

DOKUMEN KORESPONDENSI
ARTIKEL JURNAL INTERNASIONAL BEREPUTASI

Nama Pengusul : Dr. S Martono, M.Si.

NIP : 196603081989011001

Fakultas : FE UNNES

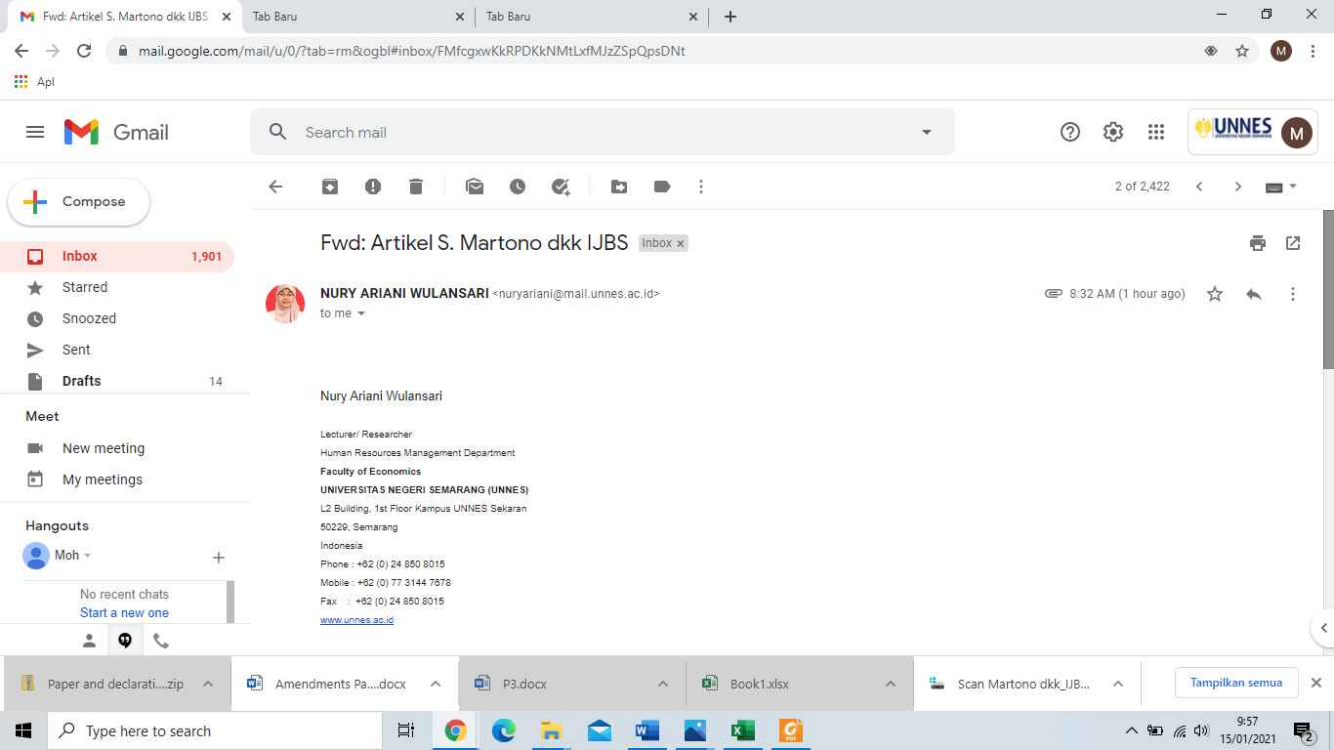
Nama Jurnal :

International Journal of Business and Society

Judul Paper :

REMUNERATION REWARD MANAGEMENT SYSTEM AS A DRIVEN FACTOR OF EMPLOYEE PERFORMANCE

LAMPIRAN I



Gmail

Search mail



Compose

- Inbox 1,901
- Starred
- Snoozed
- Sent
- Drafts 14

Meet

- New meeting
- My meetings

Hangouts

Moh +

No recent chats
Start a new one

Fwd: Artikel S. Martono dkk IJBS Inbox x



NURY ARIANI WULANSARI <nuryariani@mail.unnes.ac.id>
to me

8:32 AM (1 hour ago) ☆ ↶ ⋮

Nury Ariani Wulansari

Lecturer/ Researcher
Human Resources Management Department
Faculty of Economics
UNIVERSITAS NEGERI SEMARANG (UNNES)
L2 Building, 1st Floor Kampus UNNES Sekaran
50220, Semarang
Indonesia
Phone : +62 (0) 24 850 8015
Mobile : +62 (0) 77 3144 7878
Fax : +62 (0) 24 850 8015
www.unnes.ac.id

- Paper and declarati....zip
- Amendments Pa....docx
- P3.docx
- Book1.xlsx
- Scan Martono dkk_IJB...
- Tampilkan semua

- Compose
- Inbox 1,903
- Starred
- Snoozed
- Sent
- Drafts 14
- More

- Meet
- New meeting
- My meetings

- Hangouts
- Moh +



----- Forwarded message -----
 From: **NURY ARIANI WULANSARI** <nuryariani@mail.unnes.ac.id>
 Date: Thu, Oct 19, 2017 at 1:44 PM
 Subject: Artikel S. Martono dkk IJBS
 To: Irwan Trnugroho <irwan.trnugroho@gmail.com>

Prof...
 maafkan karena aku salah memahaminya. jika sudah terlambat untuk diproses kuterima resikonya

Nury Ariani Wulansari
 Lecturer/ Researcher
 Human Resources Management Department
 Faculty of Economics
UNIVERSITAS NEGERI SEMARANG (UNNES)
 L2 Building, 1st Floor Kampus UNNES Sekaran
 50229, Semarang
 Indonesia
 Phone : +62 (0) 24 850 8015
 Mobile : +62 (0) 77 3144 7678
 Fax : +62 (0) 24 850 8015
www.unnes.ac.id



Reply Forward

No recent chats
 Start a new one

Remuneration Reward Management System as a Driven Factor of Employee Performance

S. Martono
Universitas Negeri Semarang

Moh. Khoiruddin
Universitas Negeri Semarang

Nury Ariani Wulansari
Universitas Negeri Semarang

ABSTRACT

Reward management system has been an important point of attention in any organization as a defining factor of employee's high welfare and performance. This research studies the influence of remuneration reward system on employee performance through motivation and job satisfaction as the mediation variable. The data in this research was taken from Universitas Negeri Semarang's permanent employees amounting to 403 employees. SEM tests are proposed in order to examine the influence of remuneration reward system, motivation, and job satisfaction either directly or indirectly on performance. The mediating roles of motivation and job satisfaction are measured to be an indirect relation intermediary. The results showed that remuneration and job satisfaction have a positive influence on performance. Furthermore, motivation and job satisfaction are found to be significantly positively influenced by remuneration. However, the direct effect of motivation on performance is not supported. Motivation can improve employee performance, by becoming the mediation variable of remuneration reward system. This study shows that motivation and satisfaction are the variables that can mediate the relationship between remuneration and employee performance

Keywords: Management Reward System, Remuneration, Motivation, Job Satisfaction, Performance.

1. INTRODUCTION

One of Universitas Negeri Semarang's goals in its 2015-2019 Business Strategy Plan is to organize and develop institutional governance addressed towards stakeholder welfare by following good university governance principles. Universitas Negeri Semarang with its academic and organizational management autonomies should be capable of bringing about welfare for its stakeholders, in particular its employees, to allow them to develop their performance professionally and to be more productive. The implementation of remuneration reward system which have been applied for two years in this university is a part of the strategy to achieve that goal which is expected to finally results in the achievement of institutional accreditation improvement. The institutional accreditation improvement means that there has been an improvement of excellence in the fields of high-quality, conservation value-based education, research, and services to the society to develop a globally competitive national civilization.

Corresponding author: Management Department, Universitas Negeri Semarang, Semarang, 50229 Indonesia. Email: nuryariani@mail.unnes.ac.id

Within organization management autonomy context, university is committed to be able to independently develop a management which integrates all of these fields by applying the good university governance principles, performing an effective organization administration, HRM practices, financial management, and exploring income generating alternatives to support university's visions to be a world-class university. Martono et al. (2015) research results recommend the need to integrate financial system and HR through the implementation of merit-based reward system. Remuneration as a part of finance-based reward management system has been applied to all Universitas Negeri Semarang permanent employees since 2014, yet until recently the implication of remuneration on employee motivation, satisfaction, and performance has been comprehensively unknown. In the effort of obtaining empirical information on the implication of remuneration on employee motivation, satisfaction, and performance, this research is conducted.

The empirical information obtained from this research is expected to be useful as the basis for consideration in management decision-making relating to revision of university remuneration policy in the future.

2. LITERATURE REVIEW

2.1. Performance

Viswesvaran and Ones (2000) defined work performance as measurable actions, behavior and outcomes that employees engage in or bring about that are linked with and contribute to organizational goals. Performance is also defined as employees' ability to accomplish their jobs well or not (Poernomo and Wulansari, 2015).

Performance indicates anything performed by employees, which may come from their task completion effectiveness, cooperation relationship with other parties, quality and quantity of their job output, and their presence at work. Individual performance can also be influenced by internal and external factors. The internal factors include intellectual ability, work discipline, job satisfaction, and job motivation. Meanwhile, the external factors involve type of leadership, work environment, compensation, and the management system applied in the company (Emerald & Genoveva, 2014).

2.2. Motivation

Motivation is the main driver of one's behavior in a job. Motivation a powerful tool that reinforces behavior and triggers the tendency to continue. In other words, motivation is an internal drive to satisfy an unsatisfied need and to achieve a certain goal. It is also a procedure that begins through a physiological or psychological need that stimulates a performance set by an objective (Dobre, 2013).

2.3. Satisfaction

Job satisfaction is a pleasant emotional state of individual related to his/her job. Job satisfaction reflects the individual feeling towards his/her job. Job satisfaction is one of an employee's positive attitudes to his/her job and everything he/she encounters at work (Macdonald and Peter, 1977).

2.4. Remuneration Reward System

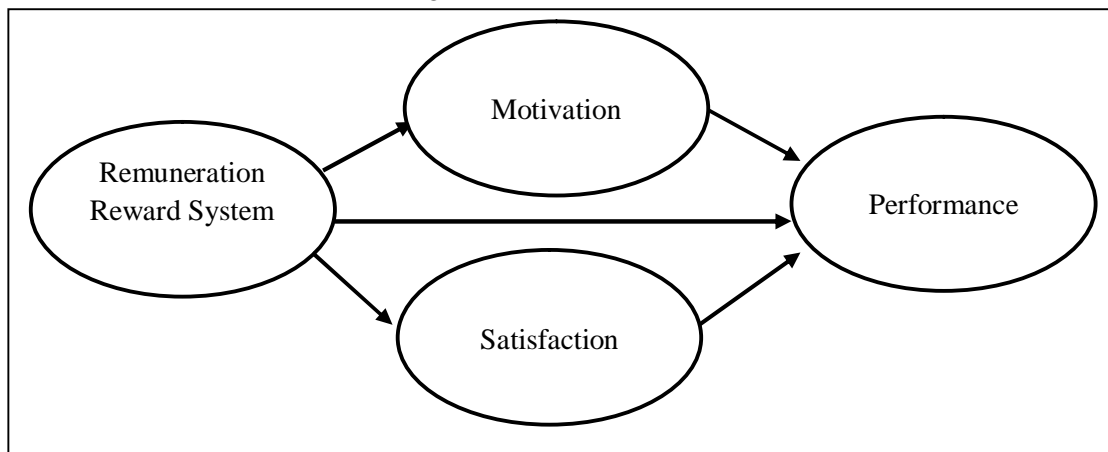
Reward management system is a core function of human resource discipline and is a strategic partner with company managements. Besides, it has an important role on work outcome. Reward management systems have major impact on organizations capability to catch, retain and motivate high potential employees and as a result getting the high levels of performance (Gungor, 2011).

Remuneration reward system is usually implemented to motivate employees so that they have better quality, more productive, not easily moved to other companies, establish a service-oriented behavior, and avoid corruption. Remuneration can be the form of money or salary, fixed allowances, variable allowances, incentives and other facilities. Remuneration is the total consideration received by the employees in return for the services he or she has done (Agustiningsih et al, 2016).

2.5. Research Framework

Figure 1 presents the research model, examining factors that influence work performance. The factors examined are remuneration reward system, motivation, and job satisfaction.

Figure 1: Research Model



Motivation and Performance. In organization context, it is important for the organization to motivate its employees. This is because, any employee with work motivation would show the behaviors desirable by the organization at work. When someone has motivation in their job, then the performance shows will also increase (Sarwar & Abugre, 2013). Based on this explanation, the following hypothesis could be formulated:

H1: Motivation has Positive Influence on Performance

Job Satisfaction and Performance. The term job satisfaction refers to the attitude and feelings of people have about their work. Positive and favorable attitude towards the job indicates job satisfaction, and negative and unfavorable attitudes toward the job indicate job dissatisfaction. In other words, job satisfaction can be defined as the extent to which the individual's need are satisfied and to the extent to which the individual perceives that satisfaction stems from his total work situation (Salisu et al, 2015). When someone has satisfaction in his/her job, it will eventually influence positive work outcome, such increased performance (Kappagoda et al. 2014). Based on this, the following hypothesis could then be formulated:

H2: Job Satisfaction has Positive Influence on Performance

Remuneration Reward System, Motivation, Satisfaction, and Performance. The provision of remuneration or compensation either directly or indirectly is found to stimulate employee performance. A reward system which is perceived to be fair and proportional by employees could improve their productivity at work (San et al., 2012 & Gohari et al., 2013). Meanwhile, the remuneration given may also have indirect influence on their performance. This implementation of remuneration reward system could also be a powerful tool to improve employees' work motivation and job satisfaction. When someone feels that the sistem system being applied by their organization has been fair, it could improve their job satisfaction and increase their motivation further to work (Jehanzeb et al., 2012; Priya & Eshwar, 2014). Therefore, the following hypothesis could be formulated:

H3a: Remuneration Reward System Has Positive Influence on Performance.

