Assessing the Influence of Motivation and Compensation on Employee Performance at the Bandar Lampung Health Service

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Abstract

The motivation and compensation used by companies are one way for employees to achieve company goals through good performance. Bandar Lampung City Health Service employees are one of the government agencies engaged in the health sector. This research aims to assess whether motivation and compensation impact the performance of Bandar Lampung City Health Service employees. The research method used in this research is a quantitative approach. The method used is the multiple linear regression analysis method, and the purposive sampling method was used to determine the sample. The population used was Bandar Lampung City Health Service employees, totalling 70 respondents. Observation findings show that motivation and compensation influence the performance of Bandar Lampung City Health Service employees.

Keywords: Compensation, Motivation, Employee Performance

INTRODUCTION

The health development aspect is one of the important things in Bandar Lampung by considering the implementation of autonomy in the health sector more effectively and efficiently. In this case, the Bandar Lampung Health Service is a very important regional apparatus in realizing this. Therefore, the Bandar Lampung Health Service is expected to be able to carry out its duties and functions optimally (Alzahra, 2023).

The role of humans is highly expected in the health development process to create the highest level of public health in line with organizational goals (BTKLPP, 2019). An organization can run well if its workforce can carry out their duties in accordance with the functions that have been arranged so that they can run effectively and efficiently (Muhammad Basri & Rosfiah Arsal, 2022).

Employee performance refers to the output produced from certain tasks or activities in a certain period, reflecting both the quality and quantity of the work (Adhari, 2020). In tasks that can be observed and evaluated, employee performance includes individual contributions in achieving organizational goals (Dwi Harsono et al., 2023). Therefore, employee performance is the result of obligations executed to fulfill organizational goals (Evita et al., 2019).

Motivation is the provision of encouragement that creates enthusiasm for work, increases cooperation, effectiveness and connectedness between individuals to achieve satisfaction (Rizkie et al., 2019). As a factor that influences human behavior, motivation is defined as a driver, desire, support, or need that stimulates a person's enthusiasm and motivation (Arquisola & Walid Ahlisa, 2019). This can lead to optimal work results so that motivation plays a big role in employee performance (Andika Rindi, 2019).

Enny (2019), states that compensation is a form of appreciation given to employees as a form of respect for their contribution and work within the organization. This type of compensation can be in the form of financial rewards, both direct and indirect, as well as indirect awards. Akbar (2021), defines compensation as all types of financial rewards and incentives received by employees as part of the employment relationship. Therefore, compensation is considered as appreciation for employees for work results that are in line with the organization's targets or goals (Zulkifli & Saskia, 2022). According to Goni (2021), motivation influences employee performance, while Arifudin (2019), states that compensation has an impact on employee performance. However, Hidayat (2021), believes that motivation has no impact on employee performance, and according to Ningrum (2019), compensation also has no effect on employee performance.

In related research, taken from the Bandar Lampung Health Service, as a related government service, researchers wanted to know whether factors such as motivation and compensation had an effect on the performance of Bandar Lampung Health Service employees. By referring to previous research, the formulation of this research is whether motivation and compensation have an impact on employee performance in Bandar Lampung Health Services, with a focus on understanding the influence of motivation and compensation on the performance of Bandar Lampung Health Service employees. This research aims to evaluate the influence of motivation and compensation on the performance of Bandar Lampung Health Service employees.

METHOD

This research applies quantitative research methods that use numerical data to measure the problem under study. Respondents from the Bandar Lampung Health Service were the source of primary data collected through the use of questionnaires and literature study. The questionnaire was compiled based on indicators from each variable, using a 5-point Likert scale (1 = strongly disagree to 5 = strongly agree). The details of the question items in the questionnaire

