



Effect of Remuneration, Work Discipline, Motivation on Performance

Evie K. Sardjana* ; Sudarmo; Didik G. Suharto

Faculty of Social and Political Sciences, Public Administration, Universitas Sebelas Maret, Indonesia
Email: eviesardjana@gmail.com

<http://dx.doi.org/10.18415/ijmmu.v5i6.529>

Abstract

The objective of research was to analyze the effect of remuneration, work discipline, and motivation on employee performance, both partially and simultaneously. This study employed descriptive and quantitative methods with linear regression. The sampling technique used was *Stratified Random Sampling* with 68 employees being the sample. The result of research showed that: 1) $t_{\text{statistic}} = 2.857 > t_{\text{table}} = 1.663$ (at $\alpha = 5\%$), meaning that Remuneration affects discipline significantly, 2) $t_{\text{statistic}} = 5.375 > t_{\text{table}} = 1.663$ (at $\alpha = 5\%$), meaning that remuneration affects motivation significantly, 3) $t_{\text{statistic}} = 0.229 < t_{\text{table}} = 1.663$ (at $\alpha = 5\%$), meaning that discipline does not affect performance significantly, 4) $t_{\text{statistic}} = 1.962 > t_{\text{table}} = 1.663$ (at $\alpha = 5\%$), meaning that motivation affects performance significantly; 5) $t_{\text{statistic}} = 2.470 > t_{\text{table}} = 1.663$ (pada $\alpha = 5\%$), meaning that remuneration affects employee performance, 6) $F_{\text{statistic}} = 4.955 > F_{\text{table}} = 2.710$ (significance level of 5%), meaning that remuneration, work discipline, and motivation affects employee performance simultaneously.

Keywords: Remuneration; Discipline; Motivation; Performance

Introduction

Employee performance is a parameter of organizational performance, so that the employees' work performance should be evaluated continuously in the attempt of maintaining and improving organizational performance. In the attempt of improving its employee performance, an organization takes several ways: applying remuneration, work discipline, and job motivation. Through those processes, the employees are expected to maximize better their responsibility for the job to do; through work discipline employees come and get home timely, wear the same uniform, and use infrastructure effectively and efficiently; education and training are require as well to be a means of working, while good work environment and motivation as well as compensation are basically the employees' right and the organization's obligation to support its employees' contribution in the attempt of achieving the specified objective.

Originally, this behavior is an emergency attempt to meet the unfulfilled need. But subsequently it develops into behavior and habit. To prevent this, remuneration the employees receive will meet their life need justly and reasonably. It indicates that the behavior is important and ensures that professional working behavior is also important because it affects the employee performance. In this case,

remuneration is expected to motivate the employees to improve their performance and to be more professional. The problem putatively becoming the main factor leading to the employees' low work ethos is employees' less discipline. The change occurring in workplace affects not only the job but also the working individual's career life (Sedarmayanti., 2009: 23).

Universitas Sebelas Maret (Sebelas Maret University or UNS) has many employees consisting of lecturers and educational staffs, thereby requiring a good and correct management. Uneven distribution of compensation to employees leads many employees to be undisciplined, for example, they come late, come timely but often take permission during working hour or are absent in the office during working hour, and less disciplined in wearing office uniform. Poor job motivation is sometimes seen as well in some employees, including postponing job, working on only the task they want to do so, and working less vigorously. It should get serious attention because remuneration, work discipline, and motivation are the factors affecting the improvement of performance. Therefore, *Universitas Sebelas Maret* considers the need for making transformation. *Universitas Sebelas Maret* launches some reform programs, one of which is to Accelerate *Universitas Sebelas Maret* to go to PTNBH and World Class University (WCU). *Universitas Sebelas Maret* is one of State Universities in Indonesia developing very rapidly toward World Class University (WCU) recently, in which a university attempts to qualify the achievement of international standard in order to be equal to the international level university and to meet the requirement in global competition indicating that the university has high quality and reputation.

In the attempt of improving its performance, UNS has so far implemented remuneration system. Remuneration is given to Lecturers and Educational Staffs, with unequal system. Lecturers are required to implement *tridharma perguruan tinggi* (three pillars of higher education) including implementing education/teaching, research, community service, and other supporting activities, and other activities preventing them from uploading activities, lecturing activities, and report to remuneration system, so that they delegate the task to educational staffs below. Educational staff should prepare monthly report logbook containing what they have done every day through elaborating their position. The gain of remuneration is different for one lecturer and educational staff and another. The job requiring large responsibility and with bigger risk has lower gain than the one requiring small responsibility and with smaller risk. Unequal, not-equivalent, imbalanced, and disproportional gain leads to discrepancy (gap), but if the gain is equated it will exert adverse effect, because Lecturers feel having higher position than educational staffs'.

