

## THE EFFECT OF WORK MOTIVATION, COMPENSATION ON PERFORMANCE EMPLOYEES AT THE VILLAGE SERVICE

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### **Abstract**

*Factors that influence the achievement of performance are factors of work motivation and compensation. Motivation is formed from an employee's attitude in dealing with work situations. Motivation is a condition that drives self-directed employees to achieve organizational goals. A mental attitude encourages employees to achieve maximum work performance, so they can achieve maximum performance if they have high work motivation. The research objective was to determine the effect of work motivation on employee performance and compensation on employee performance in the Cisaranten Bina Harapan sub-district. The sampling technique uses saturated sampling, where all population members are used as samples. The sample used is 36 respondents. The data collection method was carried out by distributing questionnaires and data analysis using SPSS. This study shows that work motivation has a positive and significant effect on employee performance, and compensation has a positive and significant effect on employee performance in Cisaranten Bina Harapan village.*

**Keywords:** Work motivation; Compensation; Employee performance.

### **Introduction**

Human resources are an important component in an organization or group where human resources are a determinant of the success of an organization. However, in recent years, government agencies have been seen as institutions that cannot care for things at work. The community thinks that only some of those working in government agencies can serve public complaints. So, this assumption is slowly being corrected by the government's policies to gain the community's trust, provide the best service for the community, and make leaders who are wise and responsible for the community. To be able to survive and develop, the office demands a level of ability, as well as the responsibility from employees.

Nevertheless, besides the demands of employee performance from the organization its employees, the Outreach Service as an organization must also pay attention to factors to improve employee performance. So that the more satisfied the employee, the higher the productivity, discipline and loyalty of the employee to the organization. According to (S. H. Siregar, 2022), a human resource is a strategic approach to skills, motivation, development and management of organizing resources.

<b>How to cite:</b>	Isna Yudistia, Nina Nurani, (2023) The Effect of Work Motivation, Compensation on Performance Employees at The Village Service, (5)1. Equivalent: Jurnal Ilmiah Sosial Teknik. <a href="https://doi.org/10.46799/jequi.v5i1.138">https://doi.org/10.46799/jequi.v5i1.138</a>
<b>E-ISSN:</b>	2775-0833
<b>Published by:</b>	<a href="#">Ridwan Institute</a>

Government offices aim to provide services to the public and, at the same time, become a level for employee performance on an ongoing basis. Employee performance will impact the employee concerned or the organization where he works. According to (PUTRA, 2021), organizational goals will be easily achieved if employees with full awareness work optimally. Someone will tend to work enthusiastically if satisfaction can be obtained from his work.

The Cisaranten Bina Harapan Kelurahan Service is one of the government agencies that carry out government affairs, community empowerment and services as well as public order and peace and the environment in one Kelurahan area as referred to in Article 3 paragraph (1) letter h. The Cisaranten Bina Harapan Village Office is located at JL. Cicukang RT 02 RW 09. L. UPT Arcamanik, Bandung City. This kelurahan serves the community's needs in terms of correspondence, such as making ID cards, birth certificates, land certificates, inheritance certificates, etc. This research also intends to determine whether there is an influence or relationship between each variable.

Rachmansyah (2021) states that motivation is a force that encourages a person to take action or not, which is essentially positive or negative internally and externally. Work motivation is something that gives rise to encouragement or enthusiasm for work. Therefore, motivation is a movement that leads to a goal and is not in vain. According (to Arianti, 2018), work motivation arises from a person's desire, generating passion and desire from within a person.

(Sukidi & Wajdi, 2017) Compensation can be defined as reciprocal services provided to employees as a form of appreciation for their contribution and work to the organization. This compensation can be direct or indirect financial, and the award can also be indirect. Compensation is everything the company gives employees as a form of remuneration for their performance for the company's benefit.

According to Armstrong and Baron (Purnaningrum et al., 2012), performance is the result of work that has a strong relationship with the organization's strategic goals, customer satisfaction and making an economic contribution. It is the high number of employees/personnel who are expected to be able to properly complete the workload given by the organization.

