THE EFFECT OF COMPENSATION AND MOTIVATION TOWARD WORK SATISFACTION IN IMPROVING EMPLOYEE PERFORMANCE IN PT. PANIN BANK UTAMA BRANCH OFFICE (KCU) KUTA BALI

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Abstract
The excellence of a company can be achieved through several factors. One of these factors is the company's internal capability or through the company's resources. Organizations or companies consist of many components that compose into a single unit for the same purpose, these components in the form of society, groups, communities or human individuals who have a relationship and interest in an organization or company (stakeholders) can also be a shareholder. The purpose of this study was to determine the effect of compensation on employee job satisfaction. To determine the effect of motivation on employee job satisfaction. To find out the effect of compensation on employee performance. To find out the effect of motivation on employee performance. To find out the effect of job satisfaction on employee performance. The number of samples in this study were 77 respondents and the sampling technique researchers used non-probability sampling techniques with saturated sampling. The analysis technique used is a structural equation model (Structural Equation Modeling-SEM) based on variance or component based is best known as Partial Least Square (PLS).

The results showed that compensation had a positive effect on employee job satisfaction. Motivation has a positive effect on job satisfaction. Compensation has a positive effect on employee performance. Motivation has a positive effect on employee performance. Kepuasan work positive influence on employee performance is getting better this indicates that job satisfaction felt by employees will increase the performance rather than the employee.

Keywords: Compensation, Motivation, Satisfaction, Performance

INTRODUCTION
The compensation system must be able to motivate employees so that their performance always increases. According to Hasibuan (2003: 143), which explains that motivation is providing the driving force that creates work excitement to employees so they can work together, work effectively and be integrated with all efforts to achieve satisfaction.

Good motivation can maintain performance, increase job satisfaction, improve performance, and increase enthusiasm to carry out their duties according to the rules and direction of the company. Employees who have high work motivation will be able to encourage these employees to work more enthusiastically and can make a positive contribution to the work for which they are responsible. Fulfillment of good compensation and motivation will certainly be able to increase job satisfaction and the performance of its employees. According to Mangkunegara (2006: 67) performance is the result of quality and quantity of work achieved by an employee in carrying out their duties in accordance with the responsibilities given to him. Employee performance has an important role for the company, if the
performance displayed by employees is low, it will result in the company achieving its goals become hampered. Good performance is one step to achieve organizational goals. Mathis and Jackson (2009: 122) state that the factors influencing performance are job satisfaction or dissatisfaction other than the individual itself, work and organizational commitment. According to Handoko (2001: 193) what is meant by job satisfaction is a pleasant or unpleasant emotional state with which employees view their work. In general it is formulated that job satisfaction is the feeling of workers about various aspects of work. High job satisfaction will create good performance for the company, so that what the company's vision and mission is achieved. Assessment of compensation, motivation, job satisfaction and employee performance is very necessary for the entire company.

Banks are financial institutions that raise public funds and channel them to those who need them and have a very important role in the economic system that is growing in line with the increasing needs of the community. With the increasing growth of the bank, the management will certainly be increasingly demanded to be able to further improve the performance of human resources. PT. Bank Pan Indonesia, Tbk, hereinafter abbreviated as PT. Panin Bank. Tbk KCU Kuta Bali is one of the financial service providers in Bali Province, the bank as an institution engaged in finance should have high morale for employees in improving performance to carry out the duties and responsibilities given. The results of observations on several employees of PT. Panin Bank KCU Kuta Bali, that employees have a fairly good performance but each year has ups and downs in achieving the targets imposed by management.

One important means in human resource management in an organization or company is the creation of job satisfaction of employees. This study is to analyze the decreased level of employee performance with an indication of the number of employees who are dissatisfied with wages received and uncomfortable office situations. From previous studies shown some inconsistency in the results of several studies mentioned above. Based on the research gap, the researchers are interested in doing research again on the Effects of Compensation and Motivation on Job Satisfaction in Improving Employee Performance at PT. Panin Bank KCU Kuta Bali.

LITERATURE REVIEW

Performance

Management of human resources can be interpreted as the utilization of human resources in the organization, which is carried out through the functions of human resource planning, recruitment and selection, human resource development, career planning and development, compensation and welfare, safety and occupational health, and industrial relations (Marwansyah 2010). The success of a company in achieving its goals is strongly influenced by the human resources contained in the company. Human resources are a very important element in determining the success of a company, because humans are creatures who have thoughts, feelings, needs and certain expectations. This really requires special attention, because these factors will affect work performance, dedication, and loyalty as well as love of work and the company. So the company must be able to create conditions that can encourage or enable employees to develop and improve their abilities and skills optimally. Efforts that can be taken by the company include motivating employees through the application of compensation according to ability so that job satisfaction is achieved, employees who feel satisfied will be more loyal and their performance will increase within the company.

