Influence of Compensation and Job Satisfaction on Work Achievement  
(A Study Case on Manpower and Transmigration Office Southeast Sulawesi Province)

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Abstract—This study aims to: (1) Effect of compensation on employee work performance at the Department of Manpower and Transmigration of Southeast Sulawesi Province. (2) Effect of job satisfaction on the work performance of employees at the Department of Manpower and Transmigration of Southeast Sulawesi Province. The sample used in this study was 55 respondents who were employees of the Manpower and Transmigration Office of Southeast Sulawesi Province. The analysis technique used is descriptive statistical techniques and inferential statistics. The analysis used to answer the hypothesis in this study is multiple linear regression analysis. The results showed that compensation had an influence on work performance, meaning that any increase in good compensation had a positive influence on the work performance of the Manpower and Transmigration Office of Southeast Sulawesi Province. Employee job satisfaction partially has no effect on work performance, because every job in the work unit must be completed even though the work is not appropriate but all employees have been determined by rules in the main tasks and functions and must carry out the work until it is completed properly. The description shows that compensation is categorized as high or equal to 4.20, job satisfaction is categorized as high or equal to 4.20 while work performance is categorized as high or equal to 4.40 Thus the respondent's response to compensation, job satisfaction and work performance is high.

Index Term-Compensation, Job Satisfaction, Work Performance of Transmigration and Manpower Offices

1 INTRODUCTION

Human resources serves as the most important resources in a company or organization since in its reality, humans are elements that are always present in every work organization. Human resources determine goals and achievement of goals in organization though equipment and financial assets are seen as required resources by company, but human resources provide creation of creativity in each organization. (Simamora, 1999).

Human element is the most important factor that supports the achievement of goals determined by organization effectively and efficiently, especially it has roles in any efforts of cooperation and responsibility implementation. In addition, success or failure of activity implementation an organization is determined by the level of a leader to lead and provide motivation to his subordinates. High level of work outcome by employees is seen as achievement by the employee at a certain level. Employee performance is not a coincidence, but there are many factors giving influences on it.

Work performance will be achieved if the created work plans are applied based on the tasks assigned to each employee in work organization, therefore, employees are expected to conduct their work and be able to provide appropriate work results with high level of work performance since success of overall work organization is contribution of the work results achieved by its employees. This is inseparable from role of leaders through participatory and transparent leadership in working with employee staff to realize work organization goals by considering compensation, staff job satisfaction, and promotion which should be applied from time to time.

Compensation is financial rewards and intangible services as well as benefits received by employees as part of staffing relations” Simamora, 1999). Whereas Panggabean (2004) stated that compensation is all types of awards in the form of money or not money given to employees in a proper and fair manner for their services in achieving company goals. Although the hard truth, a person work differs from others, but money and goods are appropriate rewards for the services they have given to the organization, because money and goods are a means to meet needs. The compensation they receive reflects the size of what they have done or given to their work organization, so that this relates to work value for the company. Giving compensation in a correct manner will be able to satisfy and motivate employees to achieve organizational goals.

Job satisfaction is a condition that will show one work performance. Job satisfaction can provide certain characteristics toward individual work performance which will eventually also can be seen in improved work outcomes. Adequate job satisfaction will encourage work enthusiasm and creativity so that it can show good work performance and ultimately can improve productivity.

There can e any problems related to compensation, job satisfaction faced by any work organization, if it is related to improved work performance, each factor will result in different influences. Compensation focuses money as a tool for achieve-
ment, job satisfaction focuses on work suitability for achievement. If there is an elaboration of these variables leading to positive influences, then it seems to have influences on improved work performance. Conversely, if there is negative result of such elaboration, then it will have an impact on setbacks which ultimately it is necessary for existence of career development.

In relation to compensation and job satisfaction at the Manpower and Transmigration Office Southeast Sulawesi Province, in improving employee work performance, then it is expected to develop employee work performance through reasonable compensation and well-adjusted to their works, then giving work to employees must be well-adjusted to work field of these employees so that they can work well and achieve satisfaction toward their work outcomes.