Methodology

This study employed quantitative method, the one using numeric approach to the problem studied, and data collection and analysis (Pasolong & Harbani., 2012: 16). This study examined inter-variable effect. The instrument used was questionnaire to measure remuneration, work discipline, motivation, and performance variables with likert scale score. The sampling technique used was *Stratified Random Sampling* technique, the one used when the members of population were not homogeneous and stratified (Pasolong., 2012: 104). The sample was taken from Medicine, Profession, PPDS, Psychology, Hiperkes Associate Degree (*D3 Hiperkes*), Work Safety and Health Associate Degree (*D4 Kesehatan dan Keselamatan Kerja*), Midwifery Associate Degree (*D3 Kebidanan*), and Midwifery Applied Bachelor Associate Degree (*D4 Sarjana Terapan Kebidanan*) study programs of Medical Faculty. Educational staffs were taken from Academic, Students and Alumni, Financial and General affair, planning and information, study program administration, and laboratory subdivisions of Medical Faculty. Hypothesis testing was conducted using a multiple linear regression test.

The hypotheses of research can be written as follows:

1. H1₀: there is no effect of work discipline on employee performance
H1₁: there is an effect of work discipline on employee performance
2. H2₀: there is no effect of motivation on employee performance
H2₁: there is an effect of motivation on employee performance
3. H3₀ : there is no effect of remuneration on employee work discipline
H3₁: there is an effect of remuneration on employee work discipline
4. H4₀ : there is no effect of remuneration on employees' job motivation
H4₁: there is an effect of remuneration on employees' job motivation
5. H5₀ : there is no effect of remuneration on employee performance
H5₁: there is an effect of remuneration on employee performance
6. H6₀: there is no effect of work discipline, motivation, and remuneration on employee performance
H6₁: there is an effect of work discipline, motivation, and remuneration on employee performance

Result and Discussion

The result of research is summarized in the Table 1.

(Mann Whitney) Variance Test

This test was used to find out the difference of Civil Servant and Non-Civil Servant lecturers, as presented in Table 1.

Table 1 Result of Man Whitney test on Civil Servant and Non-Civil Servant lecturers' rank score

Ranks				
	Lecturer	N	Mean Rank	Sum of Ranks
Discipline	Civil Servant	21	15.14	318.00
	Non-Civil Servant	9	16.33	147.00
	Total	30		
Motivation	Civil Servant	21	17.64	370.50
	Non-Civil Servant	9	10.50	94.50
	Total	30		
Remuneration	Civil Servant	21	17.40	365.50
	Non-Civil Servant	9	11.06	99.50
	Total	30		
Performance	Civil Servant	21	14.71	309.00
	Non-Civil Servant	9	17.33	156.00
	Total	30		

Table 1 shows that mean rank score of discipline and performance variables is higher in Non-Civil Servant lecturers than that in Civil Servant ones, while the mean rank score of motivation and remuneration is higher in Civil Servant lecturers than that in Non-Civil Servant ones.

Table 2 Result of Mann Whitney Variance test on Civil Servant lecturers compared with Non-Civil Servant ones

Test Statistics ^b				
	Discipline	Motivation	Remuneration	Performance
Mann-Whitney U	87.000	49.500	54.500	78.000
Wilcoxon W	318.000	94.500	99.500	309.000
Z	-.342	-2.040	-1.816	-.751
Asymp. Sig. (2-tailed)	.732	.041	.069	.453
Exact Sig. [2*(1-tailed Sig.)]	.756 ^a	.040 ^a	.070 ^a	.476 ^a

a. Not corrected for ties

b. Grouping Variable: lecturers

Table 2 shows Asymp.Sig value (2 tailed) > 0.05, meaning that there is a difference between lecturers in discipline (0.756), remuneration (0.070), and performance (0.476) variables, but there is no difference in motivation variable (0.040), as Asymp.Sig (2 tailed) < 0.05.

Furthermore, Mann Whitney test was used to find out the difference between Civil Servant and Non-Civil Servant Educational Staffs, as presented in Table 3.

Table 3 Result of Mann Whitney on rank score of Civil Servant and Non-Civil Servant-Educational Staffs

	Educational Staff	N	Mean Rank	Sum of Ranks
Discipline	Civil Servant	23	20.07	461.50
	Non- Civil Servant	15	18.63	279.50
	Total	38		
Motivation	Civil Servant	23	21.72	499.50
	Non- Civil Servant	15	16.10	241.50
	Total	38		
Remuneration	Civil Servant	23	19.78	455.00
	Non- Civil Servant	15	19.07	286.00
	Total	38		
Performance	Civil Servant	23	19.13	440.00
	Non- Civil Servant	15	20.07	301.00
	Total	38		

Table 3 shows that the mean rank score of discipline, motivation, and remuneration variables is higher in Civil Servant educational staffs than that in non-Civil Servant ones, while the mean rank score of performance variable is higher in non-Civil Servant educational staffs than that in Civil Servant ones.

