



Research Paper

# Analysis of the Effect of Job Satisfaction and Compensation on Employee Performance Through Work Spirit

Surya Dewi, Harsono, BogeTriatmanto

(University of Merdeka Malang, Indonesia)

Correspondence Author: Surya Dewi

**ABSTRACT:** This study aims to analyze the effect of Job Satisfaction and Compensation on Employee Performance through Work Morale, analyze the effect of job satisfaction and compensation on employee performance, analyze the effect of job satisfaction and compensation on work morale, analyze the effect of work morale on employee performance, and analyze the effect of job satisfaction and compensation on employee performance through work morale. The number of samples in this study were 90 respondents. The analysis technique uses path analysis. The results of the analysis show that job satisfaction and compensation have an effect on employee performance. Job satisfaction has no effect on morale, compensation affects work morale. Work Morale affects Employee Performance. Morale is not proven to mediate the effect of Job Satisfaction and Compensation on Employee Performance

**KEYWORDS:** Job Satisfaction, Compensation, Morale, Employee Performance

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## I. INTRODUCTION

An organization is founded because it has a goal that it wants and must achieve. In order for agency activities to run well, it must have knowledgeable and highly skilled human resources and efforts to manage the organization as optimally as possible so that its performance increases. Good performance is optimal performance, namely performance that is in accordance with agency standards and supports the achievement of organizational goals. In order to improve organizational performance, employee performance is the main thing in encouraging the improvement of an organization's performance. In order to achieve high performance, organizational leaders must pay attention to morale. Morale is a mental attitude that is able to provide encouragement for employees to be able to work faster, harder and better. High employee morale can affect work efficiency and work effectiveness. The results of the research of Hafiz et al. (2019), Nasution (2019), Kusmana (2019) found that work morale had an effect on performance.

Employee performance is not optimal, one of which is due to the wrong placement of competencies that are not in accordance with the fields served, this ultimately has an impact on poor service to the community. In addition, employee performance is not optimal, namely because employees have limited abilities, and there is an excess number of employees. The performance of an employee, one of which can be seen from his work spirit. The performance of a good employee will be shown with enthusiasm for work where an employee who has a high morale will have work discipline and a high spirit of cooperation. Meanwhile, employees who have low morale will tend to cause various problems such as lazy, lack of discipline, quickly feel bored at work and so on.

High or low employee morale is strongly influenced by various factors. Factors that can affect employee morale include job satisfaction and compensation. Job satisfaction affects work morale, because if an employee feels happy or satisfied at work, it will make the employee more comfortable in the office, more active at work and more obedient to the applicable regulations. The results of research by Rehatta (2016), Johan and Haderah (2020) found that job satisfaction had an effect on work morale.

One of the factors that can affect the morale and performance of employees at the DPRD Secretariat of Malang Regency is job satisfaction. There are still employees who are often late, are lazy at work, carry out activities that are not related to work or often leave the office, indicating that there are still problems with

employee job satisfaction. The results of research by Muslimin (2020), Suntari and Rasto (2018), Herlina et al. (2019) and Tentama (2015) found that job satisfaction has an effect on performance.

There are several variables that affect employee performance and employee morale, in addition to job satisfaction, namely compensation. Compensation plays an important role in increasing employee morale, as it is known that compensation is the entire remuneration received by employees from the agency in return for the work of employees in the agency which is the goal of employees mobilizing all abilities, energy and thoughts. Nitisemito (2010: 92) suggests that compensation can bind employees not to leave the company, in other words compensation has a positive relationship with morale because the high and low employee morale is influenced by the size of the compensation received. The greater the compensation provided by the company, the morale of employees in carrying out their obligations will be higher, on the contrary if the compensation provided by a small company, the morale of employees in carrying out their obligations will be lower (Robbins, 2012: 32). The results of the research by Supriyati et al. (2020), Yani (2018), Jaya et al. (2017), and Kusdinar et al. (2020) proves that compensation has an effect on work morale. The results of the study by Handoko et al. (2021), Kurniawan et al. (2020) and Leonu et al. (2017) prove that compensation has an effect on performance. However, it is different from the results of the research by Mundakir and Zainuri (2018) which found that compensation does not affect performance. On the other hand, if the compensation is given by a small company, the morale of employees in carrying out their obligations will be lower (Robbins, 2012: 32). The results of the research by Supriyati et al. (2020), Yani (2018), Jaya et al. (2017), and Kusdinar et al. (2020) proves that compensation has an effect on work morale. The results of the study by Handoko et al. (2021), Kurniawan et al. (2020) and Leonu et al. (2017) prove that compensation has an effect on performance. However, it is different from the results of the research by Mundakir and Zainuri (2018) which found that compensation does not affect performance. On the other hand, if the compensation is given by a small company, the morale of employees in carrying out their obligations will be lower (Robbins, 2012: 32). The results of the research by Supriyati et al. (2020), Yani (2018), Jaya et al. (2017), and Kusdinar et al. (2020) proves that compensation has an effect on work morale. The results of the study by Handoko et al. (2021), Kurniawan et al. (2020) and Leonu et al. (2017) prove that compensation has an effect on performance. However, it is different from the results of the research by Mundakir and Zainuri (2018) which found that compensation does not affect performance. The results of the study by Handoko et al. (2021), Kurniawan et al. (2020) and Leonu et al. (2017) prove that compensation has an effect on performance. However, it is different from the results of the research by Mundakir and Zainuri (2018) which found that compensation does not affect performance. The results of the study by Handoko et al. (2021), Kurniawan et al. (2020) and Leonu et al. (2017) prove that compensation has an effect on performance. However, it is different from the results of the research by Mundakir and Zainuri (2018) which found that compensation does not affect performance.

