Effect Of Remuneration, Work Motivation and Oganizational Commitment To Job Performance

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Abstract
The real foundation in an organization is performance. If there is no performance, the organizational goals cannot be achieved. Performance needs to be used as evaluation material for leaders or managers. In this article we have developed the influence of remuneration, work motivation and organizational commitment on job performance. From the existing theories and research conducted by several researchers on the relationship between these variables, we argue that remuneration has a significant effect on job performance. Remuneration has a significant effect on work motivation. Organizational commitment has a significant effect on job performance. Remuneration has a significant effect on organizational commitment. And work motivation has a significant effect on job performance.

Keywords: remuneration, work motivation, organizational commitment, job performance.

Introduction
Globalization is a challenge to face increasingly fierce business competition. Employee management which is a human capital determines the success of an organization in facing increasingly competitive business competition, so that it can be achieved, it is necessary to optimize job performance. Mangkunegara (2014: 9), states that performance is the work quality and quantity achieved by an employee in carrying out their duties in accordance with the responsibilities given to him. Optimal job performance can be seen both from the quality and quantity that is indispensable to support the achievement of the goals of the agency or organization and for that it needs support from various factors that affect job performance. Many factors influence job performance. According to Agustiningsih et, al (2016), remuneration significantly and negatively affects performance.

As a supporter to improve job performance, a remuneration program is implemented. In Permendagri Number 61 of 2007 concerning PPK-BLUD Article 50 Paragraph (2): Remuneration as referred to in paragraph (1), is an employee benefit which can be in the form of salary, permanent allowance, honorarium, incentives, bonuses for achievements, severance pay, and / or pension. Remuneration targets encourage increased professionalism and employee performance as well as encouragement not to commit corruption. Clean government as a goal of bureaucratic reform has been mandated by the law. The remuneration grade is the level of benefits that employees receive based on the performance achieved by each employee. Determination of remuneration grade is a step to improve employee performance. With the performance appraisal as an employee performance evaluation material, it is expected that each employee can obtain a remuneration grade in accordance with the work ability of each employee, so that each employee can obtain remuneration benefits based on their abilities.

Factors that are also suspected to affect job performance are work motivation. According to Xia (2008), the motivation of public services has an impact on individual performance. Work motivation is a willingness to issue a high level of effort for organizational goals that are conditioned by the ability of the effort itself to meet several individual needs. Needs occur when there is no balance between what is owned and what is expected.

Another factor that influences the low performance of employees is organizational commitment. Meyer’s research, et al (1993) states that commitment has a positive effect on employee performance.
Organizational commitment is the degree to which an employee identifies himself with a particular organization and its objectives and wishes to maintain its membership in the organization (Robbins, 2010: 40). High commitment to the organization will make employees have a professional attitude and uphold the values agreed upon in their organization.

The purpose of this article is to examine the influence of remuneration on job performance, remuneration on work motivation, organizational commitment on job performance, remuneration on organizational commitment, and the influence of work motivation on job performance.

**Job Performance**

The real foundation in an organization is performance. If there is no performance, the organizational goals cannot be achieved. Performance needs to be used as an evaluation material for leaders or managers. According to Wibowo (2012) performance comes from the word performance which means work results or work performance. But it should also be understood that performance is not just the result of work or work performance, but also includes how the work process takes place.

According to Hasibuan (2012) performance is the result of work achieved by a person in carrying out tasks that are charged to him based on skills, experience and sincerity and time. According to Mathis and Jackson (2011) performance is basically what employees do or don't do. General employee performance for most jobs includes elements of quantity of results, quality of results, timeliness of results, presence and ability to work together.

Performance is the overall value that the company expects from a different set of behaviors that individuals bring to the end of the standard period of time (Calvin, 2017). Employee performance is the behavior or actions of employees related to the goals or objectives of the organization concerned (Qatmeemalmarhoon, et al, 2017). Employee performance is the work quality and quantity achieved by an employee in carrying out their duties in accordance with the responsibilities given to him.

Wibowo (2011) expressed opinions on factors that affect performance, including: (1) personal factors, indicated by the level of skill, competence possessed, individual motivation and commitment; (2) leadership factors, determined by the quality of encouragement, guidance and support made by managers and team leaders; (3) team factors, indicated by the quality of support provided by co-workers; (4) system factors, indicated by the system of work and facilities provided by the organization; and (5) contextual / situational factors, indicated by the high level of pressure and changes in the internal and external environment.