Table 4 Result of Mann Whitney Variance test on Civil Servant and Non-Civil Servant-Educational Staffs

Test Statistics ^a				
	Discipline	Motivation	Remuneration	Performance
Mann-Whitney U	159.500	121.500	166.000	164.000
Wilcoxon W	279.500	241.500	286.000	440.000
Z	-.390	-1.526	-.195	-.257
Asymp. Sig. (2-tailed)	.697	.127	.845	.798
Exact Sig. [2*(1-tailed Sig.)]	.701 ^b	.129 ^b	.860 ^b	.813 ^b

a. Grouping Variable: educational staff

b. Not corrected for ties

Table 4 shows Asymp.Sig value (2 tailed) > 0.05, meaning that there is no difference between lecturers in discipline (0.701), motivation (0.129), remuneration (0.860), and performance (0.813) variables, as Asymp.Sig (2 tailed) > 0.05.

Result of Linear Regression Test

The result of linear regression on the Effect of Remuneration on Discipline can be seen from the definition of parameter figures as presented in Table 5.

Table 5 Result of linear regression on the Effect of Remuneration on Employees' Discipline

Coefficients ^a						
Model	Unstandardized Coefficients		Standardized	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	39.472	5.885		6.707	.000
	Remuneration	.335	.117	.332	2.857	.006

a. Dependent Variable: Discipline

T-test as shown in table 5 was used to find out the significant effect of Remuneration on Discipline partially. Table 5 shows $t_{\text{statistic}} (2.857) > t_{\text{table}} (1.663)$, significant at alpha of 5%. Therefore, H_0 is not supported and H_a is supported, meaning that there is a significant effect of Remuneration on Discipline.

The result of linear regression on the Effect of Remuneration on Employee Discipline can be seen in Table 6.

Table 6 Result of linear regression on the Effect of Remuneration on Employees' Remuneration

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	48.867	6.839		7.146	.000
	Remuneration	.732	.136	.552	5.375	.000

a. Dependent Variable: Motivation

T-test as shown in table 6 was used to find out the significant effect of Remuneration on Motivation partially. Table 5 shows $t_{\text{statistic}} (5.375) > t_{\text{table}} (1.663)$, significant at significance level of 5%. Therefore, H_0 is not supported and H_a is supported, meaning that there is a significant effect of Remuneration on Motivation.

The result of a multiple-linear regression on the Effect of Discipline, Motivation, and Remuneration on Employee Performance can be seen in Table 7.

Table 7 Result of a Multiple Linear Regression

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	21.332	5.992		3.560	.001
	Discipline	.020	.088	.028	.229	.820
	Motivation	.058	.075	.106	1.962	.044
	Remuneration	.342	.098	.475	3.470	.001

a. Dependent Variable: Performance

Furthermore, the result of F test can be seen in Table 8.

Table 8 Result of F test

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	163.277	3	54.426	4.955	.004 ^b
	Residual	703.003	64	10.984		
	Total	866.279	67			

a. Dependent Variable: Performance

b. Predictors: (Constant), Remuneration, Discipline, Motivation

Table 8 shows $F_{\text{statistic}} > F_{\text{table}} = 4.955 > 2.710$, indicating that H_0 is not supported and H_a is supported. It means that there is a simultaneous effect of discipline, motivation, and remuneration variables on performance variable.

The result of research can be summarized in the framework of inter-variable relationship as illustrated in the Figure 1.

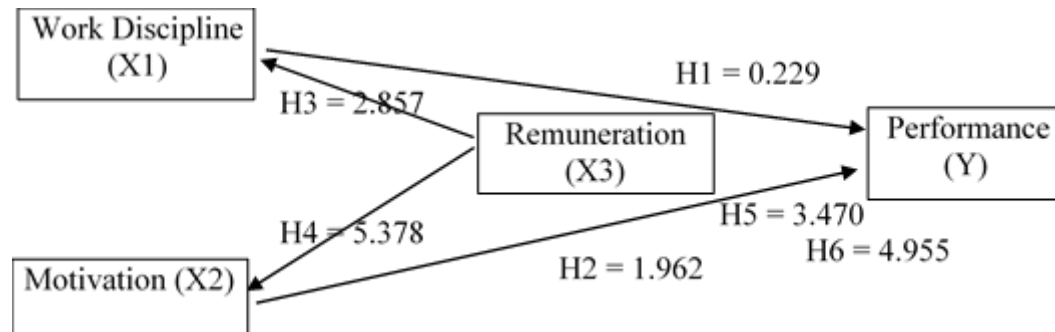


Fig. 1 Inter-variable relationship

From the result of research, R square value can be obtained as follows:

Table 9 Model Summary for Multiple Correlational Coefficient

Model Summary ^b					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.434 ^a	.188	.150	3.314	1.649

a. Predictors: (Constant), Remuneration, Discipline, Motivation

b. Dependent Variable: Performance

From the table of Model Summary above, it can be seen that the multiple correlational coefficient of remuneration, discipline, and motivation variables on employee performance (R) is = 0.434 meaning that the three variables (remuneration, discipline, and motivation) simultaneously affect significantly the employee performance (0.40-0.599) (consistent with Sugiyono's (2013) correlational criteria). Coefficient of determinacy (R square) = 0.188 or 18.8% meaning that remuneration, discipline, and motivation variable can explain only 188% of the change of employee performance, while the rest of 71.2% is explained by other variables.

Furthermore, the result of hypothesis testing in this research is explained as follows.

The effect of Work Discipline on Employee Performance

The result of first hypothesis testing, based on table 7, shows that $t_{\text{statistic}} (0.229) < t_{\text{table}} (1.663)$. Therefore H_0 is supported and H_a is not supported, meaning that there is no significant effect of Discipline on performance. The employees' work discipline level is sufficiently good, but discipline enforcement should be improved. It relates to the enforcement of institutional rule and the absence of appropriate punishment to the offender.

This research was supported with *International Academic Journal of Human Resource and Business Administration* by Anthony (2017), entitled: *Effects Of Discipline Management On Employee Performance In An Organization: The Case Of County Education Office Human Resource Department, Turkana County*, recommending that “although disciplining policy is important in bringing goodness into organization, the government should attempt to deal with such related issues as an elaborate discipline implementation that has inhibited the employee performance in the state. Human resource management can utilize a guideline recommended for a more effective discipline implementation in organization” (Anthony., 2017).

Discipline contributes importantly to the improved performance. Work discipline includes attitude, behavior, and deed appropriate to both written and non-written organizational regulation. Work discipline is a very important part or variable in human resource development. Therefore, work discipline is desirable in an organization to prevent oversight, deviation, or inattentiveness from occurring, leading to the wastefulness in doing work (Siagian., 2017: 23).

Discipline is generally defined as compliance with and obedience to regulations or stipulations enacted in individual organization environments. If some employees do not comply with any regulation and stipulation enacted in their work environment, their action can be categorized into undisciplined one. From organizational perspective, discipline can be formulated as every member of organization’s obedience to any rules enacted in the organization, as manifested into good attitude, behavior, and deed, thereby creating regularity, harmony, no dispute, and other good conditions.

In maintaining work discipline, every employee is always required to keep having positive attitude to the job. The respondents’ reply shows that they very agree with this statement, as indicated with the Medicine Faculty of UNS having done so because they considered that attitude reflects how an employee does his/ her main obligation and duty, and his/her loyalty to organization and superior. In addition, employees are always required to behave well and to do good deed during working, meaning that they should focus on their job rather than do other jobs than their duty and function in each job unit.

The result of research shows that the effect of work discipline on employee performance also confirms the previous study conducted by Sari (2015) finding that work discipline affects Civil Servant performance positively and significantly (Sari & Purnama Widi., 2015). Work Discipline affects employee performance partially (Setiawan., 2013).

The Effect of Motivation on Employee Performance

The result of second hypothesis testing, based on table 7, shows that $t_{\text{statistic}} (1.962) > t_{\text{table}} (1.663)$. Therefore, H_0 is not supported and H_a is supported, meaning that there is a significant effect of motivation on performance.

Motivation affects significantly the employee performance. Motivation is something encouraging an individual to do something or action leading to an objective (goal). This result of test is consistent with Murty’s (2012) study showing that there is a positive and significant relationship between motivation and employee performance. So, from the result of research, it can be concluded that the higher the motivation given by the company to the employees, the higher will be the employee performance (Murty & Windy Aprilia., 2012).

It is in line with the study conducted by Kriengsak Chareonwongsak (2017) published in an international journal entitled *Enhancing board motivation for competitive performance of Thailand’s co-operatives* stating that:

“Data used for the model estimation are collected primarily by questionnaire surveys from both Board of directors and the managers from the co-operatives in Thailand. Secondary data is the financial and non-financial indicators of the co-operatives, which were collected by Co-operative Auditing Department and Co-operative Promotion Department. The study result suggests that the motivation of co-operative boards of directors significantly affects co-operative performance. Factors that are found to affect board member motivation include board authority and function, board composition, board meeting quality, board members’ skill, transparency in the evaluation and compensation setting process and financial compensation.” (Kriengsak Chareonwongsak., 2017).