In general, the performance of the Malang Regency DPRD Secretariat Employees is good when viewed from the agreed work agreement, the average employee performance target is 80 percent, but it can still be optimized again with employee job satisfaction, morale and additional compensation in the form of additional income outside of salary. such as the implementation of Malang Regent Regulation Number 8 of 2020 concerning Provision of Additional Income to Civil Servants within the Malang Regency Government.

## **II. LITERATURE REVIEW**

### **1. Performance Theory**

Employee performance according to Robbins (2012:260) is the result of work both in quality and quantity achieved by employees in carrying out tasks according to the responsibilities given. Mathis and Jackson (2012:378) define performance as what employees do or don't do. Furthermore, Mangkunegara (2009:67), "The term performance comes from the word Job Performance or Actual Performance (work achievement or actual achievement achieved by someone). Understanding performance (work achievement) is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him.

### **2. Work Spirit Theory**

Work spirit according to Hasibuan (2009: 94) is "the desire and sincerity of a person to do his job well and be disciplined to achieve maximum work performance". Furthermore, Soedarso (2015:104) defines morale as "reflecting the condition of employees in their work environment, if the morale is good then the company gets benefits, such as low absenteeism, small turnover of employees and increasing labor productivity".

### **3. Job Satisfaction Theory**

Siagian (2012: 295) argues that job satisfaction is a way of looking at someone, both positive and negative in their work. Many factors need to be considered in analyzing a person's satisfaction. If a person has a lot of autonomy or action in his work, there is variety, makes an important contribution to the success of the

organization and the employee gets feedback about the results of the work he does, the person concerned will feel more satisfied.

#### 4. Compensation Theory

Sedarmayanti (2011: 239) defines compensation as everything that employees receive as compensation for their work. Kadarisman (2014:3) suggests the importance of compensation for employees, influencing employee performance and behavior. To attract people to work for certain organizations/companies, to get employees to come and go to work on time, to motivate employees to work harder, be disciplined, and develop their competencies, the organization/company needs to reward employees who have sacrificed their time, energy, abilities, and skills so that employees feel satisfied because their efforts are appreciated.

### III. RESEARCH METHODS

#### 1. Variable Operational Definition

##### 1. Job satisfaction

Job satisfaction is an employee's response to the work achieved, with indicators: Job content, Opportunities for advancement, and Job conditions.

##### 2. Compensation

Compensation is the remuneration received by employees for services provided to the agency, with the following indicators: Eligibility, Fairness and Accuracy

##### 3. Spirit at work

Morale is the ability of employees to work together diligently and consistently in achieving common goals. The indicators of morale are as follows: Implementation of tasks, absenteeism rate, and Working comfort

##### 4. Employee Performance

Employee performance is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities assigned to him, which is measured by the following indicators: Quality of work, Quantity of work results, and Timeliness.

#### 2. Population and Sample

The population in this study were employees of the Malang Regency DPRD Secretariat, amounting to 91 people. The sample was taken using a census so that 91 employees became the object of research.