This phenomenon shows forms of interest in the provision of compensation, work and position giving employees in the Manpower and Transmigration Office Southeast Sulawesi Province selections for achievement or still conducting their duties properly.

The research aims to find out and analyze; (1) influences of compensation on employee work performance in the Manpower and Transmigration Office Southeast Sulawesi Province (2) Influences of job satisfaction on employee performance in the Manpower and Transmigration Office Southeast Sulawesi Province.

2 THEORITICAL STUDY

2.1 Compensation

Compensation is remuneration provided by organization to employees which can be financial or non-financial, in a fixed period. A good compensation system will be able to provide satisfaction for employees and enable organizations to obtain, hire and retain employees (Martoyo, 2000).

Martoyo (2000) stated that for organizations, compensation serves an important meaning since compensation reflects organization's efforts to maintain and improve its employee welfare. Experience shows that inadequate compensation can reduce work performance, work motivation, and employee job satisfaction which can ultimately lead to potency of employees to leave the organization.

According to Umar (1998), one of the ways taken by the management to improve work performance, motivation, and job satisfaction of employees is through compensation. Compensation can be interpreted as something that employees receive as a reward for their work. According to Mathis and Jackson (2006), compensation consists of:

a. Direct compensation, which consists of basic salary (wages and salaries) and irregular income (bonuses, incentives, stock options)

b. Indirect compensation, which consists of allowances (health/life insurance, paid leave, pension funds)

An effective compensation program in an organization has four objectives, namely:

1. Compliance with applicable laws and regulations
2. Cost effectiveness for the organization
3. Internal, external and individual justice for employees
4. Improving work performance for the organization

2.2 Job Satisfaction

Job satisfaction is part of life satisfaction. Atmosphere of work environment influences on employees’ feelings towards their works. Since work is a part of employees’ life, then job satisfaction can influence on life satisfaction in general. Handoko (1996) stated that when employees are employed by a company, they come to the company with a number of expectations, needs and past experiences that will be combined with job expectation about the work there. If their expectations are met, then generally employees will be at a high level in job satisfaction. Job satisfaction is part of life satisfaction. Job satisfaction influences on life satisfaction.

Job satisfaction is formulated as a general response of workers in the form of behavior that can be reflected by employees as a result of perceptions concerning any issues related to their works. Often workers will enter and join in a company by having a set of willingness, needs, desires and past experiences; all of which unite and form a hope to be realized in work place. Job satisfaction will be achieved if there is suitability between employee expectations and reality in the workplace.

Employee perceptions concerning any issues related to their work and job satisfaction involve security, fairness, enjoyment, passion, status and pride. In this perception, there is also an involvement of work situation including work interactions, working conditions, recognition and promotion opportunities. In addition, this perception also includes conformity between employee abilities and desires as well as organizational conditions in which they work, including type of work and compensation. Luthans (1995) provides a definition that “job satisfaction is a pleasurable or emotional state positive resulting from the appraisal one which means satisfaction is a positive or pleasant emotional expression, as a result of an assessment toward a job or work experience.

Mangkunegara (2000) suggests the factors that influence job satisfaction include:

a. Turnover, higher job satisfaction is related to low level of employee turnover. While employees who are less satisfied usually have high level of turnover.

b. Work occupancy rate (absenteeism), employees who are less satisfied tend to have high level of absenteeism. They are often absent from their works with illogical and subjective reasons.

c. Age, there is a tendency for older employees to be more satisfied than relatively younger employees. It is assumed that older employees are more experienced adjusting to the work environment while young employees usually have ideal expectations about their work scope so that if there is any gap or imbalances between expectations and work reality, then it can cause them to become dissatisfied.

d. Job level, employees who occupy higher levels of employment tend to be more satisfied than employees who are in lower levels of employment. Employees who have higher level of work show good work ability and are active in expressing ideas and creative work.

e. Company organization size, company organization size can influence on employee satisfaction. This is because the size of a company is also related to coordination, communication and employee participation.
Job satisfaction generally involves one attitude about his job. Since, it involves attitudes, meaning of job satisfaction includes several things such as conditions and trends in one behavior. Such satisfaction is not visible and real, but it can be realized in a work outcome (Armstrong, 1994).