Motivation, as a process, results from an individual’s intrinsic and extrinsic factors. Therefore, improving motivation value can be done by giving the employees the spirit (incentive) to undertake their duty and responsibility. This incentive can be reward or other form of compensation given to high-performing employees corresponding to the existing stipulation. This improvement of employee performance is very meaningful to both public and private organizations (companies). An employee with high job motivation will give his best to an organization. It is this that makes motivation contributes very importantly to organization (Misail Palagia et al., 2012).

The Effect of Remuneration on Employees’ Work Discipline

The result of third hypothesis testing, based on table 5, shows that $t_{\text{statistic}} (2.857) > t_{\text{table}} (1.663)$. Therefore, H_0 is not supported and H_a is supported, meaning that there is a significant effect of remuneration on discipline.

Political and democratic development recently brings about bigger challenges, particularly to governmental or government-related institutions. Every institution is required to define vision, mission, and its role as a public institution in order to provide the best service to community. It results in the demand for internal change toward the realization of government with the guarantee of law certainty, transparency, professionalism, and accountability, corresponding to good governance. The principle affects Indonesian government significantly, requiring the transformations in governmental system, particularly civil servant’s culture in the term of discipline. Bureaucratic reform is the main requirement for good governance. In addition Bureaucratic reform is an attempt of making a systematic and planned change toward the better public administrative order. Therefore, remuneration or reward should be given to those with good performance.

Performance benefit, in this case remuneration, takes the employees’ performance gain into account annually. Considering Government Regulation Number 46 of 2011, the assessment of employee performance consists of two elements: Employees’ Work Goal (SKP) and behavior. The presence of targeted performance gain according to the work goal in SKP made by Civil Servant is expected to create Civil Servants with good performance, highly motivated, and with good behavior in the term of service, integrity, commitment, discipline, cooperation and leadership, as opinion has been created within society that Civil Servants are always associated with poor performance, low motivation, and poor discipline.

This finding is in contradiction with previous study showing that “performance benefit in fact cannot improve discipline. Performance benefit does not affect discipline among BPDAS employees in East Java. Indicators of undisciplined behavior are still found in the employees who still come to work late, use office facilities, and do not comply with the office’s regulation” (Hanifah., 2017).

The enactment of finger-print attendance system and morning-evening roll calls is the early step done to assess the discipline element in Faculty of Medicine of Surakarta Sebelas Maret University. It is intended to improve Civil Servant and Non-Civil Servant discipline related to work hour. The attendance

of employees corresponding to work hour will be an assessment in determining remuneration payment. So there is a very close relationship between remuneration and work discipline in implementing remuneration system, because one of an institution's objectives is to improve the employees' discipline.

The Effect of Remuneration on Employees' Job Motivation

The result of fourth hypothesis testing, based on table 6, shows that $t_{\text{statistic}} (5.375) > t_{\text{table}} (1.663)$ at significant level of 5%. Therefore, H_0 is not supported and H_a is supported, meaning that there is a significant effect of remuneration on motivation.

This finding is in line with Calvin's (2017) study concluding as follows:

The study explores the impact of remuneration on employees' performance. The dependent variable is employees' performance while the independent variable is remuneration (salary/ wages, bonus/ incentives). The finding suggested that there is a strong and positive relationship between remuneration and employees' performance and that salary/ wage and bonus/ incentives also serve as a form of motivation to the employees. The study recommends Prompt payment of salaries, wages and all entitlements and encouragement of employees' participation in pay determination (Calvin., 2017: 34).

This study found that remuneration can improve the employees' motivation. It is in line with Sancoko's (2011) study proving that there is a significant relationship between remuneration and motivation and with Prihono's (2016) study stating that remuneration can be a motivator for the employees to improve their capability and to achieve performance quality.

If compensation is given correctly, the employees will be satisfied and motivated to achieve the goals specified by organization. Commission is a return to the workers in the form of percentage profit resulting from the service or product sold, as a reward to the result of sale volume, while remuneration is a return (reward) given based on the proportion of job that has been done.

Motivation is a generating, energizing, and directing process that supports behavior and performance. It means that the process of improving employee performance to act on and to accomplish the task intended. An attempt of improving the employees' motivation is to use motivation effectively, making the employees committed better to their job.

Remuneration system is a rewarding system by means of giving benefit constituting the employees' right implemented with certain standard based on the employees' performance gain. Remuneration is given as the attempt of increasing financial welfare beyond the main salary given by the organization and is expected to motivate and to affect the employees' working spirit.

Remuneration as pay or reward given to individuals for work done. He further identified the indicators of remuneration include: basic salary, wages, health schemes, pension schemes, transport allowances, overtime allowances and responsibility allowances. Remuneration can also be referred to as monetary or financial benefits in form of salaries, wages, bonuses, incentives, allowances and benefits that is accrued or given to an employee or group of employees by the employer (firm) as a result services rendered by the employee(s), commitment to the organization or reward for employment. (Calvin., 2017).