**Table 1. Results of employee performance pre-survey**

No	STATEMENT	S	KS	TS
1	I feel that the quality of my work matches the skills I have	70%	25%	5%
2	I try to complete the work fully with a sense of responsibility to achieve optimal results	85%	15%	0%

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3	I was able to exceed the set targets	80%	18%	2%
4	I have a high work commitment and responsibility in carrying out my duties to the organization	90%	10%	0%

The results of the pre-survey of 15 employees of the Bina Harapan Cisaranten sub-district regarding employee performance were quite good. However, there are still many problems, such as the number of employees who need to match the work assigned by the agency. This causes delays in completing a job, so employee performance is considered less than optimal. So that the lack of staff in the kelurahan is a problem because with much workload, sometimes it is only done by one person. Of course, this could be more effective considering the work that must be completed within the specified target time. This causes employees to feel tired, so they need motivation which is more. So performance is carried out by paying attention to work motivation and compensation for employee performance, which is an important factor in providing optimal performance.

Based on the results of a pre-survey of 15 employees of the Cisaranten Bina Harapan sub-district regarding compensation, it was found that employees experienced compensation such as bonuses that were not under the employees' work while in the field. It was concluded that the bonus did not match the realization that the Health benefits did not match what employees expected.

This compensation is related to the performance produced by employees. The higher the performance produced, the higher the compensation obtained. According to ([E. S. Siregar & Sissah, 2021](#)), compensation is anything that employees receive as remuneration for their work that is balanced with the expectations of employees to meet the need for satisfaction for the achievements that have been achieved and aligned with the strategic objectives of the company's business.

The formulation of the problem from this study is as follows: 1. Is there an effect of work motivation on employee performance at the Cisaranten Bina Harapan Village Office, 2. Is there an effect of compensation on employee performance at the Cisaranten Bina Harapan Village Office, 3? Does work motivation and compensation affect employee performance at the Cisaranten Bina Harapan Village Office?

The purpose of this research is to find out whether there is an effect of work motivation (X1) and compensation (X2) on employee performance (Y). The benefits of this research can determine the effect of work motivation (X1) and compensation (X2) on employee performance (Y).

### Research methods

This study uses a verification quantitative research type method. Reswell suggests that quantitative research is a method for testing theories by examining the relationships between variables. While the verification method, according to ([Ruslan,](#)

2022), is defined as research conducted on certain populations or samples to test the established hypotheses. Variables are measured with research instruments that produce data in the form of numbers and are analyzed with statistical procedures. Uses assumptions to test a theory and controls for alternative explanations to determine whether the predictive generalizations of the theory under investigation can be held. The results of data collection in the field and the statistical analysis tests will partially and simultaneously test the hypothesis regarding the influence of Work Motivation and Compensation.

The unit of analysis of this study is the Cisaranten Bina Harapan Village Office. (Hendrianto, 2015) (Pratama, 2019) argues: "population is a generalized area consisting of objects or subjects that have certain quantities and characteristics set by researchers to study and then draw conclusions." Based on this opinion, the population in this study were employees of the Cisaranten Bina Harapan Village, consisting of 36 ASN and non-ASN employees.

## Results and Discussion

### A. Results

#### 1. Uji Normality

**Table 2. Data Normality Test Results**

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		36
Normal Parameters <sup>b</sup>	Mean	.0000000
	Std. Deviation	2,03666429
Most Extreme Differences	Absolute	.101
	Positive	.072
	Negative	-.101
Test Statistic		.101
Asymp. Sig. (2-tailed)		.200 <sup>c</sup>

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. this is a lower bound of the true significance.

Source: SPSS Data Output Results

Monte Carlo sig value. (2-tailed) = 0.200 > 0.05. The results in the table above show that the significant value is above 0.05, which is 0.200. This means that the residual data is normally distributed so that the influence of work motivation and compensation in the Cisaranten Bina Harapan village can be normally distributed. So there is an influence of work motivation and compensation on employee performance.