Armstrong, (1994: 70) stated that job satisfaction is a pleasant or unpleasant emotional condition in which employees view their work. According to Herzberg in Handoko (2001), the factors leading to satisfaction are achievement, recognition, work itself, responsibility and progress. According to Wexley and Yulk in Handoko (2001) satisfaction is someone’s feeling towards his job.

Satisfaction is closely related to attitude factors. As stated by Tiffin in As’ad (1997) job satisfaction is closely related to employee attitude to their own work, work situations, cooperation between leaders and fellow employees. Martoyo (2000:) explained that job satisfaction is employee emotional condition in which there is an existence or absence of a meeting point between remuneration value expected by the employees.

2.3 Work Achievement

Work achievement is an absolute thing in a company or agency. Each company will have different interpretations of work performance, in other words, each company has its own limitations in term of work performance issue, since this work performance is the ultimate goal of a company policy (Rao T.A, 1997)

Work achievement assessment is the process in which an organization evaluates or assesses the work of its employees. This activity can provide feedback to employees about conducting their work. The implementation of this assessment is often difficult because it involves qualitative issues; there are also difficult qualitative factors to be measured in real terms, such as loyalty, dedication and responsibility. These are different relevant factors of a company with other companies. (Rivai, 2005)

The uses of work performance appraisal include:

1. Improved work performance
   Feedback of work implementation allows employees, managers and personnel departments to correct their activities in order to improve performance.

2. Compensation adjustments
   Appraisal of work performance helps decision makers in determining wage increases, bonuses and other compensation.

3. Placement decisions
   Promotion, mutation and demotion are usually based on work performance; promotion is often a form of appreciation for one’s past work performance.

4. Necessity of training and development
   Poor work performance may indicate necessity of holding a training. Likewise, good work performance reflects potential to be developed.

5. Career planning and development
   Performance feedback leads to career decisions, namely career paths to be taken.

6. Staffing process irregularities
   Good or bad performance reflects strength or weakness of the personnel department staffing procedure.

7. Inaccurate information
   Poor work performance may indicate errors in information analysis or other components in the personnel management information system. Depending on inaccurate information leads to inaccurate personnel decisions.

8. Job design errors.
   Poor work performance may reflect a work design error.

9. Fair employment opportunities
   An accurate work performance appraisal guarantees placement decisions within the company without any discrimination.

10. External challenges
    Sometimes work performance is influenced by factors outside work environment, such as family, health, financial conditions or other personal problems.

   Definition of work performance is also called as work performance or in English called performance. Principally, there is another term that can better describe it, namely “achievement” in English, namely the word “achievement”. But since the word comes from the word “to achieve” which means “reach”, then in Indonesian it is often interpreted as “achievement” or “what is achieved”. (Ruky: 1997)

2.4 Conceptual Framework

Compensation is a form of appreciation given by the leader to employees on achieved work results. Reasonable compensation is given in accordance with work results by the employees who conduct the work. Irregularities in compensation can lead to conflicts which ultimately the work can be conducted not properly. In this study, compensation is measured using salary / wage and reward indicators given to employees.

Job satisfaction illustrates the work results achieved by each employee for work implementation that is measured using indicators of work relations with co-workers, employee age at work, work level and organizational size. Job satisfaction is also a combination of types of work with skills and education as well as employee experience.

The research conducted at the Manpower and Transmigration Office Southeast Sulawesi Province which aims to determine the influences of compensation, job satisfaction and job promotion on employee work performance. The expected employee performance is to improve work outcomes by utilizing their abilities, skills and work experience to conduct good work.

The implementation of compensation applied by the Manpower and Transmigration Office Southeast Sulawesi Province aims to improve employee motivation and place employees in appropriate places and conduct promotions for the employees in accordance with their levels which ultimately these will improve employee performance.

