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Remuneration Policy to Improve Lecturer Performances

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Abstract

This study aims to determine the effect of Remuneration on Motivation and Job Satisfaction, and Lecturer Performances of the Universitas Pembangunan Nasional Veteran Jawa Timur. This type of research is an explanatory study with a quantitative approach. The variables in this study include Remuneration, Motivation, Job Satisfaction, and Performance. The sample in this study were 114 respondents with simple random sampling technique and data collection through questionnaires. Analysis of the data in this study using SEM-PLS (Structural Equation Modeling - Partial Least Square) using the SmartPLS Version 3 software. The results of the analysis show 1) a positive significant effect between remuneration variables on work motivation and job satisfaction 2) Positive significant influence between job satisfaction on motivation, and performance, 3) The positive significant influence between motivation on performance, 4) While the effect of remuneration on performance is not significant. To improve lecturer performance, management of the institution requires effective remuneration and optimization of workloads while increasing motivation and job satisfaction in order to achieve good performance.

Keywords: Remuneration, Motivation, Job Satisfaction, Lecturer Performance

1. INTRODUCTION

Remuneration is a reward or remuneration given to workers or employees as a result of the achievements they have given in order to achieve organizational goals. The policy of providing remuneration as an award to employees for professional performance in realizing clean and authoritative governance (Suparlan et al, 2016). Remuneration for employees is based on their position or grading and the resulting performance. The remuneration policy is expected to be one of the tools in measuring professional, fair and proportional performance in higher education. This is based on Perpres number 32 of 2016 concerning employee performance allowances within the Ministry of Research, Technology and Higher Education. This remuneration policy is carried out in an effort to optimize performance. Remuneration policy is stated by Ivancevich (2008) that performance will not be achieved optimally if the remuneration given is not proportional, fair and proper. The use of remuneration as a reward for teaching staff in the university environment is not only a form of independence but also as the responsibility of the leadership in increasing job satisfaction and work motivation of educators. Because basically with this reward, it can meet the expectations of the teaching staff at work.

Rivai, et al (2014) explained that someone can act (in an effort to achieve goals and fulfill responsibilities) tends to be because of the expectation of the results that will be obtained. The explanation of the statement explains that the basic nature of employees working (doing something) is none other than because they have the hope of getting a reward, in this case in the form of remuneration. So that when the needs and expectations of employees are met, job satisfaction is achieved which will also affect work motivation. Motivation is a series of attitudes and values that can encourage individuals to achieve specific things in accordance with individual goals.

The encouragement of someone to do business so that an increase in employee performance is achieved should not only come from external factors, but can also come from internal employees. Internal employee encouragement is a relationship related to the individual attitudes and behavior of the employee concerned. Internal motivation is one of the theories of motivation (Herzberg Theory) which states that people will be motivated from within themselves because of the factors of achievement, recognition, work itself, responsibility, progress and growth. Meanwhile, salary, promotion, co-worker relations, supervision, physical condition of work are Hiegien (nurturer) factors that cause people to be satisfied or dissatisfied but not a motivating factor (Robbins and Judge, 2015). According to the cognitive evolution theory that extrinsic rewards will reduce intrinsic attraction to the task. The existence of a Remuneration Policy is expected to increase intrinsic motivation because in the remuneration system the rewards obtained are the results of employee work, the more work they get, the more remuneration they get.

Research of Pratama and Arik's (2017) states that the remuneration system will increase job satisfaction and lecturer motivation when the remuneration system is implemented according to expectations, it will increase job satisfaction. In addition to the motivational factors that affect lecturer performance, job satisfaction, especially regarding the relationship between the academic community, is a factor that can improve lecturer performance (Slamet, 2019). Yeni Widyastuti (2010), Nur'aeni (2011) in their research which states that high achievement motivation will tend to be high performance.

UPN "Veteran" East Java has only applied remuneration for past year, namely in the year 2019/2020, from the data obtained by researchers, it is found that many educators (lecturers) had excess performance, so that with the remuneration system at UPN Veteran East Java, it is hoped that a sense of fairness, transparency and proportionality for employees in achieving their performance in accordance with the value of remuneration they receive. Because the application of the remuneration system at UPN Veteran East Java is relatively new, of course there are still obstacles that arise, for example from calculating points and indexes per activity, and mismatches in the amount of remuneration received with expectations. which has an impact on their job satisfaction and performance. In this study, it does not examine the remuneration system but rather the remuneration policy which has an impact on the intrinsic motivation of lecturers and job satisfaction and its impact on lecturer performance.