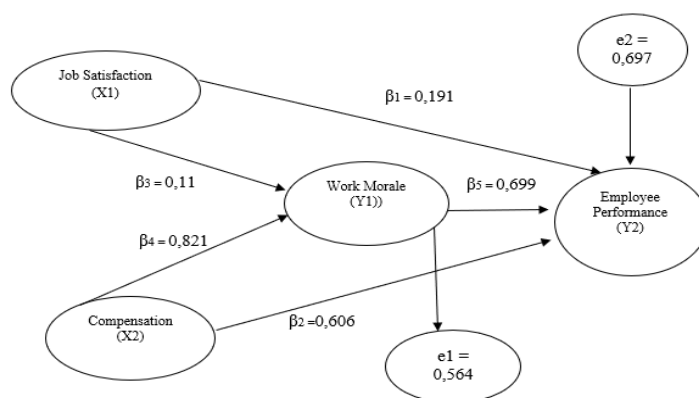
#### 3.3. Data analysis technique

The analysis techniques in this study are as follows: descriptive analysis and path analysis. Descriptive analysis used is tabulation of data which is then carried out with the frequency distribution of research variables from questionnaires that have been filled out by respondents. Path analysis is a model similar to multiple regression model. Path analysis (on the beta values that make up the structure).

### IV. RESULTS AND DISCUSSION

#### 1. Results

Of the questionnaires distributed to 91 respondents and who answered as many as 90 employees. Then the results of the analysis are presented in the following figures and tables:



**Figure 1. Path Analysis Results**

**Table 1**  
Summary of Model Parameter Estimation Results

Model	Regression Coefficient	t value	R Square (R <sup>2</sup> )	Sig.	Information
The Effect of Job Satisfaction (X1) and Compensation (X2) on Work Morale (Y1)					
Job Satisfaction (X1)	0.11	0.155	0.682	0.877	Not significant
Compensation (X2)	0.821	11,932		0.000	Significant
The Influence of Work Morale (Y1) on Employee Performance (Y2)					
Work Spirit (Y1)	0.699	3,170	0.489	0.000	Significant
Effect of Job Satisfaction (X1), Compensation (X2) on Employee Performance (Y2)					
Job Satisfaction (X1)	0.191	2,241	0.514	0.028	Significant
Compensation (X2)	0.606	7,116		0.000	Significant

**a. Hypothesis test**

**a. Hypothesis Test 1**

The beta coefficient of Job Satisfaction is 0.191 and the t-value is 2.241 and the p-value is 0.028 smaller than  $p = 0.05$  (= 5%), which means that job satisfaction has a significant effect on employee performance. The compensation beta coefficient is 0.606 and the t value is 7.116 and the p value is 0.000 which is smaller than  $p = 0.05$  (= 5%), which means that compensation has a significant effect on employee performance. Thus, the first hypothesis which states that job satisfaction and compensation has a significant effect on employee performance is tested statistically.

**b. Hypothesis Test 2**

The value of the beta coefficient of job satisfaction is 0.11 and the t-value is 0.155 and the p-value is 0.877 which is greater than  $p = 0.05$  (= 5%), which means that competence has no significant effect on morale. The compensation beta coefficient is 0.821 and the t value is 11.982 and the p . value 0.000 which is smaller than  $p = 0.05$  (= 5%), which means that compensation has a significant effect on work morale. Thus the second hypothesis which states that job satisfaction and compensation has a significant effect on work morale is not tested statistically.

**c. Hypothesis Test 3**

The beta coefficient of Work Morale is 0.699 and the t-value is 3.170 and the p-value is 0.000 which is smaller than  $p = 0.05$  (= 5%), which means that work spirit has a significant effect on employee performance, so the third hypothesis states that work morale has a significant effect. on Employee Performance was tested statistically.

**d. Hypothesis Test 4**

The results of the analysis show that work morale is not proven to be able to mediate the variables of Job Satisfaction and Compensation on Employee Performance, because the value of direct influence (0.191) is greater than the total value of indirect influence (0.077). Morale is proven to mediate the compensation variable on employee performance, because the total value of the direct effect (0,606) is greater than the indirect effect (0.573). Thus the fourth hypothesis which states that job satisfaction and compensation has a significant effect on employee performance through work morale is not tested statistically.

**b. Discussion**

**a. The Effect of Job Satisfaction and Compensation on Employee Performance**

In this study, the results of the analysis showed that job satisfaction had an influence on employee performance, which indicated that job satisfaction of employees of the Malang Regency DPRD Secretariat succeeded in improving performance. Working conditions have the greatest influence on employee performance because at the Malang Regency DPRD Secretariat each employee synergizes and always helps each other between employees not only in one section but also across sections.