Compensation

Compensation shows everything that is tangible to financial and non-financial services from the company to its employees. If the compensation received by the employee is high, then the employee will feel more satisfied. Conversely, if the compensation received by employees is small, the employee will feel dissatisfied at work. Compensation is what employees receive in exchange for their contribution to the organization. Research conducted by Nurcahyani (2016) states that there is an influence between compensation on job satisfaction. If the compensation received is higher the employee job satisfaction will increase in a company. The results show that compensation has a positive and significant effect on job satisfaction, this supports Saputra's study (2014) with the title the effect of compensation and motivation on employee satisfaction and performance in regional water supply companies where the results of the study concluded that compensation had a significant effect on job satisfaction. Handoko (1993: 155) in Wulandari 2010, stated that compensation is everything received by employees as compensation for their work and is a form of work performance improvement. Employee performance
must be balanced with the provision of compensation that is appropriate and in accordance with work performance achieved. A good compensation system is a system that can provide satisfaction to employees which in turn will spur employees to behave positively in improving their performance. The compensation system also functions to attract and retain a skilled and highly capable workforce. Employees need expectations regarding rewards if a certain level of performance is achieved. This expectation determines the purpose and level of performance in the future. If employees see that hard work and high performance are recognized and compensated accordingly by the company, they will expect such a relationship in the future. Therefore, they will determine a higher level of performance and expect a higher level of compensation. The results of research conducted by Lukiyana (2016) and Nurcahyani (2016) stated that there is a positive and significant effect between compensation on employee performance.

Motivation
Work motivation is a concept that describes the strengths that exist in employees and direct behavior. Work motivation is something that gives rise to encouragement or enthusiasm for work (Suharto and Yamit, 2003: 56). Work motivation is believed to have a positive influence on employee job satisfaction. If an employee's work motivation is higher or higher, then their job satisfaction will also increase. Conversely, if decreased work motivation will reduce employee job satisfaction. The results of research conducted by Mundakir (2018) and Oktafiana (2017) state that there is a positive and significant influence between work motivation on job satisfaction.

Motivation is one of the drivers for someone to be able to do the work in accordance with the desired expectations. Motivation is the willingness of individuals to put forth high effort to achieve organizational goals (Robbins, 2001). So motivation needs to be instilled in everyone and especially for employees who work in the company so that company productivity increases. A highly motivated employee will do the best in every task and responsibility. Improving employee performance will add value to the company itself and employee productivity. The role of motivation in supporting the fulfillment of achievement needs is very large, in other words motivation has a positive relationship with employee performance. Mundakir's research (2018) suggests that there is a positive relationship between motivation and employee performance, the high conditions of employee motivation are related to the tendency to achieve high levels of employee performance which supports Parmin's research (2017). High motivation of employees will have an impact on employee performance that is getting better and low motivation to work owned by employees will have an impact on employee performance that is less than the maximum.

Job Satisfaction
The factor of job satisfaction and employee performance is a very important factor where management must pay attention to the job satisfaction of its employees where the more employees are satisfied with their work, the employee's performance increases. Job satisfaction is an emotional response can be a feeling of satisfaction or dissatisfaction. If emotionally satisfied employees mean job satisfaction is achieved and vice versa if it does not mean employees are not satisfied. Employee performance is a result or level of success that must be achieved by employees with criteria determined by company management. Satisfaction will affect employee performance if the satisfaction obtained by employees from work because there is a match between what is expected and what is received is able to encourage employees to achieve optimal performance. The condition of job satisfaction or dissatisfaction is feedback that will affect employee performance. Research conducted by Lukiyana (2016) and Nurcahyani (2016) found that job satisfaction has a significant positive effect on employee performance. So the more satisfied the employees are, the more employees will show their best performance. Conversely, if employees do not feel satisfied at work, then in him will arise feeling lazy, so that it will have an impact on declining performance.

