condition of the object of research, the author uses the remuneration indicator from [1] which includes financial remuneration and non-financial remuneration.

2.2 Motivation

Motivation according to [4] is the impetus for a person to behave and act or work well and seriously based on his duties and obligations aimed at realizing organizational goals and being able to meet individual needs. With motivation, employees are more enthusiastic to carry out the tasks or jobs that have been given and can improve employee performance.

Meanwhile, according to [5] motivation can serve as a driving force for someone so that it generates enthusiasm for work, is effective at work and integrates with business in achieving something desired in accordance with certain goals in order to get satisfaction.

2.3 Employee Performance

The According to [6] employees are a result or process of employees in successfully carrying out their duties and responsibilities. Employees can be interpreted in a broader definition, namely a work result or achievement in terms of quantity or quality achieved by employees to fulfill their obligations in carrying out tasks in accordance with the good performance of the employee or team to meet the requirements, work in order to achieve agency or organizational goals.

Meanwhile, according to [7] performance is a function of the results of the motivation and abilities of employees in completing tasks and responsibilities.

From the literature review, the conceptual framework of this study is shown below.

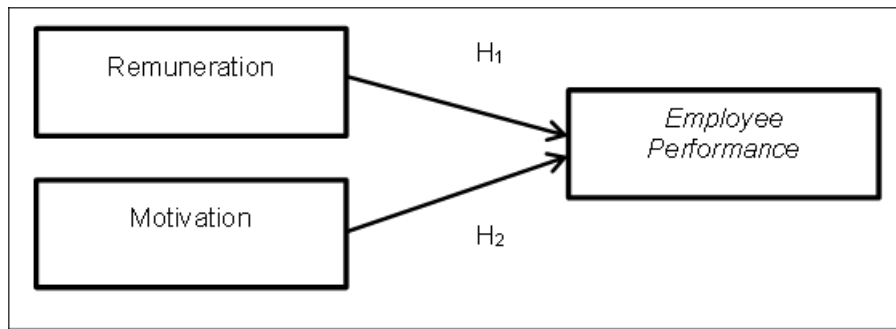


Figure 1 Research Conceptual Framework

Hypothesis is as follow:

H1: Remuneration has an effect on employee performance

H2: Motivation has an effect on employee performance

3 Method

The type of research used is quantitative research. This study takes a population of 40 Sidoarjo District Court employees in 2021. The population is based on all District Court civil servants who receive monthly remuneration. In this study using a non-probability sampling technique, namely saturated sampling where all members of the population are used as samples.

Researchers used primary data sources obtained directly from data collection using questionnaires distributed using Google Forms to District Court employees. Respondents' answers to the questionnaire were then recorded and processed using SPSS software.

4 Results and discussion

4.1 Remuneration (X1)

The measurement of the variable of remuneration uses a questionnaire that has been given to employees. The results of the questionnaire data processing of 40 respondents obtained the highest score of 25, the lowest score of 8 with a range of 17, an average of 21.05, a standard deviation of 3.883 and a variance of 15.074. While the remuneration quality is determined based on 5 categories, namely strongly agree, agree, less agree, disagree, and strongly disagree. Demographic results in the table below:

Table 1 Remuneration Variable Feedback Demographic Statistics

N Valid	40
N Missing	0
Mean	21.05
Std. Deviation	3.883
Variance	15.074
Range	17
Minimum	8
Maximum	25

Source: processed field data

4.2 Motivation (X2)

The measurement of motivational variables uses a questionnaire that has been given to employees. The results of the questionnaire data processing of 40 respondents obtained the highest score of 20, the lowest score of 7 with a range of 13, an average of 17.68, a standard deviation of 3.108 and a variance of 9.661. While the quality of motivation is determined based on 5 categories, namely strongly agree, agree, less agree, disagree, and strongly disagree. Demographic results in the table below.

Table 2 Motivation Variable Feedback Demographic Statistics

N Valid	40
N Missing	0
Mean	17.68
Std. Deviation	3.108
Variance	9.661
Range	13
Minimum	7
Maximum	20

Source: processed field data

4.3 Employee Performance (Y)

The variable for measuring Employee Performance uses a questionnaire that has been given to employees. The results of the questionnaire data on 40 respondents obtained the highest score of 25, the lowest score of 10 with a range of 15, an average of 21.93, standard deviation of 3.668 and a variance of 13.456. While the quality of Employee Performance is determined based on 5 categories, namely strongly agree, agree, less agree, disagree, and strongly disagree. Demographic results in the table below.