The Effect of Remuneration on Employee Performance

The result of fifth hypothesis testing, based on table 7, shows that $t_{\text{statistic}} (3.470) > t_{\text{table}} (2.370)$. Therefore, H_0 is not supported and H_a is supported, meaning that there is a significant effect of remuneration on performance. It indicates that remuneration variable affects performance variable positively and significantly. It means that the increased remuneration will improve the employee performance and vice versa.

This study's finding also informs the institution (Sebelas Maret University of Surakarta) that the better the remuneration system applied (the remuneration system based on justice principle, including individual, internal, and external justice, and feasibility) the higher will be the employee performance. This finding is in line with and confirms empirical finding of previous study proving that remuneration affects the employee performance significantly (Boediyanto., 2012: 4), but it is not in line with a study proving that remuneration system applied does not affect and has not been able to improve the employee performance (Kristanti., 2012).

Another related study published in an international journal *Effects of Compensation on the Job Performance among Hospital Employees* concluded as follows.

The findings show that 65% of the variance of the employee performance was significantly explained by three independent variables namely; compensation, salary and rewards. It is concluded that there is a significant effect of salary, reward and indirect compensation on employee job performance in the hospital. It is recommended that hospital management needs to improve its compensation system time to time and further studies to be conducted to investigate the strategies used to deal with the problems of employees recruitment and retention among others. (Dayanandan., 2017: 2).

This study found that 65% of employee performance variance is significantly explained by three independent variables: compensation, salary, and prize. It can be concluded that there is a significant effect of salary, reward, and indirect compensation on employee performance in hospital. It was recommended to the hospital management to improve compensation system and to conduct further research to investigate the strategy used to resolve employee and retention recruitment problems.

Considering the Law No. 17/2007 about Long-term (2005-2025) National Development Plan regarding Bureaucratic Reform Guideline, Remuneration is given to all Civil Servants in all governmental institutions. In Indonesian Dictionary, *remunerasi* (remuneration) is defined as reward or salary. In bureaucratic reform, remuneration is defined as the reorganization of waging or payroll system related to the performance assessment system (Teja., 2017: 5).

Effendi in Teja (2017) said that Remuneration existing in Department of Finance is the reorganization of work reward in the form of benefit called Special Benefit for State Financial Building (TKPKN) based on the responsibility level and the risk of position/job assumed.

This finding is in line with Sigit Adri Saputra's (2010) and Anoki's (2010) studies in Teja (2017) indicating that there is a positive significant relationship between compensation and employee performance. Compensation is the return the company gives to the employees on the service they have given to the company. Compensation should be given to employees fairly and the size of compensation should be consistent with the employees' expectation. Thus, it can be concluded that the size of compensation the company has given is still considered as unfair and inconsistent with the employees' expectation.

It is in line with a study conducted in low- and medium-income states finding that the effect of performance-based payment method is dependent on the interaction between several variables: incentive amount, target, and measurement method, additional fund amount, and other supporting component such as technical support, and contextual factor. It is noteworthy that the application of remuneration system is not easy because the issue is very complex and will result in conflict at high-level corporate, so that support is needed from all parties including management and employees existing in the organization (Witter et.al., 2012).

Remuneration variable affects employee performance positively and significantly. Thus, the first hypothesis stating that remuneration affects employee performance is supported. It is in line with a previous study finding that despite great development and achievement by the ministry of internal security, the performance of all employees in the ministry of internal security is still poor due to the poor employee remuneration system (Onyancha Nyanumba Wilfred., 2014). It proves that the distribution of remuneration by grade can improve the employee performance. When the employees get more workload and get reward for their job, they will feel being appreciated for their hard work (Witter et.al., 2012).

The Effect of Remuneration, Work Discipline, and Motivation on Employee Performance

The result of sixth hypothesis testing, based on table 8, shows that $F_{\text{statistic}} > F_{\text{table}}$ values = 4.955 > 2.710. Therefore, H_0 is not supported and H_a is supported, meaning that there is a simultaneous effect of Discipline, Motivation, and Remuneration on employee performance.

This result is in line with a study entitled: Influence of the Compensation, motivation and Discipline work against the work Achievement Teacher at SMA Negeri Jenepono Regency west Bangkala I, concluding as follows.

Based on a test of the free variable F (top compensation, Motivation and discipline work) jointly have a significant and positive influence against variables bound (employee's performance). The correlation coefficient obtained through testing that the correlation or relationship between top compensation, Motivation and discipline work against the achievements of the work of teachers is a high relationship that is 52 percent. And compensation is the most dominant factor influencing work achievement Teacher at SMA Negeri Jenepono Regency West Bangkala I. (Yuddin., 2017).