2. RESEARCH METHODOLOGY

This research is an explanatory study with a quantitative approach. In this study, there are four research variables, where each variable has an operational definition as follows:

Remuneration is defined as remuneration for work received by lecturers with the following indicators: a. Remuneration given is appropriate, b. Remuneration received is reasonable, c. Remuneration given is fair, c. Remuneration given is in balance with work results d. The remuneration given is sufficient.

Work motivation is defined as motivation that arises from within a person (intrinsic factor) with Indicator achievements, acknowledgment, the work itself, responsibility, progress, and growth.

Job Satisfaction is defined as a positive attitude towards a job with indicators :

- a. Obtain concentration at work (psychological factors)
- b. Establish good working relationships with superiors and colleagues (social factors)
- c. Can set time (physical factor)

d. Financial factors

Performance (Y) is defined as the results of work in accordance with the responsibilities with indicators

- a. Able to increase work targets and finish on time
- b. Able to minimize work errors
- c. Able to create innovation in completing work
- d. Able to create creativity in completing work

Measurement of research indicator items uses a Likert scale with a score of 1 to 5.

Population and Sampling

The population in this study were all lecturers of UPN "Veteran Jatim" both as officials and ordinary lecturers. The sample used was 114 respondents randomly.

Data collection and analysis methods

Data collection by distributing questionnaires online. Meanwhile, the data analysis method uses Structural Equation Modeling (SEM) with the Partial Least Square (PLS) approach.

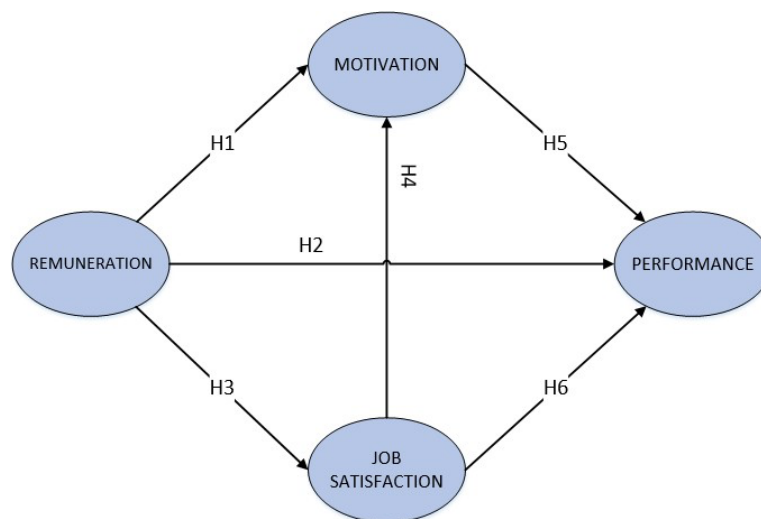


Figure. 1. Conceptual Framework

3. RESULTS AND DISCUSSION

Respondent Characteristics

The characteristics of the respondents in the study were spread across all faculties at UPN Veteran East Java and the descriptions of the respondents are presented in table 1 below:

Table 1: Respondent Characteristics

No	Sample Size (N=114 Respondent)	Description	Total	Percentage
1	Faculty	Faculty of Architecture and Design	11	9.6
		Fakulty of Ekonomik dan Business	32	28.1
		Faculty of Law	15	13.2
		Faculty of Computer Science	2	1.8
		Faculty of Social and Political Sciences	11	9.6
		Faculty of Agriculture	12	10.5
		Faculty of Technical	31	27.2
2	Level	III/a	2	1.8
		III/b	29	25.4
		III/c	20	17.5
		III/d	3	2.6
		IV/a	42	36.8
		IV/b	16	14.0
		IV/c	2	1.8
3	Rank	Asisten Ahli	24	21.1
		Lektor	54	47.4
		Lektor Kepala	27	23.7
		Professor	1	.9
		Lecturers do not have rank	8	7.0
4	Gender	Male	46	40.4
		Woman	68	59.6
5	Education	S2	78	68.4
		S3	36	31.6
6	Lecturer Status	Ordinary lecturer	74	64.9
		Lecturer with Job Assignments	30	26.3
		Lecturer with Study Permit	7	6.1
		Lecturer with Study Assignments	3	2.6
7	Marital Status	Married	95	83.3
		Not Married	19	16.7

Source: Primary data processed

Testing Data

Goodness-of-fit, both the outer model and inner model, must go through a goodness-of-fit test before the authors ensure that the goodness-of-fit research model is fulfilled. This test was carried out using SmartPLS 3.2.8 and the results are summarized and presented in Table 2 below:

Table 2: Summary of Goodness of Fit Test Results

Goodness of Fit		Parameter	Terms	Interpretation
Outer Model	Convergent Validity	Factor Loading	Factor loading for all indicators must be greater than 0.7	Fulfilled Convergent Validity
		AVE	AVE for all variable must be greater than 0,5	
		Cronbach Alpha	Cronbach Alpha all variables must be greater than 0.7	
	Discriminant Validity	Cross Loading	The factor loading of all indicators in one latent variable must be greater than the other latent variable.	Fulfilled Discriminant Validity
Outer Model	Reliability	Composite Reliability	The composite reliability of all variables must greater than 0.7	All variables are considered reliable
	Evaluation R ²	R ² Value	R ² > 0.25	The model is considered Fit

Source: Analysis using SmartPLS V.3.2.8 (Summarized)

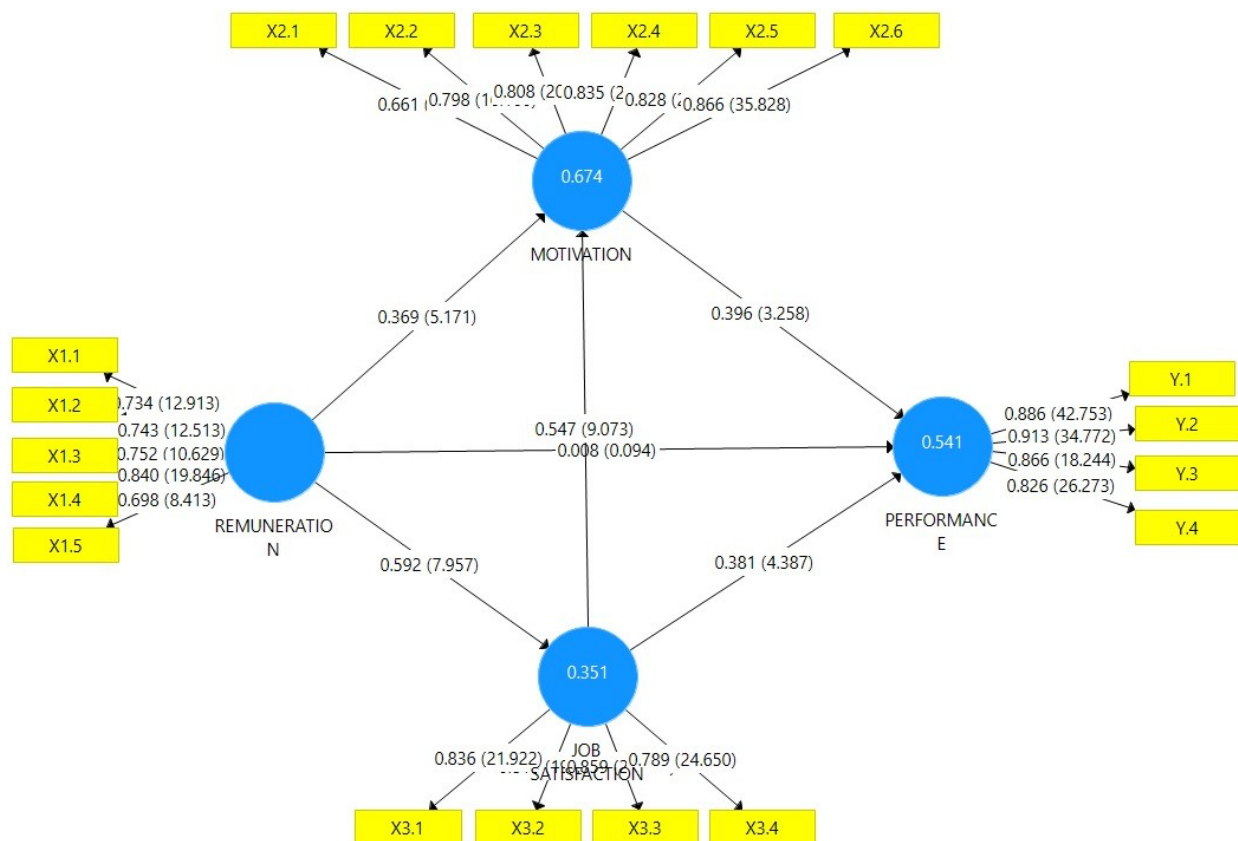


Figure 2: Summary of Calculation of Hypothesis Models

Source: Summary of analysis using SmartPLS at the 0.05 significance level

Table 2 shows that all the goodness-of-fit criteria have been met, both for the outer model and for the inner model. Based on the results of testing in this study, the authors consider the research model to be fit and can be perceived for hypothesis testing (Figure 3), while the results of hypothesis testing can be seen in the following table:

Table 3: Hypothesis Testing (Path Coefficients, T-Statistics, T-Values)

Hypothesis	Path Coefficients	T Statistics	P Values	Decision
H1 Remuneration -> Motivation	0,369	5,300	0,000	Accepted
H2 Remuneration -> Performance	0,008	0,096	0,926	Rejected
H3 Remuneration -> Job Satisfaction	0,592	8,316	0,000	Accepted
H4 Job Satisfaction -> Motivation	0,547	9,138	0,000	Accepted
H5 Motivation -> Performance	0,396	3,294	0,001	Accepted
H6 Job Satisfaction -> Performance	0,381	4,589	0,000	Accepted

Source: Analysis using SmartPLS with a significance level of 0.05 (processed)

From table 3 above it can be concluded that the hypothesis which states:

- H-1. Remuneration has a positive effect on motivation, it can be accepted with the path coefficients of 0.369, and the P-Values value of $0.000 < 0.05$, it is significant (positive).
- H-2 Remuneration has a positive effect on unacceptable performance with path coefficients of 0.008, and the P-Values value of $0.926 > 0.05$, then it is non-significant (positive).
- H-3 Remuneration has a positive effect on job satisfaction. It can be accepted with the path coefficients of 0.592, and the P-Values value of $0.000 < 0.05$, it is significant (positive).
- H-4 Job satisfaction has a positive effect on motivation can be accepted with the path coefficients of 0.547, and the P-Values value of $0.000 < 0.05$, it is significant (positive).
- H-5 Motivation has a positive effect on lecturer performance can be accepted with the path coefficients of 0.396, and the P-Values value of $0.001 < 0.05$, it is significant (positive).
- H-6 Job satisfaction has a positive effect on lecturer performance can be accepted with the path coefficients of 0.381, and the P-Values value of $0.000 < 0.05$, it is significant (positive).

Discussions

Effect of Remuneration toward Intrinsic Motivation

Based on the results of data analysis, it shows that remuneration has a positive and significant effect on institutional motivation, this is indicated by the path coefficient value of 0.369 with a p value (significance) of $0.000 < 0.05$, meaning that the test contribution of the two variables found a value of 36.9%. Referring to the results of these tests, one of the factors for the lecturers' intrinsic motivation can be increased by providing remuneration in line with the responsibility of the institution in providing predetermined rewards. This study is in line with the research of Hameed et al. (2014) and Rizal et al (2014), Nugroho et al (2016) which state that remuneration has a significant effect on motivation.

Effect of Remuneration toward Performance

The results of the path analysis showed that the remuneration had no significant effect on performance, it was indicated by the path coefficient value of 0.008 with a p-value of $0.926 > 0.05$, meaning that the results showed the actual conditions that occurred. In practice, the remuneration system occupies a position as a reward which is expected to trigger performance as remuneration can affect the intrinsic motivation of lecturers. However, the test results show not significant. This explains that although the remuneration given is balanced, appropriate, reasonable, fair, and relative to the lecturers' perceptions but does not affect the lecturer's performance, it can be

explained based on field conditions when the lecturer is able to create creativity, it is more motivated to have a desire to grow, namely develop himself, not because of remuneration. And based on open questionnaires, especially for lecturers who do not hold positions, the majority of them do not understand the amount of rupiah for each point they produce. The research is in line with research by Nugroho et al (2016), which states that remuneration has a significant effect on motivation but has no effect on employee performance. Research by Calvin (2017) states that remuneration has no significant relationship with performance.

The Effect of Remuneration toward Lecturer Job Satisfaction

The results of the path analysis show that remuneration has a significant effect on job satisfaction, it is shown by the path coefficient value of 0.592 with a value of $0.00 < 0.05$. If it is related to the overall remuneration question items, it shows that the test of these two variables has a value of 59.2%, meaning that the higher the remuneration given, the lecturer satisfaction will increase. Based on the biggest loading factor, it shows that when the remuneration obtained is balanced with the work results, the job satisfaction will increase. The results of this study are in accordance with research by Pratama et al (2017) which states that job satisfaction is obtained when expectations are met, namely the rewards they receive in accordance with expectations.