In the opinion of Mangkuprawira and Hubeis (2007), the factors that influence employee performance consist of:

1. **Intrinsic factor**
   - Personal or individual factors, namely knowledge, skills, abilities, confidence, motivation, job satisfaction and commitment that is owned by each individual employee in the organization.

2. **Extrinsic factor**
   - a. The leadership factor includes the quality aspects of the manager and team leader in providing encouragement, encouragement, direction and work support to employees.
   - b. Team factors include aspects of support and enthusiasm given by colleagues in a team, trust in fellow team members, cohesiveness and closeness of team members.
   - c. System factors, including the work system, work facilities or infrastructure provided by the organizational process and work culture in the organization.
   - d. Situational factors, including pressure and changes in the internal and external environment.

**Remuneration**

Remuneration has the literal meaning is "payment" or payroll can also be money or substitution of money determined by certain regulations as a reciprocal of a job and is routine. Remuneration is identified as one of the factors that have an influence on the performance of employees in carrying out their duties. According to Hasibuan (2012) remuneration is all income in the form of money, direct or indirect goods received by employees in return for services provided by the company.
Based on the regulation of the Minister of Finance Number 10 / Pmk.02 / 2006 concerning Guidelines for Determination of Remuneration for Management Officers, Supervisory Board and Employees of Public Service Agencies: Chapter II Remuneration Article 2 paragraph (1), Management Officials, Supervisory Board and Public Service Agency Employees can be given remuneration is based on the level of responsibility and demands of professionalism needed. Paragraph (2): "Remuneration as referred to in paragraph (1) is a service fee that can be in the form of salary, honorarium, permanent allowances, incentives, bonuses for achievements, severance pay and / or pension". Paragraph (3): "Remuneration as referred to in paragraph (2) can be given to the Secretary of the Supervisory Board".

Agustiningsih, et al (2016) stated that remuneration as financial or non-financial received by employees as a result of performance. The results received are divided into direct and indirect remuneration. Calvin (2017) states that remuneration is traditionally seen as individual total income and consists of various separate payments determined according to different rules.

Remuneration is an award or remuneration for services provided to employees (Iswanto, 2007). Furthermore, Muhammad and Toruan (2009) define remuneration as compensation (employee benefits) which can be in the form of salaries, permanent allowances, honorarium, incentives, bonuses for achievements, severance pay or retirement.

According to Siti and Tri (2013) salary is a gift that employees receive on a monthly, weekly, or hourly basis as a result of their work. Meanwhile, according to Suwatno and Priansa (2013), salary is a substitute for the services that workers have given in their work.

In the Law of the Republic of Indonesia Number 43 of 1999 salaries are defined as remuneration and appreciation for the work performance of the relevant Civil Servants. Based on Government Regulation No. 7 of 1997 concerning the Salary Rules of Civil Servants, the structure of employee salaries consists of elements of basic salary, periodic salary increases, special salary increases and benefits.

Work Motivation

According to Hasibuan (2012) motivation is giving the driving force that creates the excitement of one's work so that they are willing to work together, work effectively, and be integrated with all their efforts to achieve satisfaction. Moorhead (2013) defines motivation as a set of forces that cause people to behave in certain ways. Motivation can also be interpreted as a process to try to influence people or people they lead in order to do the job they want in accordance with certain goals set in advance.

The motivation according to Robbins (2010) is the willingness to issue a high level of effort for organizational goals which are conditioned by the ability of the effort itself to meet several individual needs. Needs occur when there is no balance between what is owned and what is expected. Encouragement is a mental force that is oriented towards meeting expectations and achieving goals. And goals are goals or things that an individual wants to achieve.

Senada Wibowo (2013) provides a definition of motivation as strength in a person that influences direction, intensity, and persistence. Workers who are motivated want to use a certain level of effort (intensity), for a certain amount of time (persistence), towards a specific goal (direction). Motivation is one of four important drivers of individual behavior and performance.

From the opinions mentioned above, it can be concluded that work motivation is an urge to act on a series of processes of human behavior by considering the direction, intensity, and perseverance of achieving goals. While the elements contained in motivation include elements of arousing, directing, maintaining, showing intensity, being continuous and having a purpose.