H3b: Remuneration Reward System Positive Influence on Motivation

H3c: Remuneration Reward System Has Positive Influence on Satisfaction

H3d: Motivation Mediates the Influence of Remuneration Reward System on Performance.

H3e: Job Satisfaction Mediates the Influence of Remuneration Reward System on Performance.

3. METHOD

3.1. Sample and Procedure

The population in this research is all permanent employees in Universitas Negeri Semarang, with a number of sample amounting to 403 respondents. The quantitative sampling is made using Purposive Proportional Random Sampling, i.e. sample is selected since it has the criteria required in this research, randomly selected, and representing proportionally. The criteria are employees (lecturers and education staff) with permanent status and having received the reward remuneration for nearly two current years.

3.2. Measures

The variables in this research include: remuneration reward system as an independent variable, motivation and job satisfaction as mediating variable, and performance as the dependent variable. The data are analyzed using Structural Equation Modeling (SEM) with AMOS Program with Goodness of Fit on structural equation.

Remuneration Reward System. The remuneration variable is measured with seven (7) question items from Herpen et al. (2003). Examples of items of questions for remuneration reward system “The method of remuneration at this organization is clearly defined”.

Motivation. The motivation variable is measured with fourteen (14) question items from Hong and Amna (2011) in which they use Herzberg's Motivation-Hygiene Theory approach. One of the item question instrument that is “I am proud to work at this organization because my achievements are recognized”.

Job Satisfaction. Furthermore, job satisfaction variable is measured with ten (10) job satisfaction scale items from Macdonald and Peter (1977). One of the example question is “I am satisfied with the recognition given when I finish my job well”

Work Performance. Finally, the performance variable is measured with thirteen (13) work performance measurement items from Koopmans (2014). One of the item questions is “I take full responsibility in my work”.

4. ANALYSIS OF FINDINGS

4.1. Reliability and Construct Validity

Instrument test in SEM there are several types, namely validity test and reliability test of data. Reliability test can use two ways that is Construct reliability and variance extracted. Cut Off Value from Construct reliability > 0.70 while Cut Off Value of variance extracted > 0.50 even though the cut off value values are not absolute numbers. The result of Construct Reliability and Average Variance Extract test shows that some variables have AVE value <0.5. Thus to increase the value of AVE and the value of Goodness of Fit then some parameters are removed from the model. The omitted parameter is 13 of 44. Then the model is re-tested and calculated CR and AVE values. The result is as follows:

Table 1: Instrument Test

| Variable | CR | AVE |
|------------------|-------|-------|
| Job Satisfaction | 0.934 | 0.589 |
| Performance | 0.949 | 0.595 |
| Motivation | 0.948 | 0.573 |
| Remuneration | 0.926 | 0.647 |

CR and AVE calculation results show that all variables have $CR > 0.7$ and $AVE > 0.5$. Thus, the model used has no validity and reliability issues.

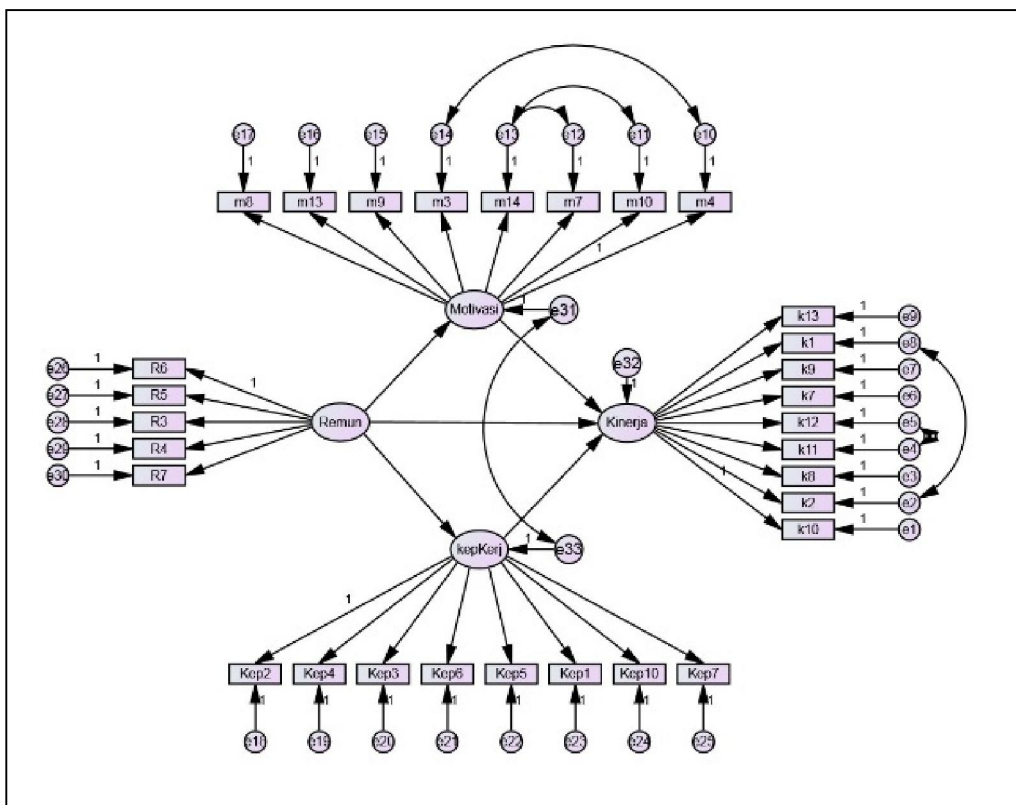
4.2. Results of Normality Test

SEM requires normal distributed data, so the results of the analysis do not become biased. Normality test is done by using criteria of critical ratio of kurtosis value equal to ± 2.58 at level of significance 0.01. The data can be concluded to have a normal distribution if the value of the critical ratio of kurtosis value < 2.58 (Ghozali, 2011). Based on the results of normality test is known that all parameters have the value of critical ratio of kurtosis is between -2.58 and +2.58 so it can be concluded that the data used distributed normally.

4.3. Flow Chart Development

The development of the built-in theoretical model will be illustrated in a flowchart. Flow diagrams will make it easier for researchers to see the causality relationships they want to test. The model used in this research is as follows:

Figure 2. Model Flow Development



4.4. Model Rating

The suitability of the model is evaluated through a review of several Goodness-Of-fit criteria. The first action is to evaluate whether the data used can meet SEM assumptions: sample size, normality, linearity, outliers and multicollinearity and similarity.

Table 2. Suitability of the Model

| Goodness-of-fit Indices | Cut-off Value | Value | Result |
|-------------------------|--|---------|----------|
| Chi-Square (X^2) | Value expected (X^2 count < 441,282) | 762.689 | Not Good |
| P Value | > 0.05 | 0.04 | Medium |
| CMIN / DF | 3.00 | 2.951 | Good |
| GFI | 0.90 < 1 | 0.91 | Good |
| AGFI | 0.80 < 1 | 0.82 | Good |
| TLI | 0.95 < 1 | 0.915 | Medium |
| CFI | 0.95 < 1 | 0.923 | Medium |
| RMSEA | Between 0.03 – 0.08 | 0.070 | Good |

Based on Table 2 note that the value of Chi Square included in the category is not good. This is because there are still some data that have an outlier problem. In addition, the number of respondents or observations that have a high value of d-squares and $p1 < 0.1$ is quite a lot so it affects the Chi square value. However, the overall model used is categorized as Good.

4.5. Hypothesis Testing

The hypothesis in this research is tested by Structural Equation Modeling (SEM) analysis technique. Hypothesis testing is done by looking at the strength of the dimensions form latent factor. This can be seen in the Regression Weight generated by the model. The critical ratios are identical to t-arithmetic in the regression analysis. The value of Critical Ratio > 2.0 indicates that those variables are significantly the dimensions of the latent factor formed.

Table 3. Regression

| | | | Estimate | S.E. | C.R. | P |
|--------|------|----------|----------|------|--------|------|
| Perfor | <--- | Motivat | .026 | .054 | .477 | .634 |
| Perfor | <--- | JobSatis | .688 | .064 | 10.794 | *** |

The value of C.R of motivation influence on the performance of $0.477 < 2$, and the value of P value $0.634 > 0.05$ so that H1 is not supported. Value of C.R influence of job satisfaction on performance $10,794 > 2$, and value of P value $0.000 < 0.05$, so H2 is supported.

Table 4. Regression

| | | | Estimate | S.E. | C.R. | P |
|---------|------|-------|----------|------|-------|-----|
| Motivat | <--- | Remun | .325 | .034 | 9.658 | *** |
| JobSat | <--- | Remun | .256 | .032 | 7.937 | *** |
| Perfor | <--- | Remun | .193 | .035 | 5.515 | *** |

The value of C.R effect of remuneration on performance $5,515 > 2$, and value of P value $0.000 < 0.05$ so H3a is supported. The value of C.R of the effect of remuneration on motivation $9.658 > 2$, and the value of P value $0.000 < 0.05$ so that H3b is supported. Value of C.R effect of remuneration on job satisfaction $7,937 > 2$, and value P value $0.000 < 0.05$ so H3c is supported.

The Bootstrapping test is used to confirm the effect of the mediation. If the value of bootstrapping indirect effect $< 0,05$ then it can be stated that the mediation variable can mediate the influence of independent variables on the dependent variable. Hail bootstrapping test is as follows:

Table 5. Bootstrapping Test 1

| | Remuneration | JobSat | Motivation | Perform |
|---------|--------------|--------|------------|---------|
| JobSat | ... | ... | ... | ... |
| Perform | .002 | ... | ... | ... |

Table 6. Bootstrapping Test 2

| | Remuneration | Motivation | JobSat | Perform |
|---------|--------------|------------|--------|---------|
| Motivat | ... | ... | ... | ... |
| Perform | .006 | ... | ... | ... |

Based on the table, it can be seen that Bootstrapping Indirect Effect remuneration on performance through motivation of $0.006 < 0.05$ while Bootstrapping Indirect Effect remuneration on performance through job satisfaction of $0.002 > 0.05$. Thus motivation and job satisfaction can mediate the relationship between remuneration and performance so that H3d and H3e are supported.

5. DISCUSSION

The result shows that H1 not supported, meaning motivation is not support to have a positive effect on performance. This shows that the motivation of employees is not able to influence the level of their performance. Although the motivation felt by employees is high, has not been able to encourage their high performance. The results of this study support research conducted by Abdulsalam et al. (2012), which found that the level of motivation of academic staff at Ibrahim Badamasi Babangida University was not able to influence its performance. Likewise, with Darya (2016), who found that motivation was not supported to affect a person's performance significantly.

The result also shows that H2 is supported, meaning that job satisfaction has positive influence on performance. This indicates that the satisfaction of employee's experience in their job could influence the level performance they show. The higher the job satisfaction experienced by employees, the higher the performance they show. This result is consistent with the research performed by Khan et al. (2012), Fadlallah (2015), and Riski et al. (2015).

The results show that H3a is supported, meaning the reward system of remuneration has a positive effect on performance. This show employee perception of the remuneration received, able to influence their performance. This result is consistent with San et al (2012), and Gohari et al (2013) indicating that reward systems of compensation or money have an influence on employee performance.

The result indicates that H3b is supported, meaning that remuneration has positive influence on motivation. It shows that the remuneration received by employees for their job can influence the motivation level they experience. The better their perception towards the remuneration they receive, the higher their motivation to work. This result is consistent with the research held by Khalid et al (2011), and Rizal et al (2014).

The result also shows that H3c is supported, meaning that remuneration has positive influence on job satisfaction. This suggests that the remuneration received by employees for their job can influence the job satisfaction they feel. The better their perception towards the remuneration they receive, the higher their satisfaction in working. This result is consistent with the research conducted by Khalid et al (2011), Sawar and Aburge (2013), and Salisu et al (2015).

Based on the bootstrapping test to H3d, it is found that H3d is supported. It indicates that motivation has been found to be a mediating variable in the relations between remuneration and performance. It also means that the remuneration the employees receive promote their motivation to work. The motivation that employees have, in turn, will improve the performance they show in every one of their works. This research is consistent with Rizal et al. (2014) which suggests that the relations of reward syetem on employee performance could be mediated by motivation variable.

The result of bootstrapping test to H3e finds that H3e is supported. It indicates that job satisfaction is found to be a mediating variable in the relations of remuneration on performance. It means that the remuneration received by employees will improve their satisfaction at work. Furthermore, this job satisfaction of employees will in turn improve the performance they show in every work they do. This research is consistent with the research held by Sopiah (2013) which suggests that job satisfaction could be a mediating variable in the relations of financial compensation on performance.

5.1. Contributions

Based on the research results can be seen that the motivation directly cannot improve employee performance. This result different from previous literature where it is found that motivation plays a dominant role in improving performance. This discrepancy shall be evaluated in order to see objectively the aspects needed by employees to improve their performance. Evaluation in the determination of motivation can be considered by determining the policy of reward management system which proved as important factor in increasing employee motivation. The results of these evaluations are expected can encourage employee motivation higher and indirectly will also encourage their performance

5.2. Future Research

This study still has limitations, such as the data collection and processing methods which are merely quantitative. It would be better if the further research combines both quantitative and qualitative methods (mix method), so that the outcome received could be more objective and deeper.

6. CONCLUSION

The conclusion of this research is, remuneration and job satisfaction are two highly important factor to improve individual performance. In addition, remuneration also support to be an important factor to improve motivation and job satisfaction. This research also shows that, the influence of reward management system in the form of remuneration to employee performance, could be created through mediation variables such as motivation and job satisfaction.

REFERENCES

- [1] Agustiniingsih, H. N., Armanu T., Djumilah H., Noermijati N. 2016. The Effect of Remuneration, Job Satisfaction and OCB on the Employee Performance. Science Journal of Business and Management. Vol 4(6)
- [2] Dobre, Ovidiu-Iliuta. 2013. Employee motivation and organizational performance. Review of Applied Socio- Economic Research. Volume 5, Issue 1.
- [3] Emerald., T & Genoveva. 2014. Analysis of Psychological Well-Being and Job Satisfaction toward Employees Performance in PT Aristo Satria Mandiri Bekasi, Indonesia. Proceeding. Kuala Lumpur International Business, Economics and Law Conferece, Kuala Lumpur, Malaysia 31 Mei – 1 Juni 2014
- [4] Ek, Kiruja dan Elegwa Mukuru. 2013. Effect of Motivation on Employee Performance In Public Middle Level Technical Training Institutions In Kenya. International Journal of Advances in Management and Economics.