This study uses multiple linear regression analysis to determine and analyze the influences of compensation, job satisfaction, and promotion on employee work performance in the Manpower and Transmigration Office Southeast Sulawesi Province. For details, this can be described in scheme 1 as follows:
2.5 Hypotheses

Based on the problem formulation expressed in this research, the research hypotheses are:

a. Compensation influences significantly on employee work achievement in the Manpower and Transmigration Office Southeast Sulawesi Province.

b. Job satisfaction influences significantly on employee work achievement in the Manpower and Transmigration Office Southeast Sulawesi Province.

3 RESEARCH METHOD

Population is all values both the results of calculations and measurements, quantitative or qualitative rather than certain characteristics of a set of complete and clear objects (Sudjana, 2002). Sugiyono (2006) stated that population is a whole area of generalization consisting of objects/subjects that have certain qualities and characteristics. The population in this study is all employees in the Manpower and Transmigration Office Southeast Sulawesi Province, as many as 275 people.

Determination of the samples in this study is conducted using a purposive sampling technique, namely deliberately sample determination as suggested by Sugiyono (2006) towards 275 employees in the Manpower and Transmigration Office Southeast Sulawesi Province by 20%. Thus, the number of samples is 55 people (Sugiyono, 2006).

In this research, the data used are primary data and secondary data. Primary data includes data on respondents’ responses to compensation, job satisfaction and job promotion as well as employee work achievement. This primary data is obtained from distribution of questionnaires. Secondary data is obtained from reports on the activities by the Manpower and Transmigration Office Southeast Sulawesi Province and documentation available at the Manpower and Transmigration Office Southeast Sulawesi Province.

Data collection methods used in this study are: (1) Questionnaire, conducted by spreading questions to respondents. The questionnaires are filled by answering adjusted choices to opinions and information supporting the research hypothesis evidences, (2) The interview is conducted by contacting respondents in the Manpower and Transmigration Office Southeast Sulawesi Province in order to obtain more complete information in analyzing data in this study and (3) Documentation is conducted by collecting reports and documentation for research requirements.

In achieving these study objectives, the data obtained will then be processed with an analysis technique that is well-adjusted to this study requirement, namely multiple linear regression analysis:

\[ Y = a + b1X1 + b2X2 + e \]  

Information:

- Y = Employee Achievement
- A = Constant
- X1 = Compensation
- X2 = Job Satisfaction
- b1, - b3, = Regression coefficient stating influences of each variable on Y
- e = level of error

4 RESEARCH RESULTS AND DISCUSSION

4.1 Analysis Results

Research on the influences of compensation, job satisfaction and job promotion on the work achievement by the employees at the Manpower and Transmigration Office Southeast Sulawesi Province is analyzed using multiple linear regression analysis in order to determine the influences of each variable. Based on the results of analysis with the SPSS 15 program, the following data...
Based on the results of multiple linear regression analysis presented in Table 4.1, it is obtained an equation of multiple linear regression of the influence of compensation and job satisfaction on the work achievement of the employees at the Manpower and Transmigration Office of Southeast Sulawesi Province as follows:

\[ Y = -0.251 + 0.522X_1 + 0.089X_2 \]

The equation illustrates the influence of each independent variable on the dependent variable in which each change in \( X_1 \) and \( X_2 \) values, as caused by increase or decrease of the regression coefficient \( \beta \) will have influences on \( Y \) value.

1. The test results show the number of constants \( \alpha \) with a significance value of 0.165, which means greater than the value of \( \alpha = 0.05 \), so that it can be interpreted that statistically the constant value \( \alpha \) is insignificantly different from zero \( \alpha = 0 \). Therefore, the constant value \( \alpha = 0.662 \) cannot be included in the regression model.

2. The \( X_1 \) value = 0.522 indicates that if there is an increase in compensation \( X_1 \) for the work by one unit, then employee work achievement will increase by 52.2%, assuming that other variables are constant.

3. The \( X_2 \) value = 0.089 indicates that if there is an increase in job satisfaction \( X_2 \) for the work by one unit, then employee work achievement will increase by 8.9% assuming that other variables are constant.