Hypothesis
H₁: Compensation positive effect on job satisfaction
H₂: Motivation positive effect on job satisfaction
H₃: Compensation positive effect on employee performance
H₄: Motivation positive effect on employee performance
H$_5$: Job satisfaction has a positive effect on employee performance

**METHODOLOGY**

Research This was done at PT. Panin Bank KCU Kuta Bali, located at Jalan Legian No. 80 X, Kuta, Badung, Bali. The background of choosing a place of research in this place is to find out the effect of compensation and motivation on job satisfaction in improving employee performance. When this research was conducted in 3 months, from October 2019 to January 2020, the research results were reported. The inferential analysis method used in this study was to test the measurement model and structural model simultaneously with 77 questionnaire data available for analysis. Accordingly, an adequate analysis technique used is a structural equation model (Structural Equation Modeling-SEM) - based variance or component based is best known as Partial Least Square (PLS). PLS is a powerful analysis method, because it can be applied at all data scales, does not require a lot of assumptions and the sample size does not have to be large, and can also be used to confirm the theory of Ghozali, 2008; Some reasons for using PLS in this study are as follows:

**RESULTS AND DISCUSSION**

**Hypothesis Testing**

Table 1  
Effect of Compensation and Motivation on Job Satisfaction and Employee Performance

<table>
<thead>
<tr>
<th>Relationship Between Variable</th>
<th>Path Coefficient</th>
<th>t-Statistics</th>
<th>SigSig</th>
<th>Companty</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation → Job Satisfaction</td>
<td>0.451</td>
<td>4.562</td>
<td>0.000</td>
<td>Positive Significance</td>
</tr>
<tr>
<td>Motivation → Satisfaction Work</td>
<td>0.381</td>
<td>4.330</td>
<td>0.001</td>
<td>Positive Significance</td>
</tr>
<tr>
<td>Compensation → Employee Performance</td>
<td>0.263</td>
<td>3.605</td>
<td>0.005</td>
<td>Positive Significance</td>
</tr>
<tr>
<td>Motivation → Employee Performance</td>
<td>0.722</td>
<td>7.436</td>
<td>0.000</td>
<td>Positive Significance</td>
</tr>
<tr>
<td>Satisfaction → Employee Performance</td>
<td>0.438</td>
<td>4.345</td>
<td>0.000</td>
<td>Positive Significance</td>
</tr>
</tbody>
</table>

Source: Data processed 2020

1. Direct

   Testing Testing directly between variables in the model, it can be seen through coefficient path each relationship between variables, the level of significance by the t-statistic and significance. In detail about the direct relationship between variables explained shown in Table 1.

a. Effect of Compensation on Job Satisfaction

   Table 1 provides information that the value of compensation shows a positive influence and significance on job satisfaction where the path coefficient shown is 0.451 with a t-statistic of 4.562 which is above the value critical 1.96 with significant 0.000 smaller than 0.050 sig. These test results indicate that Hypothesis 1 (H$_1$), which states that the compensation has a positive effect on job satisfaction can be proven, which means the better the compensation given by the company to the employee job satisfaction will increase, and vice versa. Based on the results of the analysis, the value of compensation provides a significant effect on job satisfaction.

b. Effect of Motivation on Job Satisfaction
The value of motivation shows a positive and significant effect on job satisfaction. These results are shown in Table 1, where the path coefficient shown is 0.381 with a t-statistic of 4.330 which is above the critical value of 1.96 with a sig of 0.001 smaller than the significance of 0.050. The results of this test indicate that Hypothesis 2 (H2) which states that motivation has a positive effect on job satisfaction can be proven, which means the better the motivation of employees in the company, job satisfaction will increase and vice versa. Increasing the value of work motivation can significantly increase job satisfaction.

c. Effect of Compensation on Performance

Compensation value shows a positive and significant effect on employee performance. These results are shown in Table 1, where the compensation path coefficient shown is 0.263 with a t-statistic of 3.605 which is above the critical value of 1.96 with a sig of 0.005 smaller than the significance of 0.050. This test shows that Hypothesis 3 (H3) which states that compensation has a positive effect on employee performance can be proven, which means the better compensation given by the company to employees, the employee's performance will increase, and vice versa. Increasing the value of compensation can significantly improve employee performance.

d. Effect of Motivation on Employee Performance

The value of work motivation shows a positive and significant effect on employee performance. These results are shown in Table 1, where the path coefficient of motivation shown is 0.722 with a t-statistic of 7.436 which is above the critical value of 1.96 with a sig of 0.000 less than the significance of 0.050. This test shows that Hypothesis 4 (H4) who stated that the motivation has a positive effect on employee performance can be demonstrated, which means the better motivation of employees in the company, the performance of employees will be increased and vice versa. Increasing the value of motivation can significantly improve employee performance.