Table 3 Employee Performance Variable Feedback Demographic Statistics

N Valid	40
N Missing	0
Mean	21.93
Std. Deviation	3.668
Variance	13.456
Range	15
Minimum	10
Maximum	25

Source: processed field data

4.4 Model Analysis

4.4.1. Validity Test

Whether or not a measuring instrument is valid in a study can be obtained from the results of the validity test. In this test, the remuneration variable (X1) has 5 question items, motivation (X2) has 4 question items, employee performance (Y) has 5 question items so that the total question items in this research questionnaire are 14 statement items. The basis for decision making in this validity test if $r\text{-count} > r\text{-table}$ then it is declared valid and if $r\text{-count} < r\text{-table}$ then it is declared invalid. Based on the calculation of $df = N - 2$ with an error rate of 5%, it was obtained $r\text{-table}$ with a value of 0.3120. The results of the validity test of each variable can be interpreted in the table below.

Table 4 Remuneration Validity Test Results Data

		X1.1	X1.2	X1.3	X1.4	X1.5	X1
X1.1	Pearson Correlation	1	0.865**	0.466**	0.553**	0.520**	0.812**
	Sig. (2-tailed)		0.000	0.002	0.000	0.001	0.000
	N	40	40	40	40	40	40
X1.2	Pearson Correlation	0.865**	1	0.621**	0.492**	0.480**	0.822**
	Sig. (2-tailed)	0.000		0.000	0.001	0.002	0.000
	N	40	40	40	40	40	40
X1.3	Pearson Correlation	0.466**	0.621**	1	0.590**	0.431**	0.758**
	Sig. (2-tailed)	0.002	0.000		0.000	0.006	0.000
	N	40	40	40	40	40	40
X1.4	Pearson Correlation	0.553**	0.492**	0.590**	1	0.906**	0.880**
	Sig. (2-tailed)	0.000	0.001	0.000		0.000	0.000
	N	40	40	40	40	40	40
X1.5	Pearson Correlation	0.520**	0.480**	0.431**	0.906**	1	0.829**
	Sig. (2-tailed)	0.001	0.002	0.006	0.000		0.000
	N	40	40	40	40	40	40
X1	Pearson Correlation	0.812**	0.822**	0.758**	0.880**	0.829**	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	
	N	40	40	40	40	40	40

Source: processed field data**. Correlation is significant at the 0.01 level (2-tailed).

In the table above, the results of the validity test show that all items in the remuneration variable statement (X1): numbers X1.1, X1.2, X1.3, X1.4, and X1.5 are declared valid because Pearson correlation value greater than 0.3120.

Table 5 Motivation Validity Test Results Data

		X2.1	X2.2	X2.3	X2.4	X2
X2.1	Pearson Correlation	1	0.915**	0.847**	0.663**	0.953**
	Sig. (2-tailed)		0.000	0.000	0.000	0.000
	N	40	40	40	40	40
X2.2	Pearson Correlation	0.915**	1	0.776**	0.666**	0.934**
	Sig. (2-tailed)	0.000		0.000	0.000	0.000
	N	40	40	40	40	40
X2.3	Pearson Correlation	0.847**	0.776**	1	0.592**	0.896**
	Sig. (2-tailed)	0.000	0.000		0.000	0.000
	N	40	40	40	40	40
X2.4	Pearson Correlation	0.663**	0.666**	0.592**	1	0.811**
	Sig. (2-tailed)	0.000	0.000	0.000		0.000
	N	40	40	40	40	40
X2	Pearson Correlation	0.953**	0.934**	0.896**	0.811**	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	
	N	40	40	40	40	40

Source: processed field data**. Correlation is significant at the 0.01 level (2-tailed)

In the table above. the results of the validity test show that all items in the motivation variable statement (X2): numbers X2.1, X2.2, X2.3 and X2.4 are declared valid because Pearson correlation value greater than 0.3120.