Performance is a universal concept regarding the work gain achieved by an employee including personality, intelligence, leadership, attendance, motivation, loyalty, compensation, sturdiness, discipline, and initiative corresponding to job standard or criteria specified by the institution or company. It can be stated that the good performance will be achieved when some or even all of criteria above can be fulfilled. The employees' discipline plays dominant, crucial, and critical roles in all attempts of improving the employees' work productivity. The employees' work discipline is very important. Work discipline is something that should be inculcated into every employee, as it will pertain to the employee's moral responsibility for his/her task and obligation. Singodimejo in Edy (2011: 89) stated that the factor affecting the employees' discipline is the size of compensation. Employees will comply with any regulations enacted when they feel that they get equitable reward for their contribution to the company. Meanwhile, motivation as an incentive for the employees to undertake their duty and responsibility sincerely through fulfilling their needs including, physiological need, work safety, social relation, reward and self-actualization, can improve the employee performance.

Remuneration, discipline and motivation are three different variables but have a close relationship in affecting the employee performance. The result of sixth hypothesis testing shows that work discipline, motivation, and remuneration affect the employee performance. Independent variables (work discipline,

motivation, and remuneration affect dependent variable (employee performance) significantly. It can be seen from significance test (F test) at significance level of 0.000 and F value of 4.5995. These values are significant as 0.000 is less than significance level of 0.5% or 0.050 so that it can be said that there is an effect of independent variables on dependent variable. Coefficient of determinacy (R square) = 0.188 or 18.8%, meaning that remuneration, discipline, and motivation can explain only 18.8% of the change of employee performance, while the rest of 71.2% is explained by other variables.

This finding is smaller than the finding of Widyastuti's (2012) study concluding that the employees' perceived remuneration, job motivation, and work discipline affect the employee performance very strongly and significantly with score of 62.9% - 80.7%. Prasant Singh in his study entitled *"Increasing Productivity with Motivation in the Workplace"* concluded that the employees were highly motivated due to Intrinsic Motivation (Psychological Rewards). But Extrinsic Motivation (Tangible Reward) is also very important. Suggestions to increasing productivity and managing quality through effective motivation.

Conclusion

Discipline variable does not affect the employee performance significantly. The employees' discipline level is sufficiently good, but it still needs some improvement, particularly in the term of enforcing the institutional rule and imposing the appropriate punishment to the offender. The first hypothesis is not proved.

Motivation variable affects the employee performance significantly. From the result of research, it can be concluded that the higher the motivation given by the institution to its employees, the higher will be the employee performance. Motivation can be improved by giving all employees the spirit in undertaking their task and responsibility. Institution should pay more attention to its employees' motivation, because the employees motivated and encouraged will feel being recognized for their existence so that they will work sincerely. Therefore, the second hypothesis is proved.

Remuneration variable affects the employees' job motivation significantly. Remuneration can be a motivator for the employees to improve their capability and performance quality. It means that the fourth hypothesis is proved.

Remuneration variable affects the employee performance. This finding also informs the institution, in this case Sebelas Maret University of Surakarta, that the better the remuneration system applied (the remuneration system based on justice principle, including individual, internal, and external justice, and feasibility) the higher will be the employee performance. It indicates that the fifth hypothesis is proved.

Work discipline, motivation, and remuneration variables affect the employee performance simultaneously. Performance is a universal concept about the work gain achieved by an employee including personality, intelligence, leadership, attendance, motivation, loyalty, remuneration, sturdiness, discipline, and initiative corresponding to standard or job criteria specified by the institution or company. It indicates that the sixth hypothesis is proved.

References

Anthony, Apalia Ekakoron. (2017). Effects of Discipline Management on Employee Performance in an Organization: The Case of County Education Office Human Resource Department, Turkana County