Job satisfaction in civil servants has insignificant influence; this meaning illustrates that each employee can conduct his work to completion. The level of employee job satisfaction is when the work can be completed properly, according to the rules and orders (Siagian, 1986). The statement above, it can be assumed that if the work is completed in accordance with the rules and orders of superiors, then the results will give satisfaction to the employees. Regarding results of the testing on the job satisfaction variable, the employees of the Manpower and Transmigration Office are people who work in accordance with the description of the duties and orders and if their work results are appropriate, they will feel satisfied.

Expression of the employees to show satisfaction with the work received by their superiors quite varies, there are very happy, moderate and some ordinary because the work is still being worked on and is likely to be increased thus, the influences of employee job satisfaction is insignificant on the employee work achievement. However, the employees are expected to work well and responsibly.

4. The \( R^2 \) value of 0.808 shows that 80.8% of variation in the employee work performance in the Manpower and Transmigration Office Southeast Sulawesi Province is described by compensation, job satisfaction and promotion variables and the remaining of 19.2% is explained by other variables beyond the model.

5. The \( R \) value (correlation coefficient number) of 0.899 shows relationship correlation between the compensation \( X_1 \), and job satisfaction \( X_2 \) on employee performance \( Y \) variable at the Manpower and Transmigration Office Southeast Sulawesi Province is very strong above 0.5.

4.2 Discussion

4.2.1 Compensation influences on work achievement

Compensation including wage / salary and rewards as well as meal allowances will lead to work enthusiasm and effectiveness to employees in applying their duties which in turn will improve work achievement. Compensation has a close relationship with work achievement. Better compensation is given, the work achievement can be increased. This shows that employees will achieve good achievement at work place if there is proper compensation provision. Feasibility of compensation given to employees is adjusted according to rank and class. Compensation given based on this is called salary. Meanwhile other rewards such as allowances are given based on implementation of certain jobs.

Panggabean (2004) stated that compensation is all types of rewards in the form of money or not money given to employees in a proper and fair manner in return for their services in achieving work goals. Although, in hard truth, a person work is different from others, but money and goods are appropriate rewards for the services they have given to work organization, since money and goods are a means to meet needs.

According to Umar (1998), the way management to be able improve work performance is through compensation. Compensation can be interpreted as something that employees receive as a reward for their work. According to Mathis and Jackson (2006), compensation consists of:

a. Direct compensation, consisting of basic salary (wages and salaries) and irregular income (bonuses, incentives, stock options)

b. Indirect compensation, consisting of benefits (health / life insurance, paid leave, pension funds)

Based on the opinions expressed, it can be associated with this research that direct compensation for employees has influences on his work achievement.

An effective compensation program in an organization has four objectives, namely a) Compliance with applicable laws and regulations, b) Cost effectiveness for organizations, c) Internal, external, and individual justice for employees and d) Improving work performance for the organization.

Based on this opinion, it can be stated that work achievement will be realized in the work organization of the Manpower and Transmigration Office of Southeast Sulawesi Province related to compliance with regulations in work organizations and orders of superiors to complete the work properly.

The compensation that is received by the employees reflects the level of what they have done or given to the company, so this relates to work value for the agency of the Manpower and Transmigration Office of Southeast Sulawesi Province. Giving compensation in a proper manner will be able to satisfy and motivate employees in conducting their work.

Table 4.1 Summary of Multiple Linear Regression Analysis

<table>
<thead>
<tr>
<th>Independent Variables</th>
<th>Standardized regression coefficient</th>
<th>T statistic</th>
<th>Significant</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1 (Compensation)</td>
<td>0.522</td>
<td>4.406</td>
<td>0.000</td>
</tr>
<tr>
<td>X2 (Job Satisfaction)</td>
<td>0.089</td>
<td>1.030</td>
<td>0.308</td>
</tr>
</tbody>
</table>

Source: Results of processed primary data
Compensations given to civil servants are in the forms of salary, and rewards and meal allowances. Such compensation is a government effort to improve employee welfare. Rewards are generally given for work results in any programs implemented for a particular work period. Thus, relation of the compensation to work achievement shows a close relationship.