- [5] Fadlallah, Abdul Wahid A. 2015. Impact of Job Satisfaction on Employees Performance an Application on Faculty of Science and Humanity Studies University of Salman Bin Abdul-Aziz-Al Aflaj. *International Journal of Innovation and Research in Educational Sciences* Volume 2, Issue 1.
- [6] Gohari, P., Ahmadloo, A., Boroujeni, M. B & Hosseinipour, S. J. 2013. The Relationship between Rewards and Employee Performance. *Interdisciplinary Journal of Contemporary Research in Business*. 5 (3): 543-570.
- [7] Ghozali, Imam. 2013. *Aplikasi Analisis Multivariate dengan Program IBM SPSS 21 Update PLS Regresi (Cetakan ke-7)*. Badan Penerbit Universitas Diponegoro: Semarang.
- [8] Gungor, Pinar. 2011. The Relationship between Reward Management System and Employee Performance with the Mediating Role of Motivation: A Quantitative Study on Global Banks. *Procedia Social and Behavioral Sciences* 24 (2011) 1510–1520
- [9] Herpen, Marco Van et al. 2003. “The Effects of Performance Measurement and Compensation on Motivation: an Empirical study.” Tinbergen Institute Discussion Paper
- [10] Hong, Tan Teck dan Amna Waheed. 2011. “Herzberg's Motivation-Hygiene Theory and Job Satisfaction in the Malaysian Retail Sector: The Mediating Effect of Love of Money”. *Asian Academy of Management Journal*, Vol. 16, No. 1, 73:94
- [11] Jehanzeb, K., Rasheed, M. F., Rasheed, A & Aamir, A. 2012. Impact of Rewards and Motivation on Job Satisfaction in Banking Sector of Saudi Arabia. *International Journal of Business and Social Science*. 3 (21): 272-278.
- [12] Kappagoda, U. W. M. R., Othman, H. Z. F & Alwis, G. D. Psychological Capital and Job Performance: The Mediating Role of Work Attitudes. *Journal of Human Resource and Sustainability Studies*. 2: 102-116.
- [13] Koopmans, Linda. 2014. *Measuring Individual Work Performance*. Netherlands: CPI Koninklijke Wöhrmann, Zutphen
- [14] Khan, Alamdar Hussain et al. 2012. Impact of job satisfaction on employee performance: An empirical study of autonomous Medical Institutions of Pakistan. *African Journal of Business Management* Vol. 6 (7), pp. 2697-2705
- [15] Macdonald, Scott dan Peter MacIntyre. 1977. “The Generic Job Satisfaction Scale: Scale Development and Its Correlates”. *Employee Assistance Quarterly* Vol. 13 (2)
- [16] Poernomo, U. D & Wulansari, N. A. 2015. Pengaruh Konflik antara Pekerjaan-Keluarga pada Kinerja Pegawai dengan Kelelahan Emosional sebagai Variabel Pemediasi. *Management Analysis Journal*. 4 (3): 190-199.
- [17] Priya, T. U & Eshwar, T. S. 2014. Rewards, Motivation and Job Satisfaction of Employees in Commercial Bank- An Investigative Analysis. *International Journal of Academic Research in Business and Social Sciences*. 4 (4): 70-78.
- [18] Rizal, Muhamad et al. 2014. Effect of Compensation on Motivation, Organizational Commitment and Employee Performance (Studies at Local Revenue Management in Kendari City). *International Journal of Business and Management Invention*

- [19] Salisu, Jamilu B. et al. 2015. The impact of compensation on the job satisfaction of public sector construction workers of jigawa state of Nigeria. *The Business and Management Review*, Volume 6 Number 4
- [20] Sarwar, S & Abugre, J. 2013. The Impact of Rewards and Job Satisfaction on Employees in the Service Industry. *The Business & Management Review*. 3 (2): 22-32.
- [21] San, O. T., Theen, Y. P & Heng, T. B. 2012. The Rewards Strategy and Performance Measurement (Evidence from Malaysian Insurance Companies). *International Journal of Business, Humanities, and Technology*. 2 (1): 211-223.
- [22] Sopiah. 2013. The Effect of Compensation toward Job Satisfaction and Job Performance of Outsourcing Employees of Syariah Banks in Malang Indonesai. *International Journal of Learning & Development*, Vol. 3, No. 2
- [23] Viswesvaran C, Ones DS. 2000. Perspectives on models of job performance. *International Journal Select Assessm*. Vol 8:216–226.

LAMPIRAN II

Compose

Inbox 1,905

- Starred
- Snoozed
- Sent
- Drafts 14

Meet

- New meeting
- My meetings

Hangouts

Moh +

No recent chats
Start a new one

7 of 2,422

NURY ARIANI WULANSARI <nuryariani@mail.unnes.ac.id> 8:30 AM (55 minutes ago)

Nury Ariani Wulansari

Lecturer/ Researcher
Human Resources Management Department
Faculty of Economics
UNIVERSITAS NEGERI SEMARANG (UNNES)
L2 Building, 1st Floor Kampus UNNES Sekaran
50229, Semarang
Indonesia
Phone : +62 (0) 24 850 8015
Mobile : +62 (0) 77 3144 7678
Fax : +62 (0) 24 850 8015
www.unnes.ac.id

----- Forwarded message -----
From: Irwan Trinugroho <irwan.trinugroho@gmail.com>
Date: Wed, Sep 5, 2018 at 3:53 PM

Apl



Search mail

UNNES logo and user profile icon

- Compose
- Inbox 1,905
- Starred
- Snoozed
- Sent
- Drafts 14
- Meet
 - New meeting
 - My meetings
- Hangouts
 - Moh
 - No recent chats
 - Start a new one

7 of 2,422

To:

FYI

----- Forwarded message -----
 From: **Evan Lau Poh Hock** <lphevan@unimas.my>
 Date: 4 September 2018 at 21:16
 Subject: The special issue
 To: Irwan Trinugroho <irwan.trinugroho@gmail.com>

Dear Irwan

Here is the decision for the papers. We shall to reviewer for all the rest of the papers

Regards

Evan Lau, Ph.D.
 Associate Professor
 Managing Editor of IJBS

UNS papers colle....docx

Tampilkan semua

- Compose
- Inbox 1,902
- Starred
- Snoozed
- Sent
- Drafts 14
- More
- Meet
 - New meeting
 - My meetings
- Hangouts
 - Moh +

----- Forwarded message -----
From: Irwan Trinugroho <irwan.trinugroho@gmail.com>
Date: Wed, Sep 5, 2018 at 3:53 PM
Subject: Fwd: The special issue
To:

FYI

----- Forwarded message -----
From: Evan Lau Poh Hock <lphevan@unimas.my>
Date: 4 September 2018 at 21:16
Subject: The special issue
To: Irwan Trinugroho <irwan.trinugroho@gmail.com>

Dear Irwan

Here is the decision for the papers. We shall to reviewer for all the rest of the papers

Regards

Evan Lau, Ph.D.
Associate Professor
Managing Editor of UBS
Faculty of Economics and Business
Universiti Malaysia Sarawak (UNIMAS)
94300 Kota Samarahan
Sarawak.

TEL: +6082584368
FAX: +6082583999
<https://sites.google.com/site/lphevan/>
<https://expert.unimas.my/profile/1352>
<http://www.ijbs.unimas.my>
FB UBS: <http://www.facebook.com/ijbsunimas>
<http://scholar.google.co.uk/citations?user=1HvltEAAA&hl=en&oi=ao>
<https://publons.com/journal/17084/international-journal-of-business-and-society>




UNS papers collections

1. Sumitro Sarkum, Bambang Agus Pramuka, Agus Suroso Small Firms' Market Knowledge In Business Online: A Multi-Actor Engagement Relationship- Not suitable for IJBS
2. Pratiwi Noviayanti And Zaäfri Husodo Exposure To Common Idiosyncratic Volatility On Stock Returns In Asean Stock Markets - suitable for IJBS
3. Sari Yuniarti, Grahita Chandrarin, Edi Subiyantoro The Direct And Indirect Impacts Of Good Corporate Governance On Banking Stability: An Empirical Study In Indonesia- suitable for IJBS
4. S. Martono, Moh. Khoiruddin, Nury Ariani Wulansari Remuneration Reward Management System As A Driven Factor Of Employee Performance- suitable for IJBS
5. Mohamad Harisudin, R. Kunto Adi And Noor Anita Kusuma Pratama Performance Improvement Strategies Based On Balance Scorecard For Rural Cooperative: The Case Of Indonesia - Not suitable for IJBS
6. Dekeng Setyo Budiarto, Marti Widya Sari, Arif Sudaryana, Muhammad Agung Prabowo It Implementation On Smes, Is It A Challenge Or Barriers? An Empirical Research Of Indonesian Smes- suitable for IJBS
7. Fuad, Daljono & Ali Riza Fahlevi The U-Shaped Relationships Between Business Units' Strategy, Use Of Accounting Performance Measures And Budgetary Slack- suitable for IJBS
8. Sutaryo, Daniyah Ainur Rossa, Y. Anni Aryani, Isna Putri Rahmawati, Muhtar Behind Budget Deviation In The Indonesian Local Government's Electoral Cycle - suitable for IJBS
9. Mohamad Rizan, Ari Warokka, Ika Febrilia Leadership Styles And Customer Loyalty: A Lesson From Emerging Southeast Asian's Airlines Industry - suitable for IJBS
10. Entrepreneurial Orientation Of Smes In The Fashion Creative Industry - Not suitable for IJBS
11. Ade Muhammad, Utomo Sarjono Putro, Manahan Siallagan System Advantage Strategy Framework; A Literature Review – not suitable for IJBS
12. Rizki Basuki, Asri Laksmi Riani Predicting Employee's Intention To Leave: The Role Of Homesickness And Cross-Cultural Adjustment Among Employees Assigned Across Indonesia. – Suitable for IJBS
13. Siti Khoiriyah And Muh Juan Suam Toro Attitude Toward Green Product, Willingness To Pay And Intention To Purchase – Suitable for IJBS
14. Hunik Sri Runing Sawitri, Joko Suyono, Sinto Sunaryo, Yohana Tamara The Role Of Leader Political Skill And Ethical Leadership On Employee Deviance Behaviour. suitable for IJBS
15. Lina Nur Ardila, Dany Adi Saputra, Arum Kusumaningdyah Adiati, Bambang Sutopo Asset Productivity, Profitability, And Firm Value: Can State-Owned Companies Outperform Non-State-Owned Companies? – suitable for IJBS

LAMPIRAN III

- Inbox 1,904
- Starred
- Snoozed
- Sent
- Drafts 14
- Meet
 - New meeting
 - My meetings
- Hangouts
 - Moh +
 - No recent chats
 - Start a new one

Fwd: Artikel Martono dkk Inbox x

 **NURY ARIANI WULANSARI** <nuryariani@mail.unnes.ac.id> 8:31 AM (59 minutes ago) ☆ ↶ ⋮
to me ▾

Nury Ariani Wulansari

Lecturer/ Researcher
Human Resources Management Department
Faculty of Economics
UNIVERSITAS NEGERI SEMARANG (UNNES)
L2 Building, 1st Floor Kampus UNNES Sekaran
50229, Semarang
Indonesia
Phone : +62 (0) 24 850 8015
Mobile : +62 (0) 77 3144 7678
Fax : +62 (0) 24 850 8015
www.unnes.ac.id

- Inbox 1,904
- Starred
- Snoozed
- Sent
- Drafts 14
- Meet
 - New meeting
 - My meetings
- Hangouts
 - Moh +
 - No recent chats
 - Start a new one

----- Forwarded message -----
From: **NURY ARIANI WULANSARI** <nuryariani@mail.unnes.ac.id>
Date: Wed, Oct 31, 2018 at 2:23 PM
Subject: Artikel Martono dkk
To: Irwan Trinugroho <irwan.trinugroho@gmail.com>

Thanks berat prof..

Nury Ariani Wulansari

Lecturer/ Researcher
Human Resources Management Department
Faculty of Economics
UNIVERSITAS NEGERI SEMARANG (UNNES)
L2 Building, 1st Floor Kampus UNNES Sekaran
50229, Semarang
Indonesia
Phone : +62 (0) 24 850 8015
Mobile : +62 (0) 77 3144 7678
Fax : +62 (0) 24 850 8015
www.unnes.ac.id

- Compose
- Inbox 1,904
- Starred
- Snoozed
- Sent
- Drafts 14
- Meet
 - New meeting
 - My meetings
- Hangouts
 - Moh
 - No recent chats
 - Start a new one

6 of 2,422

Indonesia
Phone : +62 (0) 24 850 8015
Mobile : +62 (0) 77 3144 7678
Fax : +62 (0) 24 850 8015
www.unnes.ac.id

2 Attachments



Reply Forward

UNS papers colle....docx

Tampilkan semua

REMUNERATION REWARD MANAGEMENT SYSTEM AS A DRIVEN FACTOR OF EMPLOYEE PERFORMANCE

S. Martono
Universitas Negeri Semarang

Moh. Khoiruddin
Universitas Negeri Semarang

Nury Ariani Wulansari
Universitas Negeri Semarang

ABSTRACT

Reward management system has been an important point of attention in any organization as a defining factor of employee's high welfare and performance. This research studies the influence of remuneration reward system on employee performance through motivation and job satisfaction as the mediation variable. The data in this research was taken from Universitas Negeri Semarang's permanent employees amounting to 403 employees. SEM tests are proposed in order to examine the influence of remuneration reward system, motivation, and job satisfaction either directly or indirectly on performance. The mediating roles of motivation and job satisfaction are measured to be an indirect relation intermediary. The results show that remuneration and job satisfaction have a positive influence on performance. Furthermore, motivation and job satisfaction are found to be significantly positively influenced by remuneration. However, the direct effect of motivation on performance is not supported. Motivation can improve employee performance, by becoming the mediation variable of remuneration reward system. This study shows that motivation and satisfaction are the variables that can mediate the relationship between remuneration and employee performance

Keywords: Management Reward System, Remuneration, Motivation, Job Satisfaction, Performance.