e. Effect of Job Satisfaction on Employee Performance

Job satisfaction scores show a positive and significant effect on employee performance. These results are shown in Table 1, where the coefficient of job satisfaction shown is 0.438 with a t-statistic of 4.345 which is above the critical value of 1.96 with a sig of 0.000 less than the significance of 0.050. This test shows that Hypothesis 5 (H5) which states that job satisfaction has a positive effect on employee performance can be proven, which means the more job satisfaction owned by employees, the better the performance of the employee or vice versa the lower the job satisfaction of employees, the more the employee's performance is low too. Increasing the value of job satisfaction can significantly improve employee performance.

From table 1 above regarding the effect of compensation and motivation on job satisfaction and employee performance it can be said that the compensation variable has the greatest effect on job satisfaction compared to the motivation variable. This is seen from the value of the path coefficient of the compensation variable to job satisfaction by 0.451 higher than the value of the path coefficient of the motivation variable to job satisfaction by 0.381. While the motivation variable has the greatest influence on employee performance compared to the compensation variable. This is seen from the value of the path coefficient of the motivational variable on performance by 0.722 higher than the value of the path coefficient of the compensation variable on the performance of 0.263.

2. Testing Mediation (Testing of Indirect Influence)

Table 2

<table>
<thead>
<tr>
<th>Indirect link</th>
<th>Effect</th>
<th>Effect Total</th>
<th>T Statistics</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct: X1 → Y1</td>
<td>0.451</td>
<td>0.451</td>
<td>4.453</td>
<td></td>
</tr>
<tr>
<td>Indirect: X1 → Y1 → Y2</td>
<td>0.451 X 0.438 = 0.197, 0.451+ 0.197 = 0.648</td>
<td>0.197 0.451+ 0.197 = 0.648</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direct: X2 → Y1</td>
<td>0.381</td>
<td>0.381</td>
<td>4.137</td>
<td>Partial mediation</td>
</tr>
</tbody>
</table>
Indirect: \( X_2 \rightarrow Y_1 \rightarrow Y_2 \)
\[
0.381 \times 0.438 = 0.166
\]
\[
0.381 + 0.166 = 0.547
\]
Partial mediation

Source: Data processed in 2020 (Appendix 13)

a. Testing the Satisfaction of Work as a Compensation Mediation on Performance

Testing the role of job satisfaction as a partial mediation of the effect of compensation on employee performance, by comparing the direct effect of compensation on employee performance with the indirect effect of compensation variables on employee performance through job satisfaction mediation. Based on this test, it can be seen that job satisfaction acts as partial mediation.

Based on Table 2, it can be stated that, the value of compensation has a positive direct effect on employee performance, where the path coefficient shows a value of 0.451, while the value of the indirect effect of compensation on employee performance through partial job satisfaction is 0.197 (0.451 X 0.438) as shown in Table 5.13. Based on these findings, where the direct effect of 0.451 is impaired on the indirect effect of 0.197 and the t-test of 4.453 with a sig of 0.000 less than the significance of 0.050, it can be concluded that job satisfaction acts as a partial mediation of compensation for performance employees with significance. Based on this it can be concluded that the higher level of employee job satisfaction by giving good compensation can also improve employee performance at PT. Panin Bank KCU Kuta Bali.

b. Testing Job Satisfaction as a Motivation Mediation on Performance

Testing the role of job satisfaction as a mediating effect of work motivation on employee performance, is done by comparing the direct effect of motivation on employee performance with the indirect effect of motivation variables on employee performance through mediation of job satisfaction. Based on this test, it can be seen that job satisfaction acts as partial mediation.

Based on Table 2, it can be stated that, the value of work motivation has a positive direct effect on employee performance, where the path coefficient shows a value of 0.381, while the value of the indirect effect of motivation on employee performance through job satisfaction is 0.166 (0.381 X 0.438) such as shown in Table 5.13. Based on these findings, where the direct effect of 0.381 has decreased in value on the indirect effect of 0.166 and t test of 4.137 with sig 0.000 less than the significance of 0.050, it can be concluded that job satisfaction plays a partial mediation effect of work motivation on performance employees with significance. Based on this it can be concluded that the higher level of employee job satisfaction by providing good motivation can also improve employee performance at PT. Panin Bank KCU Kuta Bali.