are as follows: Motivation (X1): 5 items, covering aspects of actualization needs, appreciation, and work motivation. Compensation (X2): 5 items, covering direct, indirect, and non-material financial compensation. Employee Performance (Y): 5 items, covering work quality, punctuality, and target achievement. Research was tested using normality testing, validity testing, descriptive analysis, multiple linear regression, and the coefficient of determination. This study used a census method to collect data. A total of 70 people were all employees working in the Bandar Lampung City Health Office. The questionnaire was distributed directly during working hours through a direct approach by the researcher, with the approval of the agency leader. Respondents filled out the questionnaire independently at the work location. The research model in this study is as follows:
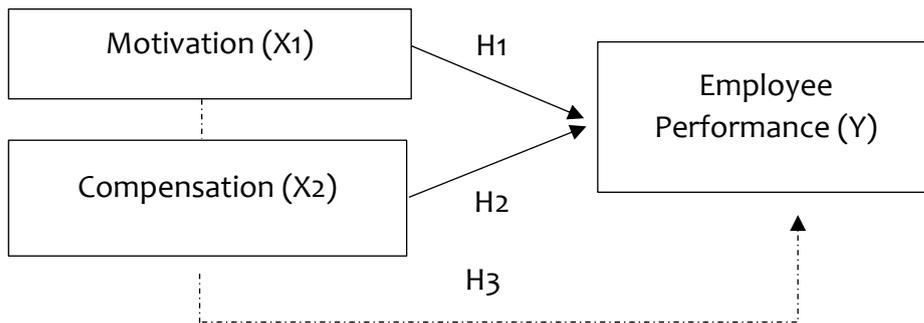
Figure 1. Research Model

In this research model shows that Motivation Variable (X1), Compensation Variable (X2), as independent variable and Employee Performance as dependent variable (Y). Tests on the research model include validity and reliability tests, classical assumption test, normality test, linearity test, regression test, T test, and F test. The purpose of carrying out validity and reliability tests is to see the accuracy of the instrument in assessing the variables studied. Meanwhile, the Classical Assumption Test is carried out to see the consistency of operating variables. Next, a regression test is carried out to see the average results and relationship values between variables. And finally, the T test is used to evaluate the impact of each independent variable on the dependent variable, while the F test is carried out to assess the collective impact of these variables on the dependent variable (Sahir, 2022).

RESULTS AND DISCUSSION
Validity Test

Researchers evaluate the validity of employee motivation, compensation and performance in the section below to see the accuracy of the instruments in assessing the variables studied:

Table 1. Result of Validity Test

Variable	R_{count}	R_{table}	Result
Motivation	0.546	0.2352	Valid
Compensation	0.533	0.2352	Valid
Employee Performance	0.560	0.2352	Valid

Based on the validity test, the motivation, compensation and employee performance variables are all valid because it is known that rtable = 0.2352 is smaller than the rcount.

Reliability Test

Researchers conducted reliability tests between motivation, compensation, and employee performance. The results can be shown in the section below, to test the level of consistency of the observation variables:
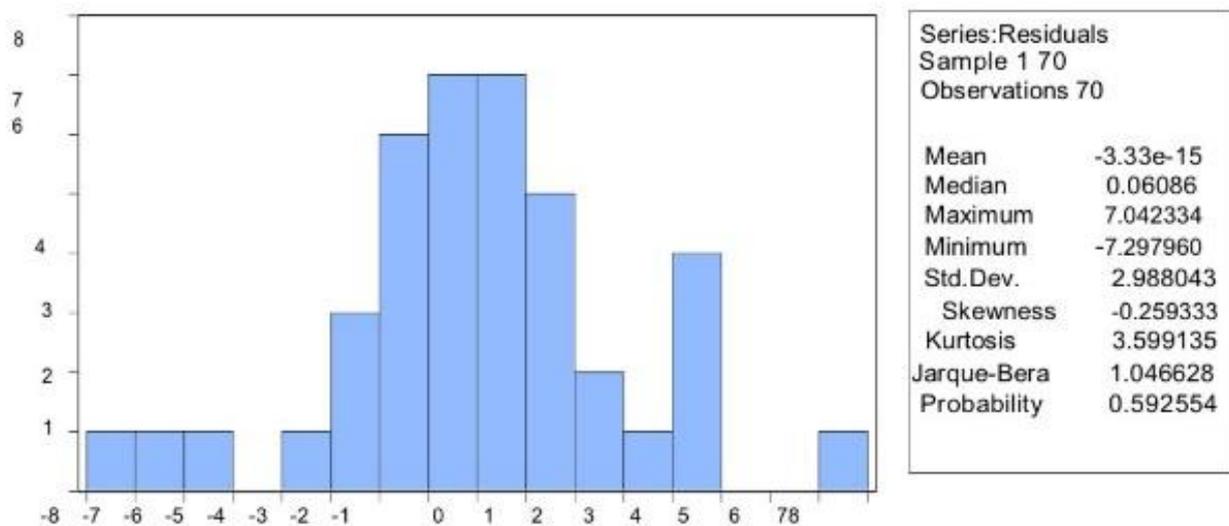
Table 2. Result of Reliability Test

Variable	Cronbach's Alpha	Rel. Std.	Result
Motivation	0.878	>0.6	Reliable
Compensation	0.880	>0.6	Reliable
Employee Performance	0.956	>0.6	Reliable

Based on the results of the reliability test, Motivation has a Cronbach's Alpha value of 0.878, meanwhile, Compensation has a value of 0.880, and employee performance has a value of 0.956. This shows that all the variables tested are reliable because their values exceed 0.6.