1. INTRODUCTION

One of Universitas Negeri Semarang's goals in its 2015-2019 Business Strategy Plans is to organize and develop institutional governance addressed towards stakeholder welfare by following good university governance principles. Universitas Negeri Semarang with its academic and organizational management autonomies should be capable of bringing about welfare for its stakeholders, in particular its employees, to allow them to develop their performance professionally and to be more productive. The implementation of remuneration reward system which has been applied for two years in this university is a part of the strategy to achieve that goal which in turn results in the achievement of institutional accreditation improvement. The institutional accreditation improvement means that there has been an improvement of excellence in the fields of high-quality, conservation value-based education, research, and services to the society to develop a globally competitive national civilization.

Corresponding author:

Faculty of Economics, Universitas Negeri Semarang, Semarang, 50229 Indonesia. Tel: +628156542956¹
Email: martonowr2@mail.unnes.ac.id¹, khoiruddin@mail.unnes.ac.id², nuryariani@mail.unnes.ac.id³

Within organization management autonomy context, university is committed to be able to independently develop a management which integrates all of these fields by implementing the good university governance principles, performing an effective organization, HRM practices, and financial management structuring, as well as exploring income generating alternatives to support university's visions to be a world-class university. Wuryanti and Setiawan (2017) research results recommend the need to integrate financial and HR system through the implementation of merit-based reward system. Remuneration as a part of finance-based reward management system has been applied to all Universitas Negeri Semarang permanent employees since 2014, yet until recently the implication of remuneration on employee motivation, satisfaction, and performance has been comprehensively unknown. This research is conducted in an attempt to obtain empirical information on the implication of remuneration on employee motivation, satisfaction, and performance.

The empirical information obtained from this research is expected to be useful as the basis for consideration in management decision-making in relation to the revision of university remuneration policy in the future.

2. LITERATURE REVIEW

2.1. Performance

Viswesvaran and Ones (2000) defined work performance as measurable actions, behavior and outcomes that employees engage in or bring about that are linked with and contribute to organizational goals. Performance is also defined as employees' capability to accomplish their jobs (Poernomo and Wulansari, 2015).

Performance indicates anything performed by employees, which may be in the forms of their task completion effectiveness, cooperation relationship with other parties, quality and quantity of their job output, and their attendance at work. Individual performance can also be influenced by internal and external factors. The internal factors include intellectual ability, work discipline, job satisfaction, and job motivation. Meanwhile, the external factors involve the type of leadership, work environment, compensation, and the management system applied in the company (Emerald & Genoveva, 2014).

2.2. Motivation

Motivation is the main drive of one's behavior in a job. Motivation is a powerful tool that reinforces behavior and triggers the tendency to continue. In other words, motivation is an internal drive to satisfy an unsatisfied need and to achieve a certain goal. It is also a procedure that begins through a psychological need that stimulates a performance set by an objective (Dobre, 2013).

2.3. Job Satisfaction

Job satisfaction is a pleasant emotional state of individual related to his/her job. Job satisfaction reflects the individual feeling towards his/her job. Job satisfaction is one of an employee's positive attitudes to his/her job and everything he/she encounters at work (Macdonald and Peter, 1977).

2.4. Remuneration Reward System

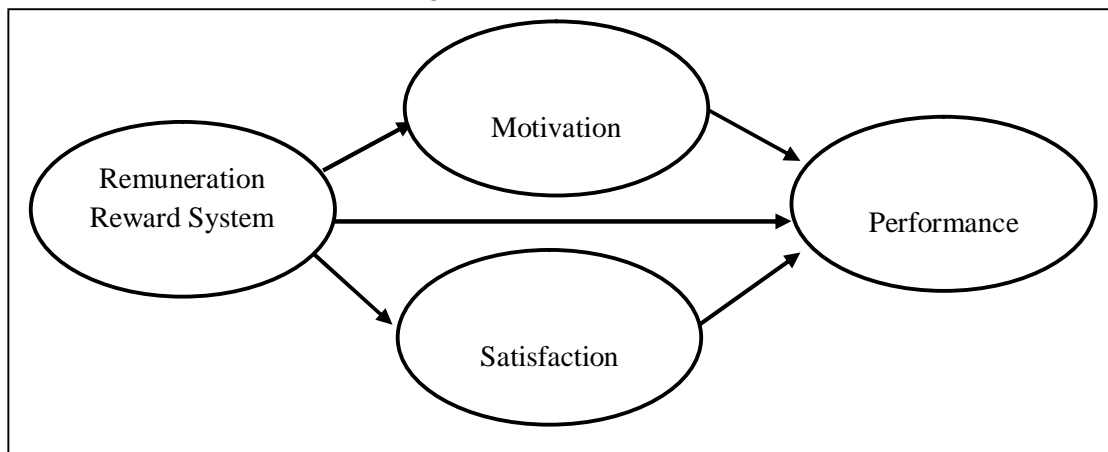
Reward management system is a core function of human resource discipline and is a strategic partner with company managements. Besides, it has an important role on work outcome. Reward management systems have major impact on organizations capability to catch, retain and motivate high potential employees and as a result getting the high levels of performance (Gungor, 2011).

Remuneration reward system is usually implemented to motivate employees so that they perform better quality, are more productive, are not easily moved to other companies, establish a service-oriented behavior, and avoid corruption. Remuneration can be in the form of money or salary, fixed allowances, variable allowances, incentives and other facilities. Remuneration is the total compensation received by the employees in return for the services he or she has done (Agustiniingsih et al. 2016).

2.5. Research Framework

Figure 1 presents the research model, examining factors that influence work performance. The factors examined are remuneration reward system, motivation, and job satisfaction.

Figure 1: Research Model



Motivation and Performance. In organization context, it is important for the organization to motivate its employees. It is because any employee with work motivation will show the behaviors expected by the organization at work. When someone has motivation in doing his job, then the performance will also increase (Sarwar & Abugre, 2013). Based on this explanation, the following hypothesis could be formulated:

H1: Motivation has Positive Influence on Performance

Job Satisfaction and Performance. The term job satisfaction refers to the attitude and feeling employees have about their works. Positive and favorable attitudes towards the job indicate job satisfaction, and negative and unfavorable attitudes towards the job indicate job dissatisfaction. In other words, job satisfaction can be defined as the extent to which the individual's needs are satisfied and to the extent to which the individual perceives that satisfaction stems from his total work situation (Kiruja and Mukuru, 2013; Salisu et al, 2015, Muchtar, 2016). When someone has satisfaction in his/her job, it will eventually influence positive work outcome, such as increased performance (Kappagoda et al. 2014). Based on this explanation, the following hypothesis could then be formulated:

H2: Job Satisfaction has Positive Influence on Performance

Remuneration Reward System, Motivation, Satisfaction, and Performance. The provision of remuneration or compensation either directly or indirectly is found to stimulate employee performance. A reward system which is perceived to be fair and proportional by employees could improve their productivity at work (San et al., 2012 & Gohari et al., 2013). Meanwhile, the remuneration given may also have indirect influence on their performance. This implementation of remuneration reward system could also be a powerful tool to improve employees' work motivation and job satisfaction. When someone feels that the system being applied by their organization is fair, it can improve his job satisfaction and increase their motivation to work (Jehanzeb et al., 2012; Priya & Eshwar, 2014). Therefore, the following hypothesis could be formulated:

H3a: Remuneration Reward System has Positive Influence on Performance.

H3b: Remuneration Reward System has Positive Influence on Motivation

H3c: Remuneration Reward System has Positive Influence on Satisfaction

H3d: Motivation Facilitates the Influence of Remuneration Reward System on Performance.

H3e: Job Satisfaction Facilitates the Influence of Remuneration Reward System on Performance.

3. METHODOLOGY

3.1. Sample and Procedure

A sample of 403 respondents was taken from all permanent employees of Universitas Negeri Semarang. The quantitative sampling was made using Purposive Proportional Random Sampling. The sample was chosen since it met the criteria required in this research. It was randomly selected, and represented the population proportionally. The criteria were employees (lecturers and education staff) with permanent status and have received the remuneration reward for the last two years.

3.2. Measures

The variables in this research included: remuneration reward system as an independent variable, motivation and job satisfaction as mediating variables, and performance as the dependent variable. The data were analyzed by using Structural Equation Modeling (SEM) assisted by AMOS Program with Goodness of Fit on structural equation.

Remuneration Reward System. The remuneration variable was measured with seven (7) question items from Herpen et al. (2003). Examples of items of questions for remuneration reward system is “The method of remuneration at this organization is clearly defined”.

Motivation. The motivation variable was measured with fourteen (14) question items from Hong and Amna (2011) in which they used Herzberg's Motivation-Hygiene Theory approach. One of the item question instruments is “I am proud to work at this organization because my achievements are recognized”.

Job Satisfaction. Furthermore, job satisfaction variable was measured with ten (10) job satisfaction scale items from Macdonald and Peter (1977). One of the example question is “I am satisfied with the recognition given when I finish my job well”

Work Performance. Finally, the performance variable was measured with thirteen (13) work performance measurement items from Koopmans (2014). One of the item questions is “I take full responsibility in my work”.

4. THE EMPIRICAL RESULTS

4.1. Reliability and Construct Validity

There are several types of instrument tests in SEM, namely validity and reliability. The reliability used two ways, construct reliability and variance extracted. Cut Off Value from Construct reliability is > 0.70 while Cut Off Value of variance extracted is > 0.50 even though the cut off values are not absolute numbers. The result of Construct Reliability and Average Variance Extract test shows that some variables have AVE value of < 0.5 . Thus, to increase the value of AVE and the value of Goodness of Fit, some parameters were then removed from the model. The omitted parameter was 13 out of 44. Then, the model is re-tested and re-calculated by using CR and AVE values. The results are as follows:

Table 1: Instrument Test

| Variable | CR | AVE |
|------------------|-------|-------|
| Job Satisfaction | 0.934 | 0.589 |
| Performance | 0.949 | 0.595 |
| Motivation | 0.948 | 0.573 |
| Remuneration | 0.926 | 0.647 |

CR and AVE calculation results show that all variables have CR of > 0.7 and AVE of > 0.5 . Thus, the model used have no validity and reliability issues.

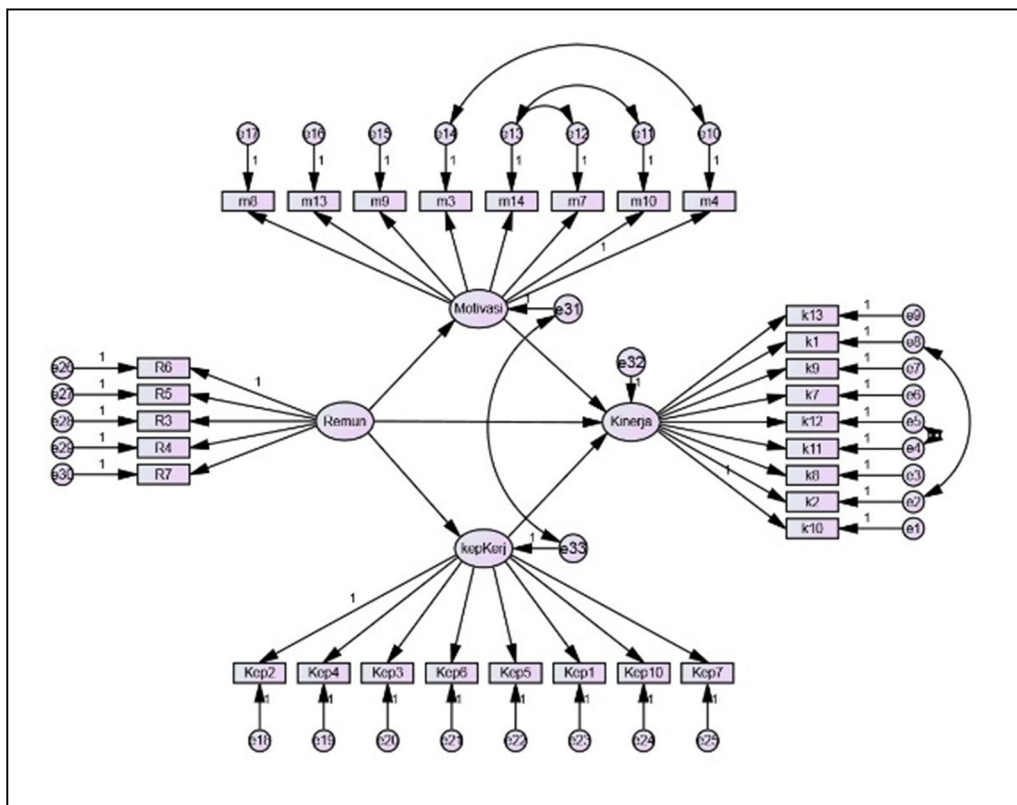
4.2. Results of Normality Test

SEM requires normal distributed data to avoid bias results of the analysis. Normality test was done by using criteria of critical ratio of kurtosis value, which was equal to ± 2.58 at level of significance 0.01. The data has a normal distribution if the value of the critical ratio of kurtosis value is < 2.58 (Ghozali, 2011). Based on the results of normality test, it was known that all parameters had the value of critical ratio of kurtosis ranged from -2.58 and $+2.58$, so it could be concluded that the data used was distributed normally.

4.3. Flow Chart Development

The development of the built-in theoretical model was illustrated in a flowchart. Flow chart made the researchers easier to see the causality relationships among variables. The model used in this research is as follows:

Figure 2. Model Flow Development



4.4. Model Rating

The suitability of the model was evaluated through a review of several Goodness-Of-fit criteria. The first action was to evaluate whether or not the data used met SEM assumptions. It was viewed from sample size, normality, linearity, outliers, multi-collinearity and similarity.