According to Hasibuan (2012) motivational objectives include the following: (1) improving employee morale and job satisfaction; (2) increase employee work productivity; (3) maintaining the stability of the employees of the organization; (4) improve employee discipline; (5) streamline the procurement of employees; (6) creating a good atmosphere and working relationship; (7) increase employee loyalty, creativity and participation; (8) improve the level of welfare of employees; (9)
enhance the sense of responsibility of employees for their duties; (10) improve the efficiency of the use of tools and raw materials.

Moorhead and Griffin (2013) look at motivational theories from several perspectives. Some perspectives according to Moorhead and Griffin are:

1. Perspectives on Need-Based Motivation

The rationale of need-based theory and models is that humans are primarily motivated by deficiencies in one or more important needs or categories of needs. So the need theory assumes that deficiency needs cause behavior. Some theories of motivation are based on needs according to Moorhead and Griffin (2013).

a. Hierarchical of Needs Theory

The hierarchy of needs, which was developed by psychologist Abraham Maslow in the 1940s, is the best known need theory. According to Maslow that in every human being consists of five needs, namely:

1) Physiological needs such as eating, drinking, physical protection, breathing and others. This need is a basic level requirement.
2) The need for security, refers to stability, namely the need for protection from threats of danger, conflict, and the environment. Not only in a physical sense, but also mentally, psychologically, and intellectually.
3) Social needs, namely the need to feel belonging, namely the need to be accepted in groups, affiliated, interacting, and the need to love and be loved.
4) The need for self-esteem or recognition, namely the need to be respected and appreciated by others.
5) The need for self-actualization, namely the need to use abilities, skills, potential, the need to argue, by using ideas, giving an assessment and criticism of something.

b. Alderfer’s ERG theory

The ERG theory states that there are three categories of individual needs, namely existence, relatedness and growth, because it is called the ERG theory, which is:

1) Existence, human needs for food, air, salary, water, working conditions.
2) Linkages, needs for good social and interpersonal relationships.
3) Growth, individual needs to contribute to other people or organizations by empowering their creativity, potential and abilities.

c. Double Structure Theory Frederick Herzberg

Double-structure theory identifies motivational factors, which affect satisfaction and hygiene factors, which determine dissatisfaction. The traditional view of satisfaction states that satisfaction and dissatisfaction are opposite ends of a single dimension. Herzberg’s double-structure theory finds evidence from a more complex view. In this theory, motivational factors influence one dimension, ranging from satisfaction to no satisfaction. Other workplace characteristics, called “hygiene factors”, are assumed to affect other dimensions, ranging from dissatisfaction to dissatisfaction.

d. MC Clelland achievement theory

This theory states that someone working has potential energy that can be utilized depending on the motivational drive, situation, and opportunities that exist. David Mc. Clelland examines three types of needs, namely:

1) Need for achievement

This need arises from the individual’s desire to accomplish goals or tasks more effectively than what was done in the past. Individuals who have a high need for achievement tend to set fairly difficult goals and take more risky decisions.

2) Need for affiliation

Individuals also experience the need for affiliation or human needs, friendships. Researchers recognize several ways in which people with high affiliate needs differ from
those with low needs. Individuals with high needs tend to want reassurance and approval from others and usually sincerely pay attention to other people's feelings.

3) Need for power
The need for power is the desire to control one's environment, including financial, material, information, and human resources.

2. Perspective on Process-Based Motivation
Motivational theory in this process-based perspective relates to how motivation occurs. This perspective focuses on how people behave in their efforts to satisfy their needs.

a. Equity Theory
Justice theory is a motivational theory based on relatively simple thinking that people in organizations want to be treated fairly. Justice theory focuses on the desires of people to be treated with what they perceive as justice and to avoid feeling injustice. Where justice is a belief that we are treated fairly in relationships with others and injustice as a belief that we are treated unfairly compared to others.

b. Expectancy Theory
This theory attempts to determine how individuals choose between alternative behaviors. The rationale of the expectation theory is that motivation depends on how much we want something and we think how likely we are to get it. Expectation theory is a model of employee motivation in the most complex organizations. A key component of expectation theory is business expectations for performance, performance-to-outcome expectations, and outcomes, where each has a corresponding valence. These components interact with effort, environment, and the ability to determine an individual's performance.