## 2. Multicollinearity Test

**Table 3. Multicollinearity Test Results Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients		Sig.	Collinearity Statistics	
	B	Std. Error	Beta	t		Tolerance	VIF
1 (Constant)	13.429	6.111		2.198	.035		
Work motivation	.596	.131	.630	4.549	.000	.960	1.041
Compensation	-.021	.131	-.022	-.161	.873	.960	1.041

a. Dependent Variable: Employee performance

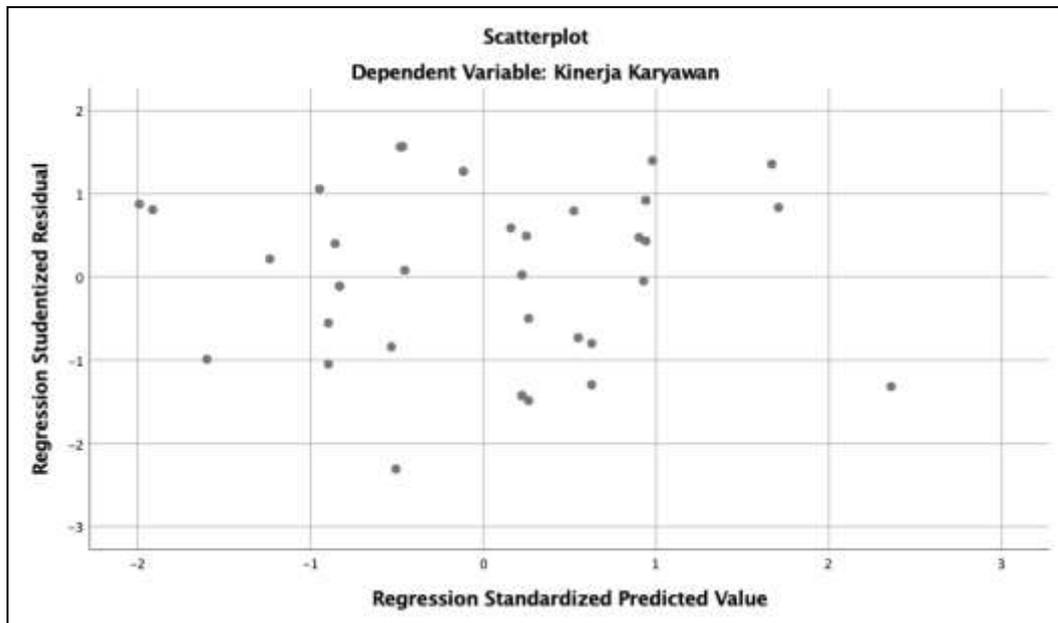
Source: SPSS Data Output Results

The VIF value of the two independent variables = 1.041 < 10.

It can be concluded that there is no multicollinearity, meaning that there is no correlation between the independent variables, namely the variables of work motivation and compensation. A multicollinearity test was carried out to know whether a regression model found a correlation between the independent variables (Ghozali, 2016), so based on table V it is known that the VIF value of the two independent variables = 1.041 < 10, so the data does not occur multicollinearity between work motivation variables and compensation.

## 3. Heteroscedasticity Test

**Table 3. Heteroscedasticity Test Results**



Source: SPSS Data Output Results

The scatterplot graph above shows that the dots spread randomly and are scattered above and below the number 0 (zero) on the Y axis. It can be concluded that the variables of work motivation and compensation do not have symptoms of heteroscedasticity in the regression model used. Used.

4. Correlation Test

**Table 4. Correlation Coefficient Test Results**

Correlations				
		Kinerja Karyawan	Motivasi Kerja	Kompensasi
Pearson Correlation	Kinerja Karyawan	1.000	.766	.885
	Motivasi Kerja	.766	1.000	.820
	Kompensasi	.885	.820	1.000
Sig. (1-tailed)	Kinerja Karyawan	.	.000	.000
	Motivasi Kerja	.000	.	.000
	Kompensasi	.000	.000	.