Table 2. The Suitability of Model

| Goodness-of-fit Indices | Cut-off Value | Value | Result |
|-------------------------|--|---------|----------|
| Chi-Square (X^2) | Value expected (X^2 count < 441,282) | 762.689 | Not Good |
| P Value | > 0.05 | 0.04 | Medium |
| CMIN / DF | 3.00 | 2.951 | Good |
| GFI | 0.90 < 1 | 0.91 | Good |
| AGFI | 0.80 < 1 | 0.82 | Good |
| TLI | 0.95 < 1 | 0.915 | Medium |
| CFI | 0.95 < 1 | 0.923 | Medium |
| RMSEA | Between 0.03 – 0.08 | 0.070 | Good |

Based on Table 2, the value of Chi Square included in the category is not good. This is because there are still some data that have an outlier problem. In addition, the number of respondents or observation has a high value of d-squares and $p1 < 0.1$ is quite a lot so it affects the Chi square value. However, the overall model used is categorized as Good.

4.5. Hypothesis Testing

The hypothesis in this research was tested by implementing Structural Equation Modeling (SEM) analysis technique. The hypothesis testing was done by looking at the strength of dimensions form latent factor. This could be seen in the Regression Weight generated by the model. The critical ratios are identical to t-arithmetic in the regression analysis. The value of Critical Ratio is > 2.0 and it indicates that those variables significantly are the dimensions of the latent factors formed.

Table 3. Regression

| | | | Estimate | S.E. | C.R. | P |
|--------|------|----------|----------|------|--------|------|
| Perfor | <--- | Motivat | .026 | .054 | .477 | .634 |
| Perfor | <--- | JobSatis | .688 | .064 | 10.794 | *** |

The value of C.R of motivation influences the performance of 0.477 is < 2 , and the value of P value 0.634 is > 0.05 so that H1 is not accepted. Value of C.R influence job satisfaction on performance 10,794 is > 2 , and value of P value 0.000 is < 0.05 , so H2 is accepted.

Table 4. Regression

| | | | Estimate | S.E. | C.R. | P |
|---------|------|-------|----------|------|-------|-----|
| Motivat | <--- | Remun | .325 | .034 | 9.658 | *** |
| JobSat | <--- | Remun | .256 | .032 | 7.937 | *** |
| Perfor | <--- | Remun | .193 | .035 | 5.515 | *** |

The value of C.R effect of remuneration on performance 5,515 is > 2 , and value of P value 0.000 is < 0.05 so H3a is accepted. The value of C.R of the effect of remuneration on motivation 9.658 is > 2 , and the value of P value 0.000 is < 0.05 so that H3b is accepted. Value of C.R effect of remuneration on job satisfaction 7,937 is > 2 , and value P value 0.000 is < 0.05 so H3c is accepted.

The Bootstrapping test was used to confirm the effect of mediation. If the value of bootstrapping indirect effect is < 0.05 then it can be stated that the mediation variable can mediate the influence of independent variables on the dependent variable. Hail bootstrapping test result is as follows:

Table 5. Bootstrapping Test 1

| | Remuneration | JobSat | Motivation | Perform |
|---------|--------------|--------|------------|---------|
| JobSat | ... | ... | ... | ... |
| Perform | .002 | ... | ... | ... |

Table 6. Bootstrapping Test 2

| | Remuneration | Motivation | JobSat | Perform |
|---------|--------------|------------|--------|---------|
| Motivat | ... | ... | ... | ... |
| Perform | .006 | ... | ... | ... |

Based on the table, it is obvious that Bootstrapping Indirect Effect remuneration on performance through motivation of 0.006 is < 0.05 while Bootstrapping Indirect Effect remuneration on performance through job satisfaction of 0.002 is > 0.05 . Thus, motivation and job satisfaction can mediate the relationship between remuneration and performance so that H3d and H3e are accepted.

The result shows that H1 is not accepted. This means that motivation does not have a positive influence on performance. This shows that employees' motivation is not able to influence their performance level. Although the motivation felt by employees is high, it is not encourage them to perform high. The results of this study has supported the research conducted by Abdulsalam and Mawoli (2012), which found that the level of motivation of academic staff at Ibrahim Badamasi Babangida University does not influence its performance. Likewise, with Darya (2016), who found that motivation is not significantly affect a person's performance.

The result also shows that H2 is accepted, meaning that job satisfaction has a positive influence on performance. This indicates that the satisfaction of employee's experience in their job could influence the level performance they show. The higher the job satisfaction experienced by employees, the higher the performance they show. This result is consistent with the research performed by Khan et al. (2012), Fadlallah (2015), and Riski et al. (2015).

The results show that H3a is supported. This means that the reward system of remuneration has a positive effect on performance. This shows that employee perception of the remuneration received is able to influence their performance. This result is consistent with the findings of San et al. (2012), and Gohari et al. (2013). It indicates that reward systems of compensation or money have a positive influence on employee performance.

The result indicates that H3b is supported, meaning that remuneration has positive influence on motivation. It shows that the remuneration received by employees for their job influence the motivation. The better their perception towards the remuneration they receive, the higher their motivation to work. This result is consistent with the research held by Khalid et al (2011), and Rizal et al (2014).

The result also shows that H3c is supported, meaning that remuneration has positive influence on job satisfaction. This suggests that the remuneration received by employees for their job influence the job satisfaction they feel. The better their perception towards the remuneration they receive, the higher their satisfaction in working. This result is consistent with the research conducted by Khalid et al (2011), Sawar and Aburge (2013), and Salisu et al. (2015).

Based on the bootstrapping test to H3d, it is found that H3d is supported. It indicates that motivation is proven to be a mediating variable in the relation between remuneration and performance. It also means that the remuneration the employees receive promote their motivation to work. The motivation that employees have, in turn, will improve the performance they show in every work they perform. This research is consistent with Rizal et al. (2014) who suggest that the relation of reward system on employee performance could be mediated by motivation variable.

The result of bootstrapping test to H3e finds that H3e is supported. It indicates that job satisfaction is proven to be a mediating variable in the relation between remuneration and performance. It means that the remuneration received by employees will improve their satisfaction at work. Furthermore, this employees job satisfaction will in turn improve the performance they show in every work they perform. This research is

consistent with the research held by Sopiah (2013) which suggests that job satisfaction could be a mediating variable in the relation between financial compensation and performance.

6. CONCLUSION

Remuneration and job satisfaction are two highly important factors in individual performance improvement. In addition, remuneration can improve motivation and job satisfaction. This research also shows that, the influence of reward management system in the form of remuneration to employee performance could be created through mediating variables such as motivation and job satisfaction. Based on the findings, it is obvious that the motivation cannot directly improve employee performance. This result is different from the previous literature in which motivation plays a dominant role in improving performance. This discrepancy shall be evaluated in order to see the aspects needed by employees to improve their performance objectively. Evaluation in the determination of motivation can be done by looking at the reward management system policy which is obviously proved as an important factor to increase employee motivation. The results of these evaluations should encourage employee motivation and indirectly also encourage their performance. This study has limitations, namely the limited data collection method and quantitative data processing. It would be better if the further research combines both quantitative and qualitative methods (mix method), in order to get more objective and detail outcome.

ACKNOWLEDGEMENT

Funding for this project comes from the Superior University Applied Research Grant Scheme, Year 1/2017 provided by the Directorate General of Higher Education, Indonesia

REFERENCES

- Abdulsalam, D & Mawoli, M. A. (2012). Motivation and Job Performance of Academic Staff of State Universities in Nigeria: The Case of Ibrahim Badamasi Babangida University, Lapai, Niger State. *International Journal of Business and Management*. 7 (14), 142-148.
- Agustiningsih, H. N., Armanu T., Djumilah H., Noermijati N. (2016). The Effect of Remuneration, Job Satisfaction and OCB on the Employee Performance. *Science Journal of Business and Management*. 4 (6), 212-222.
- Dobre, Ovidiu-Iliuta. (2013). Employee motivation and organizational performance. *Review of Applied Socio- Economic Research*. 5 (1), 53-60.
- Emerald., T & Genoveva. (2014). Analysis of Psychological Well-Being and Job Satisfaction toward Employees Performance in PT Aristo Satria Mandiri Bekasi, Indonesia. *Proceeding. Kuala Lumpur International Business, Economics and Law Conferece*, Kuala Lumpur, Malaysia 31 Mei – 1 Juni 2014
- Kiruja, E.K & Mukuru, E. (2013). Effect of Motivation on Employee Performance In Public Middle Level Technical Training Institutions In Kenya. *International Journal of Advances in Management and Economics*. 2 (4), 73-82.
- Fadlallah, A. W. A. (2015). Impact of Job Satisfaction on Employees Performance an Application on Faculty of Science and Humanity Studies University of Salman Bin

Abdul-Aziz-Al Aflaj. *International Journal of Innovation and Research in Educational Sciences*. 2 (1), 2349-5219.

- Gohari, P., Ahmadloo, A., Boroujeni, M. B & Hosseinipour, S. J. (2013). The Relationship between Rewards and Employee Performance. *Interdisciplinary Journal of Contemporary Research in Business*. 5 (3), 543-570.
- Ghozali, Imam. (2013). *Aplikasi Analisis Multivariate dengan Program IBM SPSS 21 Update PLS Regresi*. Cetakan ke-7. Badan Penerbit Universitas Diponegoro: Semarang.
- Gungor, P. (2011). The Relationship between Reward Management System and Employee Performance with the Mediating Role of Motivation: A Quantitative Study on Global Banks. *Procedia Social and Behavioral Sciences*. 24, 1510–1520.
- Herpen, van M., Praag, v M., & Coolds, K. (2003). *The Effects of Performance Measurement and Compensation on Motivation: An Empirical study*. Tinbergen Institute Discussion Paper. Tinbergen Institute Amsterdam: Rotterdam.
- Hong, Tan Teck & Waheed, A. (2011). Herzberg's Motivation-Hygiene Theory and Job Satisfaction in the Malaysian Retail Sector: The Mediating Effect of Love of Money. *Asian Academy of Management Journal*, 16 (1), 73-94.
- Jehanzeb, K., Rasheed, M. F., Rasheed, A & Aamir, A. (2012). Impact of Rewards and Motivation on Job Satisfaction in Banking Sector of Saudi Arabia. *International Journal of Business and Social Science*. 3 (21): 272-278.
- Kappagoda, U. W. M. R., Othman, H. Z. F & Alwis, G. D. (2014). Psychological Capital and Job Performance: The Mediating Role of Work Attitudes. *Journal of Human Resource and Sustainability Studies*. 2: 102-116.
- Koopmans, L. (2014). *Measuring Individual Work Performance*. Netherlands: CPI Koninklijke Wöhrmann, Zutphen.
- Khan, A. H., Nawaz, M. M., Aleem, M & Hamed, W. (2012). Impact of job satisfaction on employee performance: An empirical study of autonomous Medical Institutions of Pakistan. *African Journal of Business Management*. 6 (7), 2697-2705.
- Muchtar. (2016). The Influence of Motivation and Work Environment on the Performance of Employees. *SINERGI*. 6 (2), 27-40.
- Macdonald, S & MacIntyre, P. (1977). The Generic Job Satisfaction Scale: Scale Development and Its Correlates'. *Employee Assistance Quarterly*. 13 (2), 1-16.
- Poernomo, U. D & Wulansari, N. A. (2015). Pengaruh Konflik antara Pekerjaan-Keluarga pada Kinerja Pegawai dengan Kelelahan Emosional sebagai Variabel Pemediasi. *Management Analysis Journal*. 4 (3): 190-199.
- Priya, T. U & Eshwar, T. S. (2014). Rewards, Motivation and Job Satisfaction of Employees in Commercial Bank- An Investigative Analysis. *International Journal of Academic Research in Business and Social Sciences*. 4 (4): 70-78.
- Rizal, M., Idrus, M. S., Djumahir., & Mintarti, R. (2014). Effect of Compensation on Motivation, Organizational Commitment and Employee Performance (Studies at Local Revenue Management in Kendari City). *International Journal of Business and Management Invention*. 3 (2): 64-79.

- Salisu, J. B., Chinyio, E., & Suresh, S. (2015). The Impact of Compensation on the Job Satisfaction of Public Sector Construction Workers of Jigawa State of Nigeria. *The Business and Management Review*. 6 (4), 282-296.
- Sarwar, S & Abugre, J. (2013). The Impact of Rewards and Job Satisfaction on Employees in the Service Industry. *The Business & Management Review*. 3 (2): 22-32.
- San, O. T., Theen, Y. P & Heng, T. B. (2012). The Rewards Strategy and Performance Measurement (Evidence from Malaysian Insurance Companies). *International Journal of Business, Humanities, and Technology*. 2 (1): 211-223.
- Sopiah. (2013). The Effect of Compensation toward Job Satisfaction and Job Performance of Outsourcing Employees of Syariah Banks in Malang Indonesai. *International Journal of Learning & Development*. 3 (2), 77-91.
- Viswesvaran, C., & Ones D. S. (2000). Perspectives on Models of Job Performance. *International Journal Select Assessment*. 8, 216–226.
- Wuryanti, W & Setiawan, I. (2017). A Model for Improving Human Resource Performance in the Context of Knowledge Donating. *Jurnal Dinamika Manajemen*. 8(2), 208-215.

LAMPIRAN IV

+ Compose

Inbox 1,902

★ Starred

🕒 Snoozed

▶ Sent

Drafts 14

▼ More

Meet

New meeting

My meetings

Hangouts

Moh - +

No recent chats
[Start a new one](#)

← 📧 ⚙️ 🗑️ 📧 🕒 📧 ⋮ 7 of 2,424 < > 📧

From: **Irwan Trinugroho** <irwan.trinugroho@gmail.com>
Date: Thu, Nov 1, 2018 at 10:06 PM
Subject: Contribution for the Special Issue of IJBS
To:

Dear all,

Hope all is well with you.

As you know, the total publication fees for our special issue of IJBS that will be published this year is RM 16,000 which is equivalent to IDR 56,000,000. As the number of papers is 15, it means that the contribution of each paper is 56 millions : 15 papers = IDR 3,700,000.

Please make a bank transfer to my bank account no later than Monday 5th November 2018. Please mention that it is for the publication fee of IJBS. Here is the details of bank account.

Bank: BNI Surakarta
Account holder: Irwan Tri Nugroho
Account number: 0274312133
Amount: IDR 3,700,000

Thank you for your understanding and cooperation.