Table 6 Employee Performance Validity Test Results Data

		Y1	Y2	Y3	Y4	Y5	Y
Y1	Pearson Correlation	1	0.913**	0.760**	0.854**	0.819**	0.951**
	Sig. (2-tailed)		0.000	0.000	0.000	0.000	0.000
	N	40	40	40	40	40	40
Y2	Pearson Correlation	0.913**	1	0.688**	0.761**	0.901**	0.929**
	Sig. (2-tailed)	0.000		0.000	0.000	0.000	0.000
	N	40	40	40	40	40	40
Y3	Pearson Correlation	0.760**	0.688**	1	0.747**	0.700**	0.871**
	Sig. (2-tailed)	0.000	0.000		0.000	0.000	0.000
	N	40	40	40	40	40	40
Y4	Pearson Correlation	0.854**	0.761**	0.747**	1	0.717**	0.896**
	Sig. (2-tailed)	0.000	0.000	0.000		0.000	0.000
	N	40	40	40	40	40	40
Y5	Pearson Correlation	0.819**	0.901**	0.700**	0.717**	1	0.903**
	Sig. (2-tailed)	0.000	0.000	0.000	0.000		0.000
	N	40	40	40	40	40	40
Y	Pearson Correlation	0.951**	0.929**	0.871**	0.896**	0.903**	1
	Sig. (2-tailed)	0.000	0.000	0.000	0.000	0.000	
	N	40	40	40	40	40	40

Source: processed field data**. Correlation is significant at the 0.01 level (2-tailed).

In the table above. the results of the validity test show that all items in the employee performance variable statement (Y): numbers Y1, Y2, Y3, Y4 and Y5 are declared valid because Pearson correlation value greater than 0.3120.

4.4.2. Reliability Test

An indicator in research can be trusted to be used in measuring variables, namely by testing reliability. The indicator can be declared reliable on the basis of decision making, if the Cronbach's Alpha value (α) > 0.6 is obtained and not reliable if the Cronbach's Alpha value \leq 0.6 is obtained. The results of the reliability test data on the research variables are as follows.

Table 7 Reliability Test Results

Variable	Cronbach's Alpha	N of Items
Remuneration	0.877	5
Motivation	0.920	4
Employee Performance	0.944	5

Source: processed field data

From the table above. it is found that all Cronbach's Alpha values are greater than 0.6 so that all variables are declared reliable.

4.4.3. Classic assumption test

Normality Test

The Kolmogorov-Smirnov formula with the SPSS application is used to determine the normality value of a data with the basis for making the decision. namely if the value of sig. > 0.05. it is stated that the data has been normally distributed and if the value of sig. ≤ 0.05 is declared not normally distributed. The results of the calculation of data normality are interpreted in the following table.

Table 8 Normality Test Results

		Unstandardized Residual
N		40
Normal Parameters ^{a,b}	Mean	0.0000000
	Std. Deviation	1.60095281
Most Extreme Differences	Absolute	0.189
	Positive	0.189
	Negative	-0.093
Test Statistic		0.193
Asymp. Sig. (2-tailed)		0.200 ^{c,d}

Source: processed field data

The table above shows the results of data processing where a significance value of 0.200 > 0.05 is obtained. then it is stated that the data has been normally distributed. meaning that the remuneration and motivation variables on employee performance are stated to have normal distribution.

Multicollinearity Test

The basis used in making decisions on the multicollinearity test is that if the correlation between the independent variables is > 0.10 and VIF < 10 or not more than 10. it means that there is no multicollinearity. The results of the multicollinearity test are interpreted as follows.

Table 9 Multicollinearity Test Results

Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	1.003	1.438		0.698	0.490		
	X1	0.667	0.103	0.671	6.495	0.000	0.529	1.889
	X2	0.226	0.083	0.282	2.730	0.010	0.529	1.889

Source: processed field data

The table above is the result of the multicollinearity test which shows that the two independent variables have a Tolerance value > 0.10. each of which is 0.529 for X1 and 0.529 for X2. Meanwhile. the VIF value obtained by the independent variable < 10. each of which is worth 1.889 for X1 and 1.889 for X2. Referring to the results of the Tolerance and VIF values. it is concluded that there are no symptoms of multicollinearity between the independent variables in the regression model.

Autocorrelation Test

Autocorrelation test to see whether in the regression model there is a correlation between the nuisance error in period t and the error in the previous period ($t-1$). One of the autocorrelation tests used is the Durbin-Waston model. The results of the calculation of the autocorrelation test are interpreted as follows:

Table 10 Autocorrelation Test Results

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.889	0.791	0.779	1.460	1.723

Source: processed field data

Based on the table above, the autocorrelation test obtained the Durbin-Watson (d) value is 1.723 with a significance of 5%. the number of samples is 40 ($n = 40$, and the independent variable is 2 ($k = 2$). so the value in the Durbin-Watson table (d) with the value of $dL = 1.3908$ and the value of $dU = 1.6000$. Because the value of d of 1.723 is greater than the upper limit (dU) of 1.6000 and less than $4 - 1.6000$ (2.4000). it is concluded that there is no autocorrelation.