The Effect of Job Satisfaction toward Work Motivation

The result of the path analysis shows that lecturer job satisfaction has a significant positive effect on motivation, it is indicated by a path coefficient value of 0.547 with p-value of 0.000, meaning that the test of the two variables has a contribution value of 54.7%, the higher the level of lecturer job satisfaction, the higher the motivation. based on the biggest loading factor is that the lecturer can set the time to encourage lecturers to grow, it can be explained that when the job satisfaction of the lecturer increases, namely in the case that the lecturer can manage the time, the lecturer will be motivated to develop himself, for example following training, seminars and others, which in the end with self-developer will support its performance. Therefore, the importance of giving assignments to teach lecturers is limited in the number of credits they can provide so that all activities related to the Tri Dharma of Higher Education can be carried out proportionally so that other activities for self-development can also be carried out optimally.

This is in accordance with research. Job satisfaction has a positive effect on performance in line with research by Theresia Linda Eert al (2018) which states that job satisfaction by lecturers can increase motivation and performance, especially the comfort of the work environment, and appreciation for employees.

Effect of Motivation to Performance

The results of the analysis state that motivation has a significant effect on lecturer performance. This is indicated by the path coefficient value of 0.39. When it is related to the overall items in the motivation variable (achievement, recognition, work itself, responsibility, progress, growth) it affects performance by 39%, while the question item which has the largest loading factor, namely growth, can be explained. When the lecturer has a strong desire to develop himself, he will try his best to achieve his goals. This shows that motivation that comes from oneself (intrinsic factor) is high so it can affect the achievement of performance. Conversely, if lecturers have low intrinsic motivation, they tend to be lazy and the performance obtained is only to fulfill the obligations of the Tri Dharma Perguruan Tinggi (fulfilling the BKD). It is important for the leadership of the institution to further motivate the lecturers, for example by being given the opportunity to take part in activities for the self-development of the lecturers themselves, because without financial support and facilities from the institution it can reduce their motivation. Remuneration is a form of encouragement for lecturers to grow with remuneration that is considered equal to their work, so that lecturers will be more motivated to collect points as the basis for providing remuneration. This research is in line with the research of Slamet (2019), Nur'aini (2011) which states that lecturers' work motivation will affect their performance. Rimadias, et al (2016) stated that when lecturers at the Indonesian Banking School performance will increase when the intrinsic factor that can be felt is achieved.

Effect of Job Satisfaction to Performance

The effect of job satisfaction on lecturer performance is 38.1%, this explains that job satisfaction is related to lecturer performance. Job satisfaction can occur in the lecturers of UPN East Java, which is related to psychology, social, physical and financial. Of the several question items the greatest influence of job satisfaction on performance is physical items, namely when they can manage the time they will have time to develop themselves both in terms of innovation and creativity. This research is in line with research conducted by Muhammad Arifin (2017) with lecturer respondents at FKIP UMSU and research by Titik Rosnani (2012) with lecturers at Tanjung Pura University. It is not something new that the Job Satisfaction variable is one of the important variables in the achievement of lecturer performance, this is evident from several similar research results, it is proven that lecturer performance is influenced by their job satisfaction at work.

4. CONCLUSIONS AND RECOMMENDATIONS

The remuneration policy that has been implemented by UPN "Veteran" is able to intrinsically increase the work motivation of lecturers, but the remuneration policy provided has no impact on lecturer performance. But the increased intrinsic motivation of lecturers can improve lecturer performance. The increase in intrinsic motivation of lecturers is influenced by the existence of job satisfaction, and in the end, the increase in job satisfaction also has an impact on lecturer performance.

From the research, several suggestions can be made, for the remuneration policy to be more socialized, especially by socializing the points associated with the tariff per point. In this case, the study program should not burden the lecturers too much in teaching with excessive credits so that their time is only filled with dense teaching hours so that it is difficult for lecturers to manage their time to grow, namely develop themselves, namely there is time and opportunity for training, seminars / workshops and so on. -other. Institutions at both the study program, faculty and university levels have provided opportunities for lecturers to develop, so this must be improved to develop lecturer competence related to training and encourage involvement with activities outside the institution in order to develop lecturer networks and knowledge

Research with exogenous variables of remuneration at UPN Veteran East Java has limitations where the respondents used are heterogeneous, namely all lecturers as ordinary lecturers and lecturers with additional assignments, so for further research it is expected to use research objects that are more focused on ordinary lecturers. Even though the conceptual model as a whole the variables used have a fairly good modeling contribution of 89.76%, there are still opportunities to continue research using other variables such as organizational commitment and lecturer loyalty for the development and advancement of higher education institutions.

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