Normality Test

Researchers carry out normality tests with the aim of whether the data is normally distributed or not.

Series:Residuals	
Sample 1 70	
Observations 70	
Mean	-3.33e-15
Median	0.06086
Maximum	7.042334
Minimum	-7.297960
Std.Dev.	2.988043
Skewness	-0.259333
Kurtosis	3.599135
Jarque-Bera	1.046628
Probability	0.592554

Figure 2. Normality Test Results

The results show that the Jarque-Bera value is greater than the tolerance level (a) 0.59 > 0.5. So with this data, the data is normally distributed.

Linearity Test

The linearity test is used to determine whether the relationship is linear or not between the dependent variable and the independent variable. The criterion used is a significance value ≤ 0.05 (Sugiyono, 2019). The linearity test results are shown in the table below.

Table 3. Result of Reliability Test

	Value	Df	Probability
t-statistic	0.56797	65	0.5862
F-statistic	0.35827	1.65	0.5794
Likelihood Ratio	0.39643	1	0.5605

The results above show the value of Prob. The calculated F-statistic of 0.58629 is greater than level (a) of 0.05. then it can be concluded that all variables have met the linearity assumption.

Multiple Linear Regression Analysis Test

According to Ghozali (2018), the purpose of multiple linear regression analysis is to find out how much the independent variable influences the dependent variable. The results of multiple linear regression analysis will show how much influence motivation and compensation have on employee performance.

Table 4. Result of Multiple Regression Analysis Test

	Reg. Coef	T	Sig	Result
Constant	1.021	0.285	0.731	
X1	0.739	2.185	0.018	H1 : Accepted
X2	0.889	2.385	0.014	H2: Accepted

Based on these data, the following multiple linear regression equation was found:

$$Y = \alpha + \beta_1 . X_1 + \beta_2 . X_2 + e \ldots\ldots\ldots(1)$$
$$Y = 1.021 + 0.739 X_1 + 0.889 X_2 \ldots.(2)$$

Description:

Y = Employee Performance
α = Constant
β_1 = Motivation variable regression
  coefficient (X_1)
β_2 = Compensation variable regression
  coefficient (X_2)
X_1 = Motivation
X_2 = Compensation
e = Error

Based on the multiple linear regression equation, it can be seen that the constant figure of 1.021 indicates that Employee Performance (Y) is 1.021 units if Motivation (X_1) and Compensation (X_2) are fixed or constant.

The regression coefficient for Motivation (X_1) is 0.739, which means that if Motivation increases by 1, Employee Performance (Y) will increase by around 0.739. This positive value indicates a positive relationship and have a directional relationship between Motivation (X_1) and Employee Performance (Y).

The regression coefficient for Compensation (X_2) is 0.889, which means that if Compensation increases by 1, Employee Performance (Y) will increase by around 0.889. This positive value indicates a positive relationship and have a directional relationship between Compensation (X_2) and Employee Performance (Y).

Test Coefficient of Determination (R^2)

The coefficient of determination can be used to describe the model's ability to explain variations that occur in the dependent variable. The model can be said to be getting better if the coefficient value shows a higher value (Paramita et al., 2021). The following are the results of the coefficient of determination test.

Table 5. Result of Coefficient Determination Test

R	R Square	Adjusted R Square	Std Error Of The Estimate
0.77	0.62	0.60	1.42

According to the data in the table, motivation and compensation contribute 62% to employee performance at the Bandar Lampung Health Service, while 38% is the impact of other variables not investigated in this research.

Hypothesis Test (t-Test)

The T test is carried out by comparing the sig number with alpha (5%) or comparing the t-count with the t-table. If sig < alpha (5%) or the t-count value > t-table then the hypothesis is accepted and the opposite applies (Muhid, 2019). The results tested are:

Table 6. Result of t-Test

Model	t-Count	t-Table	Sig.
Motivation (X_1)	2.185	1.995	0.018
Compensation (X_2)	2.385	1.995	0.014

Based on the SPSS results above, it is found that the Motivation (X_1) sig value is 0.018. Meanwhile, the t table is 1.995 with a calculated t value of 2.185. This shows that t count > t table (2.185 > 1.995), so it can be said that there is a influence between the motivation and employee performance variables. Motivation has a significant positive effect on employee performance (H1 is accepted).