3. Perspectives on Learning-Based Motivation
Learning is another key component in motivating employees. Learning is a relatively permanent change in behavior or potential behavior resulting from direct or indirect experience. The following theories are included in the learning perspective:

a. Reinforcement Theory
Inaugural theory states that behavior is a function of its consequences, where this theory is based on cause and effect. As for the types of strengthening in organizations:
1) Positive reinforcement is an award or other desired consequence that a person receives after displaying behavior.
2) Avoidance or negative reinforcement is an opportunity to avoid or to escape unpleasant conditions after displaying behavior.
3) Extinction decreases the frequency of behavior, especially behavior that was previously rewarded. If appreciation is drawn to behavior that was previously strengthened, the behavior may be reduced in frequency and eventually disappear.
4) Punishments such as extinction, also tend to reduce the frequency of undesired behavior.

According to Gomez (2008: 181) which is classified on factors that influence individual motivation, namely needs, goals, attitudes, and abilities. Whereas those classified as organizational factors include pay, co-workers, supervisor, praise, and job itself.

Whereas according to the link model of reward with achievement in Siagian (2008: 294) the motivation of an employee is strongly influenced by internal and external factors. Which includes internal factors are: (1) one's perception of themselves; (2) self-esteem; (3) personal expectations; (4) needs; (5) desire; (6) job satisfaction; and (7) work performance produced. While external factors that influence a person's motivation include: (1) the type and nature of work; (2) work groups where someone joins; (3) workplace organization; (4) general environmental situation; (5) the reward system that applies and how to implement it

Organizational Commitment
Wibowo (2012) defines commitment is the feeling of identification, loyalty and involvement shown by workers to the organization or organizational unit. Commitment to the organization
involves three attitudes, namely: (1) feeling of identification with the goals of the organization; (2) feeling of involvement in organizational tasks; and (3) feelings of loyalty to the organization. Organizational commitment is an important behavioral dimension that can be used to assess the tendency of employees to survive as members of an organization.

Organizational commitment is the degree to which an employee identifies himself with a particular organization and its objectives and wishes to maintain its membership in the organization (Robbins, 2010). According to Sopiah (2008) organizational commitment as partisanship and employee loyalty to the organization and organizational goals.

**Remuneration on Job Performance**

One of the objectives of providing remuneration is basically to provide motivation and value for justice for every employee to compete in a healthy manner to provide optimal performance to better achieve and bring a good image of the organization in the eyes of society. Therefore, this remuneration “payroll” system has a big role in motivating employees to provide high performance and goals determined by the organization.

This is relevant to the results of Calvin (2017) research which states that remuneration has a positive and significant effect on employee performance. Mohammad’s (2016) research results also show that partially the remuneration variable has a positive influence on employee performance. Hiqma, et al (2016) in his study showed that remuneration had a significant and negative effect on AR supervision performance.

Research on employee performance was also carried out by Risni, et al (2014) showing that together (simultaneously) independent variables (remuneration, motivation, and job satisfaction) affected the performance of the Samarinda High Religion Court employees. But partially the remuneration variable is not proven to have a significant effect on employee performance. According to Agustiningsih et, al (2016), remuneration significantly and negatively affects performance. Research conducted by Bernsten et, al (2010), and Schmitz (2013) shows that remuneration has a significant effect on employee performance.

*Proposition 1: remuneration has a significant effect on job performance.*

**Remuneration on Work Motivation**

One of the goals of providing compensation is motivation. If the remuneration given is quite large, then a boss will be lighter to motivate his subordinates. Work motivation is a capital in moving and directing employees or workers to be able to carry out their respective duties in achieving the goals with full awareness, excitement, and responsibility.

If an employee feels that the reward / remuneration provided by the agency is comparable to that expected by the employee, then it will motivate the employee to further advance his performance. Without work motivation in a person, it is likely that the results obtained will be inadequate. This is relevant to the results of research by Mukhti and Fachruddin (2016), which states that remuneration has a positive and significant effect on motivation in public services. Cahyanugroho et, al (2016) also show remuneration has significant effect toward employee motivation.

*Proposition 2: remuneration has a significant effect on work motivation.*

**Organizational Commitment to Job Performance**

Organizational commitment can be used to predict professional activity and work treatment. Organizational commitment will encourage a person to behave positively, discipline in work, adhere to organizational policies and regulations, establish good relations with colleagues, and improve work performance Affective commitment occurs when employees want to be part of the organization because of an emotional bond.