N	Kinerja Karyawan	36	36	36
	Motivasi Kerja	36	36	36
	Kompensasi	36	36	36

The correlation coefficient between the variables of Employee Performance and Work Motivation is 0.766. This shows a very strong relationship with a positive relationship direction. The greater the Work Motivation, the higher the Employee Performance. The significance level or Sig. (1-tailed) is 0.000 < 0.05, meaning that the relationship between Employee Performance and Work Motivation is significant.

The correlation coefficient between the variables Employee Performance and Compensation is 0.885, which shows a very strong relationship with a positive relationship. The greater the compensation, the higher the employee performance. The significance level or Sig. (1-tailed) is 0.000 < 0.05, meaning that the relationship between Employee Performance and Compensation is significant?

5. Coefficient of Determination

**Table 5. Results of the Coefficient of Determination**

Model Summary					
Model	R	R Square	Adjusted R Square	Std. An error in the Estimate	Durbin-Watson
1	.888 <sup>a</sup>	.789	.776	1.760	2.108

a. Predictors: (Constant), Kompensasi, Motivasi Kerja

b. Dependent Variable: Total\_Y

Based on the summary model, an R of 0.888 is obtained. This value indicates that the degree of strength of the relationship between work motivation and compensation with employee performance is in the high range. Adjusted R Square value = 0.789 means that the contribution of work motivation and compensation variables to employee performance is 78.9%. The remaining 21.1% is influenced by other variables not examined in the study. In other words, 78.9% of the variation in Employee Performance can be explained by Work Motivation and Compensation.

6. Regression Model Fit Test (Test F)

**Table 6. Partial Hypothesis Testing Results (Test F)**

ANOVA <sup>a</sup>						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	381.284	2	190.642	61.515	.000 <sup>b</sup>
	Residual	102.271	33	3.099		
	Total	483.556	35			

a. Dependent Variable: Kinerja Karyawan

b. Predictors: (Constant), Kompensasi, Motivasi

Sig. Value in the table above of  $0.000 < 0.05$ . It can be concluded that Fcount that the multiple linear regression model is feasible to use to explain the effect of Work Motivation and Compensation on Employee Performance; therefore,  $H_0$  is rejected, and  $H_a$  is accepted, meaning that there is a positive and significant influence between work motivation and compensation on employee performance.

7. Regression Coefficient Test (t-test)

**Table 7. Partial Hypothesis Testing Results (T-Test)**

Coefficients							
Model	Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	1.200	3.481		.345	.732	
	Total_X1	.115	.129	.124	.890	.380	3.049

Total_X	.737	.132	.78	5.60	.000	.328	3.0
2			3	2			49

a. Dependent Variable: Kinerja Karyawan

On the variable Work Motivation, the value of Sig. of 0.380 > 0.05. The variable Work Motivation has no significant effect on Employee Performance variables. In the Compensation variable, the value of Sig. of 0.000 < 0.05 is so that it can be concluded that the compensation variable has a positive and significant effect on employee performance variables. The regression coefficient for work motivation is 0.115. The regression coefficient is positive, meaning employee performance will also increase when work motivation increases.

The regression coefficient for compensation is 0.737. The regression coefficient is positive, meaning that when compensation increases, employee performance will also increase. So the regression coefficient (t-test) results show that work motivation and compensation positively influence employee performance at the Cisaranten Bina Harapan Village Office.

**B. Discussion**

Based on the results of statistical testing, the variables of work motivation and compensation have a positive effect on employee performance. The explanation of each variable is as follows.

1. The effect of work motivation on employee performance in the Cisaranten Bina Harapan sub-district office

The results of the hypothesis test obtained Sig. of 0.380 > 0.05. With a magnitude of 0.115 or 11.5%. Thus stating that work motivation does not significantly influence employee performance, work motivation is not the dominant factor in improving employee performance. With this, the level of work motivation does not affect employee performance in the Cisaranten Bina Harapan sub-district. These results are supported where work motivation partially has no positive and significant effect on employee performance. Work motivation is an important factor in improving employee performance.