Based on the SPSS results above, it was found that the sig value for the Motivation variable (X_2) was 0.014 and the t table value was 1.995. This shows that t count > t table (2.385 > 1.995) so it can be concluded that the compensation variable has a significant positive effect on employee performance to (H2 is accepted).

Hypothesis Test (f-Test)

Simultaneous Test (F test) is a test carried out by comparing Fcount with Ftable with the aim of finding out whether all independent variables together have an effect on the dependent variable or not. If the value of Fcount > Ftable then the hypothesis is rejected so it can be said that the motivation and compensation variables together do not have a significant effect on employee performance variables. This applies in reverse (Ghozali, 2018). The following is a table of F test results.

Table 7. Result of f-Test

Model	Df	f-Count	f-Table	Sig.
Regression	2	33.232	3.13	0.000
Residual	67			
Total	69			

From the table, it can be seen that the p-value is smaller than 0.05 or the f-count value is greater than f-table, indicating that simultaneously motivation and compensation have a significant positive effect on employee performance (H3 is accepted).

Discussion

Motivation Has A Positive And Significant Effect On Employee Performance

Motivation partially has a big impact on employee performance at the Bandar Lampung Health Service, based on the results of hypothesis testing in applying the t test. Motivation is very necessary in the performance of Bandar Lampung Health Service employees. Employees feel that the motivation provided by the company can make them more active and improve their performance. These results are supported by research by Goni (2021) which states that motivation influences employee performance.

Research by Sariadi & Heryanda (2020), also revealed that motivation has an influence on employee performance. An organization can run well if its employees have high motivation (Miskiani & Bagia, 2020).

Employees who have strong motivation can transfer positive influences to other employees in an organization, giving rise to an increased desire to work optimally (Zainuddin, 2020). Without good motivation, employees cannot produce maximum work in completing their tasks even if they have good knowledge and skills (Darmawan et al., 2019).

Duties and obligations can be carried out effectively and efficiently if employees have strong motivation. This will also have an impact on planning being realized and improving performance (Yuliani, 2020).

Compensation Has A Positive And Significant Effect On Employee Performance

Compensation variables also have a big impact on the performance of Bandar Lampung Health Service employees. Based on the results of hypothesis testing in applying the t test, compensation is very necessary in the performance of Bandar Lampung Health Service employees. Employees feel that the compensation provided by the company can make them more motivated to provide the best performance. These results support Arifudin's (2019) research, that compensation influences employee performance.

Compensation can be provided in the form of adequate financial life guarantees to complement employees' physiological needs (Firdaus & Oetarjo, 2022). Apart from that, employees also hope that compensation is received in accordance with the sacrifices that have been given to the organization, both financial and non-financial compensation, such as in the form of career development support (Dana & Dewi, 2016). This is also in accordance with Shanty's (2017) statement, which states that salaries or incentives given to employees as a result of appreciation for work achievements are an important part of improving employee performance.

CONCLUSION

Based on the results of the analysis, it can be concluded that both motivation and compensation are significant factors that influence employee performance. The regression results indicate that these two variables have a positive and meaningful relationship with performance outcomes.

From a quantitative perspective, the regression coefficient (β_1) for motivation is 0.739, indicating that an increase of one unit in motivation score will increase employee performance by 0.739 units, assuming other variables remain constant. This demonstrates a strong and positive influence. The regression coefficient (β_2) for compensation is 0.889, suggesting that compensation exerts a slightly stronger positive influence on performance than motivation. The coefficient of determination (R^2) is 0.62, meaning that 62% of the variability in employee performance can be explained by the two variables: motivation and compensation. This shows a substantial explanatory power of the model.

Therefore, in improving employee performance, companies are expected to always provide positive suggestions, observe employee performance results, and give appreciation to every employee who has provided the best results. Companies can provide feedback on employee performance so that employees receive recognition for their achievements. Apart from that, the Company can provide allowances or facilities for employees who meet the criteria so that the performance of Bandar Lampung Health Service employees always increases.

This study only tested two independent variables (motivation and compensation) on employee performance, so it does not cover other factors that may also have an influence such as leadership, organizational culture, or work environment. Further research is suggested to use more complex analysis methods such as dominant regression or Structural Equation Modelling (SEM) and consider additional variables to make the model more comprehensive. The results of this study provide a basis for government agencies, especially the Health Service, to pay attention to increasing motivation and compensation as a managerial strategy in improving employee performance.

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