Discussion

Hypothesis testing results state that compensation has a positive effect on job satisfaction. This means that the better the compensation provided by the company, it will increase job satisfaction than the employee. Compensation as measured by a fair salary indicator in accordance with work, incentives in accordance with sacrifice, benefits in accordance with expectations, adequate facilities can increase job satisfaction than employees. The results of this study are supported by research from Nurcahyani (2016) resulting that compensation has a positive effect on job satisfaction. Likewise research from Mundakir (2018), which produces compensation has a positive and significant effect on job satisfaction.

The results of hypothesis testing state that motivation has a positive effect on job satisfaction. This means that the better the work motivation that is applied in the company, it will increase the employee's job satisfaction. Motivation is measured by indicators of driving force, willingness, willingness, forming expertise, forming skills, responsibilities, obligations. The results of this study are supported by research from Parmin (2017) motivation that has a positive effect on job satisfaction. The results of research from Mundakir (2018) produce motivation which has a positive effect on job satisfaction.

Hypothesis testing results state that compensation has a positive effect on employee performance, this means the better compensation given by the company, it will improve the performance of the employee. Compensation as measured by a fair salary indicator in accordance with work, incentives in accordance with sacrifice, benefits in accordance with expectations, adequate facilities can increase job satisfaction than employees. Another finding in this study is that job
satisfaction is able to mediate the relationship between compensation and employee performance. The better the company in applying compensation and offset by job satisfaction felt by employees, it will be able to improve performance than employees in the company. The results of this study are supported by research from Parmin (2017) resulting in compensation positively affecting employee performance. This study is in line with research from Nurcahyan (2016) resulting in compensation having a positive effect on employee performance. The results of this study are supported by research from Mundakir (2018) resulting in compensation positively affecting employee performance. The results are consistent with studies of Dharmala (2014) resulted in job satisfaction has positive influence on employee performance.

Hypothesis testing results state that motivation has a positive effect on employee performance, this means that the better the work motivation applied in the company, the better the employee's performance will be. Motivation is measured by indicators of driving force, willingness, willingness, forming expertise, forming skills, responsibilities, obligations. The results of this study are supported by research from Mundakir (2018) motivation has a positive effect on employee performance. The results are consistent with studies of Dharmala (2014) resulted in job satisfaction has positive influence on employee performance.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion
Based on the discussion of the results, it can be concluded that the effect of variable compensation and motivation on job satisfaction and employee performance are as follows:

1. Compensation positive effect on employee job satisfaction. This means that the better compensation given to employees of PT Panin Bank KCU Kuta Bali will be able to increase job satisfaction than the employee.
2. Motivation has a positive effect on job satisfaction. This means that the better the motivation applied in the company, the higher the employee's job satisfaction will be.
3. Compensation has a positive effect on employee performance, this means the better compensation provided by the company, it will improve the performance of the employee. Another finding in this study is that job satisfaction is able to mediate the relationship between compensation and employee performance. The better the company in applying compensation and balanced with job satisfaction felt by employees, the better the performance of employees in the company will be.
4. Motivation has a positive effect on employee performance, this means that the better the work motivation applied in the company, the better the employee's performance will be.
5. Job satisfaction has a positive effect on employee performance, this indicates the better job satisfaction felt by employees, it will improve the performance of the employee.

Recommendations
Based on these conclusions, the suggestions that can be submitted in this study are as follows:

1. To optimize the achievement of employee performance at PT Panin Bank KCU Kuta Bali Should pay more attention and improve the implementation of better employee performance. Therefore it is necessary to make efforts to build and develop employee performance by prioritizing the application of compensation that prioritizes indicators, benefits that are in line with employee expectations, where this is not in accordance with the reality that occurs due to obtaining the lowest response, employees respond more to the application of the facilities adequate, which is indicated by the acquisition of the highest average value.
2. Motivation to employees by PT Panin Bank KCU Kuta Bali has not been well seen from the highest outer loading highest on the indicators forming expertise that is not in accordance with the reality on the ground. The results of this study provide input on companies to further increase motivation and indicators to form expertise to further improve employee performance.
3. To improve employee performance there needs to be a sense of job satisfaction felt by employees. By paying attention to aspects of satisfaction with the work itself received by employees in
accordance with the results of the analysis, but different from the responses of respondents where colleagues get the highest average value of the five indicators of job satisfaction. The results of this study provide input to companies to more pay attention to the satisfaction of the work itself to be able to increase job satisfaction while still seeking satisfaction with promotions, satisfaction with salaries, the job itself, the ability of superiors and colleagues so that employee performance is increasing.

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