Motivation is a factor that encourages someone to carry out a certain activity; therefore, motivation is often interpreted as a driving factor for one's behaviour (Jufrizen, 2018).

2. Is there an effect of compensation on employee performance at the Cisaranten Bina Harapan Village Office

The results of testing the second hypothesis stated that the compensation variable obtained the value of Sig. of 0.000 < 0.05. With a fairly high amount of 0.737 or 73.7%. Where the magnitude has an effect So it can be concluded that the compensation variable has a positive and significant effect on the employee performance variable in the Cisaranten Bina Harapan village. So that the

regression coefficient is positive, meaning that when compensation increases, employee performance will also increase. This achievement is in line with the results of Ikhsan (2019), which states that compensation has a positive and significant impact on employee performance. From the answers to the questionnaires that the respondents have filled out, the compensation variable on employee performance shows that the residual data is distributed significantly. This means that the better the competence of employees, the better the performance of employees in the financing section.

Siregar (2022) says that compensation is everything that employees receive as remuneration for their work that is balanced with the expectations of employees to meet the need for satisfaction for the achievements that have been achieved and aligned with the company's strategic business objectives.

3. Is there an effect of work motivation and compensation on employees in the Cisaranten Bina Harapan Village Office

The hypothesis test results showed that work motivation and compensation obtained Sig. in table 10 of  $0.000 < 0.05$ . With a work motivation coefficient of 11.5% and a compensation amount of 73.7%, the relationship between Employee Performance and Work Motivation is significant. Then the effect of work motivation and compensation on employee performance,  $H_0$ , is rejected, and  $H_a$  is accepted, meaning that there is a positive and significant influence between work motivation and compensation on employee performance. These results are supported by research conducted by Sugiono (2021), which also found that work motivation and compensation have a positive effect on employee performance. Until when the compensation increases, the employee's performance will also increase. So the results of the regression coefficients show that work motivation and compensation have a positive influence on employee performance at the Cisaranten Bina Harapan Village Office.

So that the influence of work motivation and compensation in the Cisaranten Bina Harapan sub-district can be normally distributed, which means that there is an influence of work motivation and compensation on employee performance.

C. Managerial Implications

Based on the research that I have done, the managerial implications that can be applied to the Cisaranten Bina Harapan sub-district are as follows:

1. The research results on work motivation variables do not affect employee performance. Aspects of effective work motivation have an impact on employee performance, such as communication, motivation, and knowledge. Therefore employees need to pay more attention to discipline in employee performance, such as predetermined arrival and return times.
2. The results of the research variable compensation have a positive and significant effect on employee performance. When compensation increases,

employee performance will also increase, so the Cisaranten Bina Harapan sub-district office must pay attention to and monitor a series of employee improvements so that they can experience an increase. So that it can motivate employees to improve the performance set.

3. Work motivation and worker's compensation influence employee performance, so it has a significant effect on employee performance; therefore, it is necessary to increase and pay attention to employee performance which is influential for Cisaranten Bina Harapan village employees.

### Conclusion

Work Motivation obtained Sig. of  $0.380 > 0.05$ . With a magnitude of 0.115 or 11.5%. Then the variable of work motivation has no significant effect on the employee performance variable in the Cisaranten Bina Harapan Village.

The compensation is obtained by Sig. of  $0.000 < 0.05$ . With a fairly high amount of 0.737 or 73.7%. So that it has a positive and significant effect on the employee performance variable in the Cisaranten Bina Harapan Village.

Work motivation and compensation positively and significantly affect employee performance because the regression coefficient for work motivation is 11.5%. So that the regression coefficient is positive, meaning that when working motivation increases, employee performance will also increase, and the regression coefficient for compensation is 73.7%. So that the regression coefficient is positive, meaning that when compensation increases, employee performance also increases at the Cisaranten Bina Harapan Village Office.

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