- International Academic Journal of Human Resource and Business Administration, 2(3): 1-18, www.iajournals.org.
- Boedianto, Sugeng. (2012). Pengaruh Pemberian Remunerasi Terhadap Kinerja Pegawai Lembaga Pemasyarakatan Kelas IIA Anak Blitar. *Jurnal Ilmu Manajemen. Revitalisasi*, 1(3).
- Dayanandan. (2017). Effects of Compensation on the Job Performance Among Hospital Employees. *Journal of Management and Science*. ISSN: 2249-1260, e-ISSN: 2250-1819, 7(4): Desember 2017.
- Chareonwongsak, Kriengsak. (2017). Enhancing Board Motivation for Competitive Performance of Thailand's co-operatives. *Journal of Co-operative Organization and Management*, 5(1): 1-13.
- Hanifah, Yusnia. (2017). Pengaruh Tunjangan Kinerja Terhadap Motivasi Kerja, Disiplin Kerja Dan Kinerja Pegawai Balai Pengelolaan Daerah Aliran Sungai Di Jawa Timur, *Jurnal Bisnis dan Manajemen (Bisma)*, 11(2): Mei 2017 Hal. 187-193.
- Kristanti, Dwi. (2013). Implementasi Program Remunerasi Berbasis Kinerja (Studi Implementasi Program Pemberian Honorarium Kinerja Pegawai di Unit Instansi 'X'). Yogyakarta: Universitas Gadjah Mada.
- Misail Palagia, Nurdin Brasit, Muh. Yunus Aar. (2012). Remunerasi, Motivasi, Dan Kepuasan Kerja Terhadap Kinerja Pegawai Pada Kantor Pajak. *Jurnal Analisis*. ISSN 2303-1001. Juni 2012, 1(1): 73 – 78.
- Pasolong, Harbani. (2012). *Metode Penelitian Administrasi Publik*. Bandung: Alfabeta
- Prihono, I Ketut Budiarta, Ida Bagus Putra Astika. (2016). Pengaruh Motivasi, Budaya Organisasi dan Spiritualitas pada Kinerja Pegawai Kantor Pelayanan Perbendaharaan Negara di Provinsi Bali *Jurnal Nasional, E-Jurnal Ekonomi dan Bisnis Universitas Udayana*, 5(7): 2063-2090. ISSN : 2337-3067.
- Sancoko, Bambang. (2015). Pengaruh Remunerasi Terhadap Kualitas Pelayanan Publik, Bisnis & Birokrasi, *Jurnal Ilmu Administrasi dan Organisasi*, Jan–Apr 2015, ISSN 0854-3844, 17(1): 43-51.
- Sari, Purnama Widi. (2015). Pengaruh Disiplin Kerja, Komitmen Organisasi dan Lingkungan Kerja Terhadap Kinerja Pegawai Negeri Sipil Balai Besar Wilayah Sungai Pemali-Juana. *Jurnal Manajemen Udinus*.
- Sedarmayanti. (2009). *Manajemen Sumber Daya Manusia: Reformasi Birokrasi dan Manajemen Pegawai Negeri Sipil*, Bandung: PT. RefikaAditama.
- Setiawan, Agung. (2013). Pengaruh Disiplin Kerja dan Motivasi Terhadap Kinerja Karyawan Pada Rumah Sakit Umum Daerah Kanjuruhan Malang. *Jurnal Ilmu Manajemen*, 1(4): 1245-1253.
- Teja, Sri Gusti Bima Harya. (2017). Pengaruh Remunerasi dan Motivasi Kerja Terhadap Kinerja Pegawai (Studi Kasus pada Kantor Pengawasan dan Pelayanan Bea dan Cukai Surakarta), *Jurnal Ekonomi Manajemen Sumber Daya*, Desember, 2017, 19(2): 109-118.
- Windy Aprilia Murty, Gunasti Hudiwinarsih. (2012). Pengaruh Kompensasi, Motivasi Dan Komitmen Organisasional Terhadap Kinerja Pegawai Bagian Akuntansi (Studi Kasus Pada Perusahaan Manufaktur Di Surabaya), *The Indonesian Accounting Review*, Juli, 2012, 2(2): 215-228.

Witter S, Fretheim A, Kessy FL, Lindahl AK. (2012). Paying for Performance to Improve the Delivery of Health Interventions in Low- and Middle-Income Countries. *The Cochrane Database of Systematic Reviews*, 2.

Widyastuti, Yeni. (2012). Pengaruh Persepsi Remunerasi Pegawai, Motivasi Kerja Dan Disiplin Kerja Terhadap Kinerja Pegawai Di Kantor Pelayanan Perbendaharaan Negara (Kppn) Percontohan Serang Provinsi Banten. *Jurnal Administrasi Publik*. Desember 2012, 1(2).

Yinka Calvin Ojeley. (2017). The Impact of Remuneration on Employees' Performance (A Study of Abdul Gusau Polytechnic, Talata-Mafara and State College of Education Maru, Zamfara State). *Arabian Journal of Business and Management Review (Nigerian Chapter)*, 4(2): 2017 34. www.arabianjbm.com.

Yuddin. (2017). Influence of the Compensation, Motivation and Discipline Work Against the Work Achievement Teacher At SMA Negeri Jeneponto Regency west Bangkala I. *Journal of Research in Business and Management*, 5(2): 83-88. ISSN (Online): 2347-3002. www.questjournals.org.

Copyrights

Copyright for this article is retained by the author(s), with first publication rights granted to the journal.

This is an open-access article distributed under the terms and conditions of the Creative Commons Attribution license (<http://creativecommons.org/licenses/by/4.0/>).