Best regards,

Irwan

Apl

- Compose
- Inbox 1,902
- Starred
- Snoozed
- Sent
- Drafts 14
- Meet
 - New meeting
 - My meetings
- Hangouts
 - Moh +
 - No recent chats
 - Start a new one

Fwd: Paper and declaration form Inbox x

 **NURY ARIANI WULANSARI** <nuryariani@mail.unnes.ac.id> 8:32 AM (1 hour ago)
to me

Nury Ariani Wulansari

Lecturer/ Researcher
Human Resources Management Department
Faculty of Economics
UNIVERSITAS NEGERI SEMARANG (UNNES)
L2 Building, 1st Floor Kampus UNNES Sekaran
50229, Semarang
Indonesia
Phone : +62 (0) 24 850 8015
Mobile : +62 (0) 77 3144 7878
Fax : +62 (0) 24 850 8015
www.unnes.ac.id

Apl

Compose

Inbox 1,902

- Starred
- Snoozed
- Sent
- Drafts 14

Meet

- New meeting
- My meetings

Hangouts

Moh +

No recent chats
Start a new one

3 of 2,422 < > [icon]

----- Forwarded message -----

From: **Irwan Trinugroho** <irwan.trinugroho@gmail.com>
 Date: Thu, Nov 1, 2018 at 10:09 PM
 Subject: Fwd: Paper and declaration form
 To:

----- Forwarded message -----

From: **Irwan Trinugroho** <irwan.trinugroho@gmail.com>
 Date: Thu, 1 Nov 2018 at 22:04
 Subject: Paper and declaration form
 To: Evan Lau Poh Hock <lphevan@unimas.my>

Hi Evan

Please kindly find attached the papers and declaration forms.
 I am still waiting for paper no. 1 and paper no. 7.
 I will send it tomorrow, for sure.

Also, my sincere apologies. We will make a payment on Monday 5th November, due to a technical issue.

- Compose
- Inbox 1,902
- Starred
- Snoozed
- Sent
- Drafts 14
- Meet
 - New meeting
 - My meetings
- Hangouts
 - Moh +
 - No recent chats
 - Start a new one

3 of 2,422 < > [dropdown]

Date: Thu, 1 Nov 2018 at 22:04
Subject: Paper and declaration form
To: Evan Lau Poh Hock <lphevan@unimas.my>

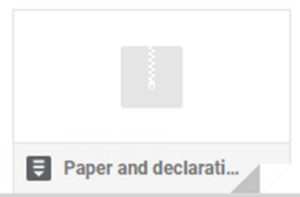
Hi Evan

Please kindly find attached the papers and declaration forms.
I am still waiting for paper no. 1 and paper no. 7.
I will send it tomorrow, for sure.

Also, my sincere apologies. We will make a payment on Monday 5th November, due to a technical issue.

Many thanks

Irwan



October 26, 2018

To,
The Managing Editor
International Journal of Business and Society
Department of Economics
Faculty of Economics and Business
Universiti Malaysia Sarawak
94300 Kota Samarahan
Sarawak, Malaysia (FAX: 082 -583999)

Sir,

Assignment of Copyright

We, S. Martono, Moh. Khoiruddin, And Nury Ariani Wulansari, the copyright owner(s) of the article "Remuneration Reward Management System as a Driven Factor of Employee Performance" do hereby authorize you to publish the above said article in the "International Journal of Business and Society"

In signing this Agreement:

1. The Article is an original work, has not been published before and is not being considered for publication elsewhere in its final form either in printed or electronic form;
2. Wherever required, You are warrant to obtained permission from the copyright holder to reproduce in the Article (in all media including print and electronic form) and acknowledged the source;
3. The Article contains no violation of any existing copyright, other third party right, any material of an obscene, indecent, libellous or otherwise unlawful nature and that to the best of your knowledge the Article does not infringe the rights of others;
4. You hereby warrant that in the case of a multi-authored Article you have obtained, in writing, authorization to enter into this Agreement on their behalf and that all co-authors have read and agreed the terms of this Agreement;

By signing this Agreement you agree that International Journal of Business and Society (IJBS) may arrange for the Article to be:

1. Published in IJBS and sold or distributed, on its own, or with other related material;
2. Reproduced and/or distributed (including the abstract) throughout the world in printed, electronic or any other
3. Authorize IJBS to act on your behalf to defend the copyright in the Article if anyone should infringe it, although there is no obligation on IJBS to act in this way.
4. As the Author(s), copyright in the Article remains in your name (or your employer's name if your employer owns copyright in your work).

Author 1



S. Martono
Universitas Negeri Semarang
October 26, 2018

Author 2



Moh. Khoiruddin
Universitas Negeri Semarang
October 26, 2018

Author 3



Nury Ariani Wulansari
Universitas Negeri Semarang
October 26, 2018

REMUNERATION REWARD MANAGEMENT SYSTEM AS A DRIVEN FACTOR OF EMPLOYEE PERFORMANCE

S. Martono
Universitas Negeri Semarang

Moh. Khoiruddin
Universitas Negeri Semarang

Nury Ariani Wulansari
Universitas Negeri Semarang

ABSTRACT

Reward management system has been an important point of attention in any organization as a defining factor of employee's high welfare and performance. This research studies the influence of remuneration reward system on employee performance through motivation and job satisfaction as the mediation variable. The data in this research was taken from Universitas Negeri Semarang's permanent employees amounting to 403 employees. SEM tests are proposed in order to examine the influence of remuneration reward system, motivation, and job satisfaction either directly or indirectly on performance. The mediating roles of motivation and job satisfaction are measured to be an indirect relation intermediary. The results show that remuneration and job satisfaction have a positive influence on performance. Furthermore, motivation and job satisfaction are found to be significantly positively influenced by remuneration. However, the direct effect of motivation on performance is not supported. Motivation can improve employee performance, by becoming the mediation variable of remuneration reward system. This study shows that motivation and satisfaction are the variables that can mediate the relationship between remuneration and employee performance

Keywords: Management Reward System, Remuneration, Motivation, Job Satisfaction, Performance.

1. INTRODUCTION

One of Universitas Negeri Semarang's goals in its 2015-2019 Business Strategy Plans is to organize and develop institutional governance addressed towards stakeholder welfare by following good university governance principles. Universitas Negeri Semarang with its academic and organizational management autonomies should be capable of bringing about welfare for its stakeholders, in particular its employees, to allow them to develop their performance professionally and to be more productive. The implementation of remuneration reward system which has been applied for two years in this university is a part of the strategy to achieve that goal which in turn results in the achievement of institutional accreditation improvement. The institutional accreditation improvement means that there has been an improvement of excellence in the fields of high-quality, conservation value-based education, research, and services to the society to develop a globally competitive national civilization.

Corresponding author:

Faculty of Economics, Universitas Negeri Semarang, Semarang, 50229 Indonesia. Tel: +628156542956¹
Email: martonowr2@mail.unnes.ac.id¹, khoiruddin@mail.unnes.ac.id², nuryariani@mail.unnes.ac.id³

Within organization management autonomy context, university is committed to be able to independently develop a management which integrates all of these fields by implementing the good university governance principles, performing an effective organization, HRM practices, and financial management structuring, as well as exploring income generating alternatives to support university's visions to be a world-class university. Wuryanti and Setiawan (2017) research results recommend the need to integrate financial and HR system through the implementation of merit-based reward system. Remuneration as a part of finance-based reward management system has been applied to all Universitas Negeri Semarang permanent employees since 2014, yet until recently the implication of remuneration on employee motivation, satisfaction, and performance has been comprehensively unknown. This research is conducted in an attempt to obtain empirical information on the implication of remuneration on employee motivation, satisfaction, and performance.

The empirical information obtained from this research is expected to be useful as the basis for consideration in management decision-making in relation to the revision of university remuneration policy in the future.

2. LITERATURE REVIEW

2.1. Performance

Viswesvaran and Ones (2000) defined work performance as measurable actions, behavior and outcomes that employees engage in or bring about that are linked with and contribute to organizational goals. Performance is also defined as employees' capability to accomplish their jobs (Poernomo and Wulansari, 2015).

Performance indicates anything performed by employees, which may be in the forms of their task completion effectiveness, cooperation relationship with other parties, quality and quantity of their job output, and their attendance at work. Individual performance can also be influenced by internal and external factors. The internal factors include intellectual ability, work discipline, job satisfaction, and job motivation. Meanwhile, the external factors involve the type of leadership, work environment, compensation, and the management system applied in the company (Emerald & Genoveva, 2014).

2.2. Motivation

Motivation is the main drive of one's behavior in a job. Motivation is a powerful tool that reinforces behavior and triggers the tendency to continue. In other words, motivation is an internal drive to satisfy an unsatisfied need and to achieve a certain goal. It is also a procedure that begins through a psychological need that stimulates a performance set by an objective (Dobre, 2013).

2.3. Job Satisfaction

Job satisfaction is a pleasant emotional state of individual related to his/her job. Job satisfaction reflects the individual feeling towards his/her job. Job satisfaction is one of an employee's positive attitudes to his/her job and everything he/she encounters at work (Macdonald and Peter, 1977).

2.4. Remuneration Reward System

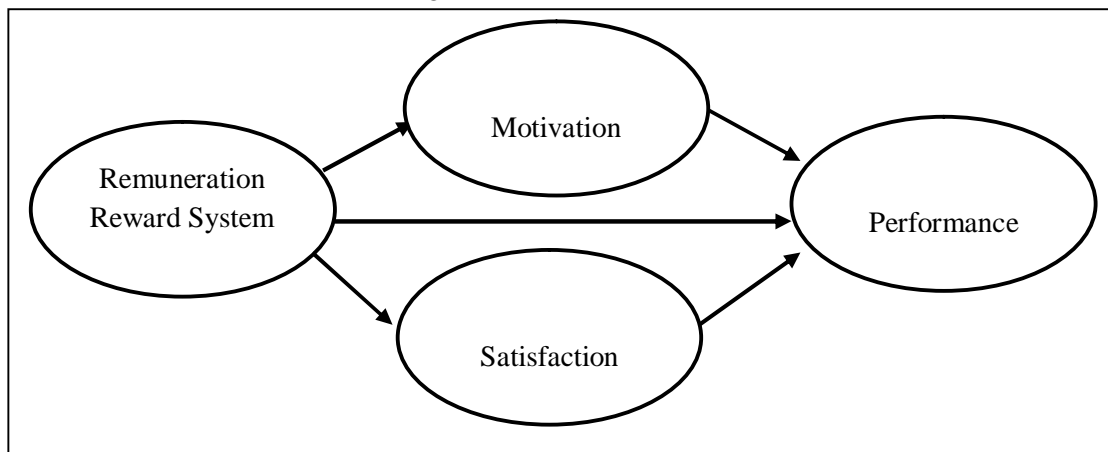
Reward management system is a core function of human resource discipline and is a strategic partner with company managements. Besides, it has an important role on work outcome. Reward management systems have major impact on organizations capability to catch, retain and motivate high potential employees and as a result getting the high levels of performance (Gungor, 2011).

Remuneration reward system is usually implemented to motivate employees so that they perform better quality, are more productive, are not easily moved to other companies, establish a service-oriented behavior, and avoid corruption. Remuneration can be in the form of money or salary, fixed allowances, variable allowances, incentives and other facilities. Remuneration is the total compensation received by the employees in return for the services he or she has done (Agustiniingsih et al. 2016).

2.5. Research Framework

Figure 1 presents the research model, examining factors that influence work performance. The factors examined are remuneration reward system, motivation, and job satisfaction.

Figure 1: Research Model



Motivation and Performance. In organization context, it is important for the organization to motivate its employees. It is because any employee with work motivation will show the behaviors expected by the organization at work. When someone has motivation in doing his job, then the performance will also increase (Sarwar & Abugre, 2013). Based on this explanation, the following hypothesis could be formulated:

H1: Motivation has Positive Influence on Performance

Job Satisfaction and Performance. The term job satisfaction refers to the attitude and feeling employees have about their works. Positive and favorable attitudes towards the job indicate job satisfaction, and negative and unfavorable attitudes towards the job indicate job dissatisfaction. In other words, job satisfaction can be defined as the extent to which the individual's needs are satisfied and to the extent to which the individual perceives that satisfaction stems from his total work situation (Kiruja and Mukuru, 2013; Salisu et al, 2015, Muchtar, 2016). When someone has satisfaction in his/her job, it will eventually influence positive work outcome, such as increased performance (Kappagoda et al. 2014). Based on this explanation, the following hypothesis could then be formulated:

H2: Job Satisfaction has Positive Influence on Performance

Remuneration Reward System, Motivation, Satisfaction, and Performance. The provision of remuneration or compensation either directly or indirectly is found to stimulate employee performance. A reward system which is perceived to be fair and proportional by employees could improve their productivity at work (San et al., 2012 & Gohari et al., 2013). Meanwhile, the remuneration given may also have indirect influence on their performance. This implementation of remuneration reward system could also be a powerful tool to improve employees' work motivation and job satisfaction. When someone feels that the system being applied by their organization is fair, it can improve his job satisfaction and increase their motivation to work (Jehanzeb et al., 2012; Priya & Eshwar, 2014). Therefore, the following hypothesis could be formulated:

H3a: Remuneration Reward System has Positive Influence on Performance.

H3b: Remuneration Reward System has Positive Influence on Motivation

H3c: Remuneration Reward System has Positive Influence on Satisfaction

H3d: Motivation Facilitates the Influence of Remuneration Reward System on Performance.

H3e: Job Satisfaction Facilitates the Influence of Remuneration Reward System on Performance.

3. METHODOLOGY

3.1. Sample and Procedure

A sample of 403 respondents was taken from all permanent employees of Universitas Negeri Semarang. The quantitative sampling was made using Purposive Proportional Random Sampling. The sample was chosen since it met the criteria required in this research. It was randomly selected, and represented the population proportionally. The criteria were employees (lecturers and education staff) with permanent status and have received the remuneration reward for the last two years.

3.2. Measures

The variables in this research included: remuneration reward system as an independent variable, motivation and job satisfaction as mediating variables, and performance as the dependent variable. The data were analyzed by using Structural Equation Modeling (SEM) assisted by AMOS Program with Goodness of Fit on structural equation.