4.2.2 Job Satisfaction influences on work achievement

Job satisfaction in this study is found out to have insignificant influences on work achievement in which the value of $\alpha > 0.05$ and $t$-arithmetic value < from $t$-table. This condition indicates that the employees must conduct their duties and responsibilities that have been determined in the description of their main tasks and functions and are responsible for the work until it has been completed and presented in the form of a report to the supervisor. The employees of the Manpower and Transmigration Office Southeast Sulawesi Province are placed in their respective work units and conduct their work in accordance with the main tasks and functions of the institution. In addition, there are still some employees who are not satisfied with their work. Employee dissatisfaction is only temporary, but they will conduct their work as a form of responsibility for their duties / work and position so that the work can be conducted properly.

Employees conduct the work as their responsibility. Employees obtain job satisfaction from the employees themselves. This means that to obtain job satisfaction, an employee must adjust to his own work and work environment since it is his duty and responsibility that must be resolved.

The results show that job satisfaction has insignificant influences. There will be an employee dissatisfaction when there are any immediate work from superiors and must be completed in a short time. In addition, there are also changes in work procedures or non-existent working mechanisms accompanied by technical guidance; this leads to employee dissatisfaction.

Because the job satisfaction variable has significant influences, it can be excluded from the regression model, but job satisfaction must still be considered because this variable can have influences on compensation and promotion. In another study, it is found that any variable with no influences will be ignored, but in this study, it cannot be eliminated though it has no partial influences on work achievement, but job satisfaction can have influences on compensation and promotion. The job satisfaction does not influence on civil servants because they have been determined to conduct their main tasks and functions so that it can be stated that the job satisfaction variable does not influence on work achievement.

Ghiselli and Brown in As'ad, (1997) suggested five factors leading to satisfaction, namely: first, position, generally there is an assumption that people working in higher level will be more satisfied than one working in lower level. Some studies show that this is not always true, changes in work levels can influence on job satisfaction. Second, rank, there are any works with different levels (ranks) so that the work provides certain position to the person who does it. If there is an increased wages, then it will be considered as a promotion and improved pride in new position that will change behavior and feelings. Third, age is stated that there is a relationship between job satisfaction and employee age. Ages ranging from 25 to 34 years old and 40 to 45 years old are ages that can lead to a sense of work dissatisfaction. Fourth, financial guarantees and social security. Financial and social security issues mostly influence on job satisfaction. Fifth, quality of supervision, relationship between employees and the leadership plays a very important role in the sense of improved work productivity. Employee satisfaction can be improved through good attention and relationships from leaders to subordinates so that employees will feel that they are seen as an important part of the work organization (the existence of sense of belonging).

This concept is associated with job satisfaction within the scope of government agencies, it can be argued that job satisfaction does not have significant influences, but it will still have influences if the work is not in accordance with capabilities, skills and work experience of employees in each work unit within the Manpower and Transmigration Office, Southeast Sulawesi Province.

4.3 Research Limitations

Employee work achievement is only measured with variables of compensation, job satisfaction and promotion, while there are still any closer variables such as motivation and work discipline which have weakened the employee performance and have influences on employee achievement. However, this limitation is open, meaning that the research ends here, but it is expected to have any changes in any more complex variable indicators so that it can explain employee work performance.

5 CONCLUSION AND RECOMMENDATIONS

5.1 Conclusion

Based on aforementioned research results and discussion, it can be concluded that:

a. Analysis results show that compensation has influences on work achievement meaning any good compensation improvement has positive influences on work achievement by the employees at the Manpower and Transmigration Office of Southeast Sulawesi Province.

b. Employee job satisfaction partially has no influences on work achievement, since each existing work in work unit must be completed though the work is not well-adjusted but, all employees have been determined by main duties and function so that they must conduct the work until it has been completed properly.

5.2. Recommendations

Based on the conclusion in this research, then, the recommendations are as follow:

a. To apply compensation, then the government at the Manpower and Transmigration Office of Southeast Sulawesi Province must improve effectiveness of employees in conducting their main tasks and functions properly.

b. To improve employee achievement, then the government at the Manpower and Transmigration Office of the Southeast Sulawesi Province must provide opportunities for employees to conduct their duties appropriately so
that in turn, the employees will improve their work quality and community service in the future.

REFERENCES