Heteroscedasticity Test

The statistical test used is the Glejser test by regressing the independent variable with the absolute value of the residual. Some alternative solutions if the model violates the assumption of heteroscedasticity is to transform it into logarithmic form, which can only be done if all data are positive. The decision criteria in the Glejser test is if the significance value > 0.05 means that there is no heteroscedasticity. The results of the calculation of the heteroscedasticity test can be interpreted as follows.

Table 11 Heteroscedasticity Test Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.267	1.042		2.175	0.036
	X1	-0.048	0.074	-0.141	-0.639	0.527
	X2	-0.022	0.060	-0.083	-0.375	0.710

Source: processed field data

The results of the Heteroscedasticity test using the Glejser Test method can be seen in the table above. From the output, it is known that the significance value of all independent variables is > 0.05 so it can be concluded that there is no heteroscedasticity problem in the regression model to be analysed.

4.5 Multiple Linear Regression Analysis

Table 12 Multiple Linear Regression Analysis Results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.003	1.438		0.698	0.490
	X1	0.667	0.103	0.671	6.495	0.000
	X2	0.226	0.083	0.282	2.730	0.010

Source: processed field data

From the output obtained. the regression equation model is obtained as follows:

$$Y = 1.003 + 0.667X_1 + 0.226X_2 + e$$

The regression equation model has the following meanings:

- a) The regression coefficients of the two independent variables (remuneration and motivation) have a positive and significant effect on the dependent variable (Employee Performance). This means that every increase in remuneration and motivation variables will be followed by an increase in employee performance variables.
- b) Remuneration variable has a regression coefficient ($b_1 = 0.667$) which is the largest compared to the regression coefficient of the motivation variable. meaning that employee performance is more dominantly influenced by the remuneration variable.

4.6 Coefficient of Determination of Linear Regression

Table 13 Coefficient of Determination of Linear Regression Results

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.889	0.791	0.779	1.460

From the results of the table above. the value of Adjusted R Square is 0.779. meaning that remuneration and motivation are able to explain employee performance variables of 77.9% while the remaining 22.1% (100%-77.9%) employee performance variables are explained by other variables that not investigated in this study.

4.7 Hypothesis Test

To prove the hypothesis in this study. it can be seen from the results of the partial test using the t test. This test aims to determine the significant effect between the independent variables on the dependent variable partially (individually). Basis of decision making:

- a) If the value of $t\text{-count} > t\text{-table}$ then H_0 is rejected and H_a is accepted.
- b) If the value of $t\text{-count} \leq t\text{-table}$ then H_0 is accepted and H_a is rejected.

The value of t-count can be seen from the regression results and for t-table it is obtained from $df = n - k - 1 = 40 - 3 - 1 = 36$ with a significance ($\alpha = 0.05$) obtained t-table of 2.0281. The results of hypothesis testing are concluded as follows:

H1: Remuneration has an effect on employee performance. the t-count value is 2.981 and the significance is 0.005. because the t-count value obtained is greater than 2.0281 so H_0 is rejected and H_a is accepted. It means that the hypothesis which states that remuneration has a positive and significant effect on the performance of the Sidoarjo District Court employees is accepted.

H2: Motivation has an effect on employee performance. the t-count value is 10.349 and the significance is 0.000. because the t-count value obtained is greater than 2.0281 so H_0 is rejected and H_a is accepted. It means that the hypothesis which states that motivation has a positive and significant effect on the performance of the employees of the Sidoarjo District Court is accepted.

4.8 Managerial Implication

This study provides input to enrich the theory of the relationship between Remuneration and Motivation on Employee Performance.

5 Conclusion

From the results of this study. it can be concluded that the two independent variables (remuneration and motivation) have a positive and significant effect on the dependent variable (Employee Performance). This means that every increase in remuneration and motivation variables will be followed by an increase in employee performance variables and employee performance is more dominantly influenced by the remuneration variable.

Compliance with ethical standards

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Disclosure of conflict of interest

The Authors wish to declare that none has any interest to disclose.

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