Remuneration Reward System. The remuneration variable was measured with seven (7) question items from Herpen et al. (2003). Examples of items of questions for remuneration reward system is “The method of remuneration at this organization is clearly defined”.

Motivation. The motivation variable was measured with fourteen (14) question items from Hong and Amna (2011) in which they used Herzberg's Motivation-Hygiene Theory approach. One of the item question instruments is “I am proud to work at this organization because my achievements are recognized”.

Job Satisfaction. Furthermore, job satisfaction variable was measured with ten (10) job satisfaction scale items from Macdonald and Peter (1977). One of the example question is “I am satisfied with the recognition given when I finish my job well”

Work Performance. Finally, the performance variable was measured with thirteen (13) work performance measurement items from Koopmans (2014). One of the item questions is “I take full responsibility in my work”.

4. THE EMPIRICAL RESULTS

4.1. Reliability and Construct Validity

There are several types of instrument tests in SEM, namely validity and reliability. The reliability used two ways, construct reliability and variance extracted. Cut Off Value from Construct reliability is > 0.70 while Cut Off Value of variance extracted is > 0.50 even though the cut off values are not absolute numbers. The result of Construct Reliability and Average Variance Extract test shows that some variables have AVE value of < 0.5 . Thus, to increase the value of AVE and the value of Goodness of Fit, some parameters were then removed from the model. The omitted parameter was 13 out of 44. Then, the model is re-tested and re-calculated by using CR and AVE values. The results are as follows:

Table 1: Instrument Test

| Variable | CR | AVE |
|------------------|-------|-------|
| Job Satisfaction | 0.934 | 0.589 |
| Performance | 0.949 | 0.595 |
| Motivation | 0.948 | 0.573 |
| Remuneration | 0.926 | 0.647 |

CR and AVE calculation results show that all variables have CR of > 0.7 and AVE of > 0.5 . Thus, the model used have no validity and reliability issues.

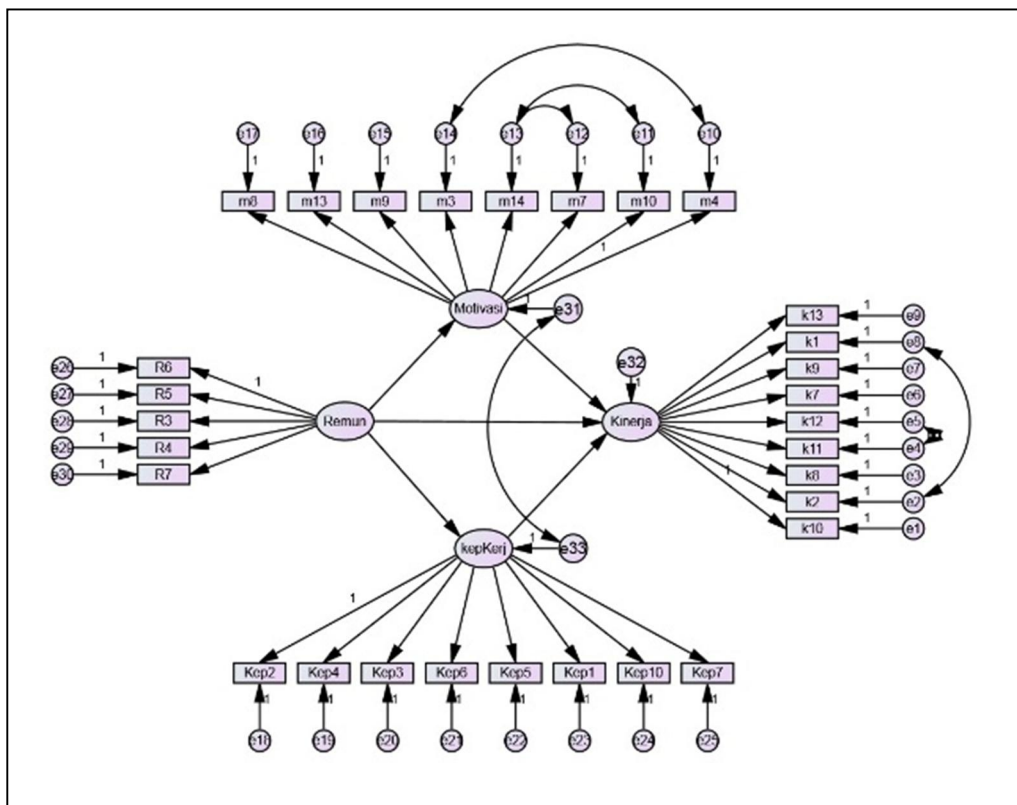
4.2. Results of Normality Test

SEM requires normal distributed data to avoid bias results of the analysis. Normality test was done by using criteria of critical ratio of kurtosis value, which was equal to ± 2.58 at level of significance 0.01. The data has a normal distribution if the value of the critical ratio of kurtosis value is < 2.58 (Ghozali, 2011). Based on the results of normality test, it was known that all parameters had the value of critical ratio of kurtosis ranged from -2.58 and $+2.58$, so it could be concluded that the data used was distributed normally.

4.3. Flow Chart Development

The development of the built-in theoretical model was illustrated in a flowchart. Flow chart made the researchers easier to see the causality relationships among variables. The model used in this research is as follows:

Figure 2. Model Flow Development



4.4. Model Rating

The suitability of the model was evaluated through a review of several Goodness-Of-fit criteria. The first action was to evaluate whether or not the data used met SEM assumptions. It was viewed from sample size, normality, linearity, outliers, multi-collinearity and similarity.

Table 2. The Suitability of Model

| Goodness-of-fit Indices | Cut-off Value | Value | Result |
|-------------------------|--|---------|----------|
| Chi-Square (X^2) | Value expected (X^2 count < 441,282) | 762.689 | Not Good |
| P Value | > 0.05 | 0.04 | Medium |
| CMIN / DF | 3.00 | 2.951 | Good |
| GFI | 0.90 < 1 | 0.91 | Good |
| AGFI | 0.80 < 1 | 0.82 | Good |
| TLI | 0.95 < 1 | 0.915 | Medium |
| CFI | 0.95 < 1 | 0.923 | Medium |
| RMSEA | Between 0.03 – 0.08 | 0.070 | Good |

Based on Table 2, the value of Chi Square included in the category is not good. This is because there are still some data that have an outlier problem. In addition, the number of respondents or observation has a high value of d-squares and $p1 < 0.1$ is quite a lot so it affects the Chi square value. However, the overall model used is categorized as Good.

4.5. Hypothesis Testing

The hypothesis in this research was tested by implementing Structural Equation Modeling (SEM) analysis technique. The hypothesis testing was done by looking at the strength of dimensions form latent factor. This could be seen in the Regression Weight generated by the model. The critical ratios are identical to t-arithmetic in the regression analysis. The value of Critical Ratio is > 2.0 and it indicates that those variables significantly are the dimensions of the latent factors formed.

Table 3. Regression

| | | | Estimate | S.E. | C.R. | P |
|--------|------|----------|----------|------|--------|------|
| Perfor | <--- | Motivat | .026 | .054 | .477 | .634 |
| Perfor | <--- | JobSatis | .688 | .064 | 10.794 | *** |

The value of C.R of motivation influences the performance of 0.477 is < 2 , and the value of P value 0.634 is > 0.05 so that H1 is not accepted. Value of C.R influence job satisfaction on performance 10,794 is > 2 , and value of P value 0.000 is < 0.05 , so H2 is accepted.

Table 4. Regression

| | | | Estimate | S.E. | C.R. | P |
|---------|------|-------|----------|------|-------|-----|
| Motivat | <--- | Remun | .325 | .034 | 9.658 | *** |
| JobSat | <--- | Remun | .256 | .032 | 7.937 | *** |
| Perfor | <--- | Remun | .193 | .035 | 5.515 | *** |

The value of C.R effect of remuneration on performance 5,515 is > 2 , and value of P value 0.000 is < 0.05 so H3a is accepted. The value of C.R of the effect of remuneration on motivation 9.658 is > 2 , and the value of P value 0.000 is < 0.05 so that H3b is accepted. Value of C.R effect of remuneration on job satisfaction 7,937 is > 2 , and value P value 0.000 is < 0.05 so H3c is accepted.

The Bootstrapping test was used to confirm the effect of mediation. If the value of bootstrapping indirect effect is < 0.05 then it can be stated that the mediation variable can mediate the influence of independent variables on the dependent variable. Hail bootstrapping test result is as follows:

Table 5. Bootstrapping Test 1

| | Remuneration | JobSat | Motivation | Perform |
|---------|--------------|--------|------------|---------|
| JobSat | ... | ... | ... | ... |
| Perform | .002 | ... | ... | ... |

Table 6. Bootstrapping Test 2

| | Remuneration | Motivation | JobSat | Perform |
|---------|--------------|------------|--------|---------|
| Motivat | ... | ... | ... | ... |
| Perform | .006 | ... | ... | ... |

Based on the table, it is obvious that Bootstrapping Indirect Effect remuneration on performance through motivation of 0.006 is < 0.05 while Bootstrapping Indirect Effect remuneration on performance through job satisfaction of 0.002 is > 0.05 . Thus, motivation and job satisfaction can mediate the relationship between remuneration and performance so that H3d and H3e are accepted.

The result shows that H1 is not accepted. This means that motivation does not have a positive influence on performance. This shows that employees' motivation is not able to influence their performance level. Although the motivation felt by employees is high, it is not encourage them to perform high. The results of this study has supported the research conducted by Abdulsalam and Mawoli (2012), which found that the level of motivation of academic staff at Ibrahim Badamasi Babangida University does not influence its performance. Likewise, with Darya (2016), who found that motivation is not significantly affect a person's performance.

The result also shows that H2 is accepted, meaning that job satisfaction has a positive influence on performance. This indicates that the satisfaction of employee's experience in their job could influence the level performance they show. The higher the job satisfaction experienced by employees, the higher the performance they show. This result is consistent with the research performed by Khan et al. (2012), Fadlallah (2015), and Riski et al. (2015).

The results show that H3a is supported. This means that the reward system of remuneration has a positive effect on performance. This shows that employee perception of the remuneration received is able to influence their performance. This result is consistent with the findings of San et al. (2012), and Gohari et al. (2013). It indicates that reward systems of compensation or money have a positive influence on employee performance.

The result indicates that H3b is supported, meaning that remuneration has positive influence on motivation. It shows that the remuneration received by employees for their job influence the motivation. The better their perception towards the remuneration they receive, the higher their motivation to work. This result is consistent with the research held by Khalid et al (2011), and Rizal et al (2014).

The result also shows that H3c is supported, meaning that remuneration has positive influence on job satisfaction. This suggests that the remuneration received by employees for their job influence the job satisfaction they feel. The better their perception towards the remuneration they receive, the higher their satisfaction in working. This result is consistent with the research conducted by Khalid et al (2011), Sawar and Aburge (2013), and Salisu et al. (2015).

Based on the bootstrapping test to H3d, it is found that H3d is supported. It indicates that motivation is proven to be a mediating variable in the relation between remuneration and performance. It also means that the remuneration the employees receive promote their motivation to work. The motivation that employees have, in turn, will improve the performance they show in every work they perform. This research is consistent with Rizal et al. (2014) who suggest that the relation of reward system on employee performance could be mediated by motivation variable.

The result of bootstrapping test to H3e finds that H3e is supported. It indicates that job satisfaction is proven to be a mediating variable in the relation between remuneration and performance. It means that the remuneration received by employees will improve their satisfaction at work. Furthermore, this employees job satisfaction will in turn improve the performance they show in every work they perform. This research is

consistent with the research held by Sopiah (2013) which suggests that job satisfaction could be a mediating variable in the relation between financial compensation and performance.

6. CONCLUSION

Remuneration and job satisfaction are two highly important factors in individual performance improvement. In addition, remuneration can improve motivation and job satisfaction. This research also shows that, the influence of reward management system in the form of remuneration to employee performance could be created through mediating variables such as motivation and job satisfaction. Based on the findings, it is obvious that the motivation cannot directly improve employee performance. This result is different from the previous literature in which motivation plays a dominant role in improving performance. This discrepancy shall be evaluated in order to see the aspects needed by employees to improve their performance objectively. Evaluation in the determination of motivation can be done by looking at the reward management system policy which is obviously proved as an important factor to increase employee motivation. The results of these evaluations should encourage employee motivation and indirectly also encourage their performance. This study has limitations, namely the limited data collection method and quantitative data processing. It would be better if the further research combines both quantitative and qualitative methods (mix method), in order to get more objective and detail outcome.