Through the cultivation of strong organizational commitment in employees, it can create good employee performance. Many leaders assume that organizational goals cannot be achieved if
organizational commitment is not firmly embedded in employees. The opportunity to discuss ideas and opinions can increase the sense of ownership of employees and their performance.

According to Mahmudi (2010: 20), one of the factors that affect performance is composed of personal / individual factors, namely the commitment that is owned by each individual. This is relevant to the results of Wirmayani's research (2014) stating that organizational commitment has a significant effect on employee performance. Meyer’s research, et al (1993) states that commitment has a positive effect on employee performance. Murgiano et, al (2016) states that commitment has a significant influence on employee performance. Bandula and Jayatilake (2016), Khan et, al (2010) stated that employee commitment has a positive and significant effect on employee performance.

Proposition 3: organizational commitment has a significant effect on job performance.

Organizational Commitment to Work Motivation

The factor that drives employees to excel in their work is the commitment to the organization where they work. A high commitment to the organization can be interpreted as a high level of loyalty (loyalty) to the organization that employs it. Organizational commitment to employees can be demonstrated in several ways including caring for emotions, work and goodness physically at all levels, paying attention to job satisfaction and employee development, lack of agreement and fairness, and financial compensation aimed at increasing employee motivation.

This is relevant to the results of Kristine’s research (2017) stating that organizational commitment has a positive and significant influence on work motivation. Research by Farida, et al (2016), Hadiwijaya and Hanafi (2013) states that organizational commitment has a positive and significant effect on work motivation. Murgianto, et al (2016) also found the dominant variable in influencing work motivation is commitment.

Proposition 4: organizational commitment has a significant effect on work motivation.

Remuneration on Organizational Commitments

The implementation of the remuneration system for employees is intended so that all organizational stakeholders can improve their professionalism and performance, which in turn can improve service performance to the community. The purpose of implementing the remuneration system is to motivate employees to have a high commitment to work by complying with all applicable rules and regulations, building a solid work team, demonstrating the performance expected by the organization and encouraging employee motivation to build organizational competence on an ongoing basis.

Proposition 5: remuneration has a significant effect on organizational commitment.

Work Motivation on Employee Performance

Motivation becomes important for employees, employees who are motivated will feel happier, healthier and want to come to work. Lack of employee motivation can have a serious impact on the level of absenteeism and employee involvement. Motivation is an encouragement that can arise from outside or from within the employee itself to carry out certain activities or work. Motivation can also take the form of several things, including through compensation, security, and care given by the company or leadership to employees. Every human being has a desire to fulfill needs and if those needs have not been fulfilled, humans will continue to strive to fulfill them, so that they will affect themselves to increase their motivation. Someone who has high motivation will automatically have a great urge to do the job as well as possible in order to achieve goals and more than that as the work done, the performance of your employees will increase because of it.

This is relevant to the results of the research by Risni, et al (2014) which shows that motivation variables have an effect on employee performance. The results of Wirmayani's research (2014) also show that motivation has a significant effect on employee performance. Murgianto, et al (2016) found that after implementing a single door integrated service has improved employee performance because work motivation can mediate the influence of job satisfaction on employee performance. The
dominant variable in influencing employee performance is motivation, then satisfaction, commitment, and competence.

Qatmeemalmarhoon, et al (2017) shows that motivation has a positive effect on employee performance and commitment. Commitments, and independent variables (motivation), are shown the greatest impact on employee performance, rather than employee commitment. According to Xia (2008), the motivation of public services has an impact on individual performance. Sujana (2011) in his study also found that motivation has an effect on performance, the motivation of employees is higher, so that higher is produced ..

*Proposition 6: work motivation has a significant effect on job performance.*

**Conclusion**

In this article we have developed the influence of remuneration, work motivation and organizational commitment on job performance. A study of job performance needs to be carried out, because if there is a decrease in job performance it can affect the performance of the organization. Performance degradation requires solving because it can harms the agency itself in achieving the organization’s vision, and is very likely to result in a decline in totality of organizational performance because the bad performance of the organization is a reflection of employee performance.

From the existing theories and research conducted by several researchers on the relationship between these variables, we argue that remuneration has a significant effect on job performance. Remuneration has a significant effect on work motivation. Organizational commitment has a significant effect on job performance. Remuneration has a significant effect on organizational commitment. And work motivation has a significant effect on job performance.

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문헌 참조.