Employees of the Malang Regency DPRD Secretariat get a salary that is in accordance with their work, additional income, Holiday Allowance, BPJS Health. The salary and benefits obtained can provide

encouragement to employees so that they can increase responsibility and timeliness in carrying out their duties. This is proven to improve employee performance. The satisfaction that arises from the salary and allowance facilities has succeeded in improving the performance of the Malang Regency DPRD Secretariat employees.

The results of this study are supported by previous research, Kurniawan et al. (2020) found that Job Satisfaction and Compensation had a positive and significant effect on employee performance. Another opinion was also expressed by Muslimin (2020) who revealed that work compensation has a positive and significant effect on employee performance and job satisfaction has a positive effect on employee performance.

b. The Effect of Job Satisfaction and Compensation on Work Morale

In this study, the results of the analysis showed that job satisfaction was proven to have no effect on work morale, which means that without job satisfaction, employees are still eager to carry out their duties, because at the Malang Regency DPRD Secretariat it has been determined the working hours of target employees for completion of work and the existence of a diary. employees who are applied to both civil servants and honorary so that all employees tend to be eager to complete their work.

This is different from the results of research conducted by Rehatta (2016) which states that job satisfaction has a positive and significant effect on work morale.

Compensation is proven to have an effect on employee morale. With the increase in honorary salaries in accordance with the Regency Minimum Wage and the Malang Regent Regulation Number 8 of 2020 concerning Provision of Additional Income to Civil Servants within the Malang Regency Government. Where in the regulation additional income is given in accordance with the analysis of the position and workload. In addition, health insurance is also provided to all employees of the Malang Regency DPRD Secretariat, both civil servants and honorary employees.

The results of this study are supported by Supriyati et al. (2020), Yani (2018), Jaya et al. (2017) and Kusdinar et al. (2020) which proves that compensation has an effect on work morale. Together, Job Satisfaction (X1) and Compensation (X2) have an effect on Work Morale (Y1) by 68.2% while the remaining 31.8% is a contribution from other variables.

c. The Influence of Work Morale on Employee Performance

The results in this study obtained analysis results which showed that there was an influence of work spirit on employee performance, which means that work morale had an effect on employee performance if it was supported by compensation applied to the Malang Regency DPRD Secretariat in the form of adequate salary, additional income, facilities and recognition that had been successful. in increasing morale. Satisfaction in employees for the compensation they receive increases morale in complying with regulations, both time rules and regulations in working relationships. With the work spirit that arises in employees, employees can work optimally.

This is supported by research conducted by Hafiz et al. (2019), which found that work discipline and morale had a significant effect on employee performance. In addition, Nasution (2019) also revealed that remuneration and work spirit affect employee performance.

d. The Effect of Job Satisfaction and Compensation on Performance through Work Morale.

The results of this study obtained analysis results that prove that compensation is more dominant in influencing work morale and work morale is more dominant in influencing employee performance.

Job satisfaction and compensation have a greater direct effect on employee performance than the indirect effect through morale. This means that morale is not proven to mediate the effect of job satisfaction and compensation on performance.

## **V. CONCLUSIONS AND SUGGESTIONS**

### **1. Conclusion**

Based on the results of the research and discussion conducted, the following conclusions can be drawn:

1. Job satisfaction significant effect on employee performance. This indicates that the amount of employee job satisfaction achieved can improve employee performance. Furthermore, compensation has a significant effect on employee performance. This shows that the compensation given to employees can improve employee performance.
2. Job Satisfaction no significant effect on Work Morale. This shows that Job Satisfaction of the Malang Regency DPRD Secretariat employees has no effect in increasing work morale. Furthermore, compensation has a significant effect on employee morale. This indicates that the compensation given can affect morale.



3. Work morale has a significant effect on employee performance. This indicates that employee morale can affect employee performance more optimally.
4. Job satisfaction, compensation and work morale have a significant effect on employee performance, but work morale cannot mediate the effect of job satisfaction and compensation on employee performance.

## **2.5. Suggestion**

Based on the conclusions described above, the authors can provide suggestions, including:

1. Employee job satisfaction from the content of the work given and work comfort is quite good in its implementation. For organizations, it can improve employee cooperation so as to improve employee performance optimally.
2. Organizations can improve employee performance by improving morale through compensation given to employees.
3. For further researchers, other variables that affect employee performance can be added, which are not examined in this study, for example work discipline, leadership style, organizational culture, and work motivation.

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