ACKNOWLEDGEMENT

Funding for this project comes from the Superior University Applied Research Grant Scheme, Year 1/2017 provided by the Directorate General of Higher Education, Indonesia

REFERENCES

- Abdulsalam, D & Mawoli, M. A. (2012). Motivation and Job Performance of Academic Staff of State Universities in Nigeria: The Case of Ibrahim Badamasi Babangida University, Lapai, Niger State. *International Journal of Business and Management*. 7 (14), 142-148.
- Agustiningsih, H. N., Armanu T., Djumilah H., Noermijati N. (2016). The Effect of Remuneration, Job Satisfaction and OCB on the Employee Performance. *Science Journal of Business and Management*. 4 (6), 212-222.
- Dobre, Ovidiu-Iliuta. (2013). Employee motivation and organizational performance. *Review of Applied Socio- Economic Research*. 5 (1), 53-60.
- Emerald., T & Genoveva. (2014). Analysis of Psychological Well-Being and Job Satisfaction toward Employees Performance in PT Aristo Satria Mandiri Bekasi, Indonesia. *Proceeding. Kuala Lumpur International Business, Economics and Law Conferece*, Kuala Lumpur, Malaysia 31 Mei – 1 Juni 2014
- Kiruja, E.K & Mukuru, E. (2013). Effect of Motivation on Employee Performance In Public Middle Level Technical Training Institutions In Kenya. *International Journal of Advances in Management and Economics*. 2 (4), 73-82.
- Fadlallah, A. W. A. (2015). Impact of Job Satisfaction on Employees Performance an Application on Faculty of Science and Humanity Studies University of Salman Bin

- Abdul-Aziz-Al Aflaj. *International Journal of Innovation and Research in Educational Sciences*. 2 (1), 2349-5219.
- Gohari, P., Ahmadloo, A., Boroujeni, M. B & Hosseinipour, S. J. (2013). The Relationship between Rewards and Employee Performance. *Interdisciplinary Journal of Contemporary Research in Business*. 5 (3), 543-570.
- Ghozali, Imam. (2013). *Aplikasi Analisis Multivariate dengan Program IBM SPSS 21 Update PLS Regresi*. Cetakan ke-7. Badan Penerbit Universitas Diponegoro: Semarang.
- Gungor, P. (2011). The Relationship between Reward Management System and Employee Performance with the Mediating Role of Motivation: A Quantitative Study on Global Banks. *Procedia Social and Behavioral Sciences*. 24, 1510–1520.
- Herpen, van M., Praag, v M., & Coolds, K. (2003). *The Effects of Performance Measurement and Compensation on Motivation: An Empirical study*. Tinbergen Institute Discussion Paper. Tinbergen Institute Amsterdam: Rotterdam.
- Hong, Tan Teck & Waheed, A. (2011). Herzberg's Motivation-Hygiene Theory and Job Satisfaction in the Malaysian Retail Sector: The Mediating Effect of Love of Money. *Asian Academy of Management Journal*, 16 (1), 73-94.
- Jehanzeb, K., Rasheed, M. F., Rasheed, A & Aamir, A. (2012). Impact of Rewards and Motivation on Job Satisfaction in Banking Sector of Saudi Arabia. *International Journal of Business and Social Science*. 3 (21): 272-278.
- Kappagoda, U. W. M. R., Othman, H. Z. F & Alwis, G. D. (2014). Psychological Capital and Job Performance: The Mediating Role of Work Attitudes. *Journal of Human Resource and Sustainability Studies*. 2: 102-116.
- Koopmans, L. (2014). *Measuring Individual Work Performance*. Netherlands: CPI Koninklijke Wöhrmann, Zutphen.
- Khan, A. H., Nawaz, M. M., Aleem, M & Hamed, W. (2012). Impact of job satisfaction on employee performance: An empirical study of autonomous Medical Institutions of Pakistan. *African Journal of Business Management*. 6 (7), 2697-2705.
- Muchtar. (2016). The Influence of Motivation and Work Environment on the Performance of Employees. *SINERGI*. 6 (2), 27-40.
- Macdonald, S & MacIntyre, P. (1977). The Generic Job Satisfaction Scale: Scale Development and Its Correlates'. *Employee Assistance Quarterly*. 13 (2), 1-16.
- Poernomo, U. D & Wulansari, N. A. (2015). Pengaruh Konflik antara Pekerjaan-Keluarga pada Kinerja Pegawai dengan Kelelahan Emosional sebagai Variabel Pemediasi. *Management Analysis Journal*. 4 (3): 190-199.
- Priya, T. U & Eshwar, T. S. (2014). Rewards, Motivation and Job Satisfaction of Employees in Commercial Bank- An Investigative Analysis. *International Journal of Academic Research in Business and Social Sciences*. 4 (4): 70-78.
- Rizal, M., Idrus, M. S., Djumahir., & Mintarti, R. (2014). Effect of Compensation on Motivation, Organizational Commitment and Employee Performance (Studies at Local Revenue Management in Kendari City). *International Journal of Business and Management Invention*. 3 (2): 64-79.

- Salisu, J. B., Chinyio, E., & Suresh, S. (2015). The Impact of Compensation on the Job Satisfaction of Public Sector Construction Workers of Jigawa State of Nigeria. *The Business and Management Review*. 6 (4), 282-296.
- Sarwar, S & Abugre, J. (2013). The Impact of Rewards and Job Satisfaction on Employees in the Service Industry. *The Business & Management Review*. 3 (2): 22-32.
- San, O. T., Theen, Y. P & Heng, T. B. (2012). The Rewards Strategy and Performance Measurement (Evidence from Malaysian Insurance Companies). *International Journal of Business, Humanities, and Technology*. 2 (1): 211-223.
- Sopiah. (2013). The Effect of Compensation toward Job Satisfaction and Job Performance of Outsourcing Employees of Syariah Banks in Malang Indonesai. *International Journal of Learning & Development*. 3 (2), 77-91.
- Viswesvaran, C., & Ones D. S. (2000). Perspectives on Models of Job Performance. *International Journal Select Assessment*. 8, 216–226.
- Wuryanti, W & Setiawan, I. (2017). A Model for Improving Human Resource Performance in the Context of Knowledge Donating. *Jurnal Dinamika Manajemen*. 8(2), 208-215.

LAMPIRAN V

Inbox 1,902

- Starred
- Snoozed
- Sent
- Drafts 14

Meet

- New meeting
- My meetings

Hangouts

Moh +

No recent chats
[Start a new one](#)

Fwd: Vol 19 S5 (IJBS) Inbox x

 **NURY ARIANI WULANSARI** <nuryariani@mail.unnes.ac.id> 8:32 AM (1 hour ago) ☆ ↶ ⋮
to me ▾

Nury Ariani Wulansari

Lecturer/ Researcher
Human Resources Management Department
Faculty of Economics
UNIVERSITAS NEGERI SEMARANG (UNNES)
L2 Building, 1st Floor Kampus UNNES Sekaran
50229, Semarang
Indonesia
Phone : +62 (0) 24 850 8015
Mobile : +62 (0) 77 3144 7678
Fax : +62 (0) 24 850 8015
www.unnes.ac.id

Fwd: Vol 19 S5 (IJBS) - khoiruddin x Tab Baru

mail.google.com/mail/u/0/?tab=rm&ogbl#inbox/FMfcgwxKkRPDKkNMnlzvcWRjSRhzdqrV

Apl

Gmail Search mail

UNNES

Compose

Inbox 1,902

- Starred
- Snoozed
- Sent
- Drafts 14

Meet

- New meeting
- My meetings

Hangouts

Moh +

No recent chats
Start a new one

----- Forwarded message -----
From: **Irwan Trinugroho** <irwan.trinugroho@gmail.com>
Date: Fri, Nov 30, 2018 at 2:21 PM
Subject: Fwd: Vol 19 S5 (IJBS)
To:

Dear all

You papers have been formatted according to the IJBS (attached).
For papers No. 2, 3, 4, 5, 6, 7, 8, 10, 12, 13, 14, few necessary correction needed (see attachment). For P5 and P6- the table examples are in Excel.
Also, do check on the authors name and related affiliation.
Do send back all this correction files by **10/12/2018** for the final checking.

Papers No. 1, 9, 11 and 15 have been perfect, no need more correction.

Thank you.

Best regards,

Irwan

P3.docx Book1.xlsx Scan Martono dkk_IJB... Artikel Martono....docx UNS papers colle....docx Tampilkan semua

Type here to search 9:43 15/01/2021

Fwd: Vol 19 S5 (IJBS) - khoiruddin x Tab Baru

mail.google.com/mail/u/0/?tab=rm&ogbl#inbox/FMfcgxwKkRPDKkNmnlzvcWRjSRhzdqrV

Apl

Gmail Search mail UNNES M

Compose

Inbox 1,902

Starred

Snoozed

Sent

Drafts 14

Meet

New meeting

My meetings

Hangouts

Moh +

No recent chats

Start a new one

Best regards,

Irwan

Here are the list of papers:

1. Exposure to Common Idiosyncratic Volatility On Stock Returns In Asean Stock Markets
2. The Direct and Indirect Impacts Of Good Corporate Governance On Banking Stability: An Empirical Study In Indonesia
3. Remuneration Reward Management System As A Driven Factor Of Employee Performance
4. IT Implementation On Smes, Is It A Challenge Or Barriers? An Empirical Research Of Indonesian Smes
5. The U-Shaped Relationships Between Business Units' Strategy, Use Of Accounting Performance Measures And Budgetary Slack- suitable for IJBS
6. Behind Budget Deviation In The Indonesian Local Government's Electoral Cycle
7. PROMOTING ISLAMIC VALUES TO ENCOURAGE LABOUR PERFORMANCE AND PRODUCTIVITY (Evidence from Some Indonesian Industries)
8. Predicting Employee's Intention To Leave: The Role Of Homesickness And Cross-Cultural Adjustment Among Employees Assigned Across Indonesia.
9. Attitude Toward Green Product, Willingness To Pay And Intention To Purchase
10. The Role Of Leader Political Skill And Ethical Leadership On Employee Deviance Behaviour
11. Asset Productivity, Profitability, And Firm Value: Can State-Owned Companies Outperform Non-State-Owned Companies?
12. The Mediation Effect Of Student Perceived Value And Satisfaction Toward Student Orientation And Trust At The Private Higher Education
13. Emerging Sharia Hotel in Indonesia: Understanding the Tourists' Motivation and Values
14. Does Disclosure Method Of Deferred Tax Matter For Investors In Stock Valuation Based On Earnings?
15. Small Medium Enterprises Technology Acceptance Model: A Conceptual Review

P3.docx Book1.xlsx Scan Martono dkk_IJB... Artikel Martono....docx UNS papers colle....docx Tampilkan semua x

Type here to search 9:44 15/01/2021

Gmail

Compose

Inbox 1,902

- Starred
- Snoozed
- Sent
- Drafts 14
- More

Meet

- New meeting
- My meetings

Hangouts

- Moh +

Forwarded message

From: Evan Lau Poh Hoek <phevan@unimas.my>
Date: Fri, 30 Nov 2018 at 13:05
Subject: Vol 19 S5
To: Irwan Trinugroho <irwan.trinugroho@gmail.com>

Dear Irwan

These are the papers and the necessary correction needed. For P5 and P6- the table examples are in Excel.

Do send back all this correction files by 10/12/2018 for our final checking. Also, do check on the authors name and related affiliation. Used all the file as attach for the correction as we have formatted them in accordance to IJBS.

P1, P9,P11 and P15 is perfect.

Thanks

Evan Lau, Ph.D.
Associate Professor
Managing Editor of IJBS
Faculty of Economics and Business
Universiti Malaysia Sarawak (UNIMAS)
94300 Kota Samarahan
Sarawak.

TEL: +6082584368
FAX: +6082583999
<https://sites.google.com/site/phevan/>
<https://expert.unimas.my/profile/1352>
<http://www.ijbs.unimas.my>
FB IJBS: <http://www.facebook.com/ijbsunimas>
<http://scholar.google.co.uk/citations?user=1HvaltEAAAAJ&hl=en&oi=ao>
<https://publons.com/journal/17084/international-journal-of-business-and-society>

23 Attachments

Amendments required for Paper 3

1. Kindly ensure that all references are written in appropriate APA style

Example

| | |
|-----------|---|
| | Abdulsalam, D & Mawoli, M. A. (2012). Motivation and Job Performance of Academic Staff of State Universities in Nigeria: The Case of Ibrahim Badamasi Babangida University, Lapai, Niger State. International Journal of Business and Management. 7(14), 142-148. |
| APA Style | Abdulsalam, D., & Mawoli, M. A. (2012). Motivation and job performance of academic staff of State Universities in Nigeria: The case of Ibrahim Badamasi Babangida University, Lapai, Niger State. International Journal of Business and Management, 7(14), 142-148. |
| | Priya, T. U & Eshwar, T. S. (2014). Rewards, Motivation and Job Satisfaction of Employees in Commercial Bank- An Investigative Analysis. International Journal of Academic Research in Business and Social Sciences. 4 (4): 70-78. |
| APA Style | Priya, T. U., & Eshwar, T. S. (2014). Rewards, motivation and job satisfaction of employees in commercial bank- An investigative analysis. International Journal of Academic Research in Business and Social Sciences, 4(4), 70-78. |

LAMPIRAN VI

Gmail interface header including search bar (Search mail), settings, and UNNES logo.

- Compose
- Inbox 1,900
- Starred
- Snoozed
- Sent
- Drafts 14
- Meet
 - New meeting
 - My meetings
- Hangouts
 - Moh +
 - No recent chats
 - Start a new one

Navigation icons for email actions (back, forward, archive, delete, etc.) and page indicator: 1 of 2,422

Fwd: Your papers (IJBS) have appeared in Scopus Inbox x



NURY ARIANI WULANSARI <nuryariani@mail.unnes.ac.id>
to me

8:35 AM (1 hour ago) ☆ ↶ ⋮

Nury Ariani Wulansari
 Lecturer/ Researcher
 Human Resources Management Department
Faculty of Economics
UNIVERSITAS NEGERI SEMARANG (UNNES)
 L2 Building, 1st Floor Kampus UNNES Sekaran
 50220, Semarang
 Indonesia
 Phone : +62 (0) 24 850 8015
 Mobile : +62 (0) 77 3144 7878
 Fax : +62 (0) 24 850 8015
www.unnes.ac.id

Windows taskbar showing open files: 6. Artikel S, Paper and declarati..., Amendments Pa..., P3.docx, Book1.xlsx. Includes search bar and system tray.

Gmail

Compose

Inbox 1,900

- Starred
- Snoozed
- Sent
- Drafts 14

Meet

- New meeting
- My meetings

Hangouts

Moh +

No recent chats
[Start a new one](#)

Search mail

UNNES M

1 of 2,422

----- Forwarded message -----
From: **Irwan Trinugroho** <irwan.trinugroho@gmail.com>
Date: Sat, Jan 5, 2019 at 8:33 PM
Subject: Your papers (JBS) have appeared in Scopus
To:

Dear authors

FYI

<https://www.scopus.com/results/results.uri?sort=plf-f&src=s&sid=ecf0d8dde6b445882b87f41a0b29ee13&ot=a&sdt=a&sl=23&s=SOURCE-ID+%2819600162006%29&origin=sourceinfo&zone=CSCYpreview&txGid=fc6490796f56cb3a5bbdf9c9bcae1d5f>

Regards,

Irwan

Reply Forward

Windows taskbar: 6. Artikel S | Paper and declarati...zip | Amendments Pa...docx | P3.docx | Book1.xlsx | [Tampilkan semua](#)