THE ROLE OF COMPENSATION AND JOB SATISFACTION TOWARDS THE PERFORMANCE OF CIVIL SERVANTS THROUGH MOTIVATION AS MEDIATING VARIABLE AT DIRECTORATE OF AIRWORTHINESS AND AIRCRAFT OPERATIONS DIRECTORATE GENERAL OF CIVIL AVIATION THE MINISTRY OF TRANSPORTATION

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Abstract: This research intend to reveal the impact of compensation and job satisfaction towards the performance of Civil Servants (PNS) at the Directorate of Airworthiness and Aircraft Operations (DKPPU), Directorate General of Civil Aviation at the Ministry of Transportation of the Republic of Indonesia through motivation as a mediating variable. The type of this research was included in quantitative research. The analytical method used the Structural Equation Modeling (SEM) by SmartPLS version 3.3.2. The total of a respondents who were sampled in this research were 70 DKPPU civil servants. The results explained that the compensation has a positive and significant influence on motivation, job satisfaction has a positive and significant influence on performance, job satisfaction has a positive and significant affect towards performance, motivation has a positive and significant affect towards performance, compensation has a positive influence and significant on performance through motivation as a mediating variable, job satisfaction has a positive and significant influence on performance through motivation as a mediating variable.

Keywords: Compensation, job satisfaction, motivation and employee performance.

INTRODUCTION

The Directorate of Airworthiness and Aircraft Operations (DKPPU) is one of the directorates inside the Directorate General of Civil Aviation, Ministry of Transportation. As benefits an organization, Human Resources (HR) is one of the main factors of an organization in strives to vision, mission and goals of the organization. This would apply to government organizations, both the Central Government and Regional Governments (Province, Regency and City). And Likewise in DKPPU, Civil Servants (PNS) as HR are the most important and main factors in achieving organizational goals. Those various efforts have been made by the
organization to fixing the employees performance, one of that through measuring and evaluating the performance.

The evaluating of civil servants’ performance should be based on Government Regulation Number 46 of 2011 which concerned the Assessment of Civil Servants Performance (PNS). Civil servants are required to prepare Employee Performance Targets (SKP) by taking into consideration such as: strategic planning of government agencies, performance agreements, organization and work procedures, job descriptions and / or SKP direct to supervisors. The performance assessment forms the basis of various things such as proposing promotions, submitting transfers, submitting promotions and etc. According to the data obtained, the performance assessment of DKPPU civil servants from 2015 until 2019 was dominated by the value of “Very Good”, but there were still a number of civil servants who received “Good” rates.

![SKP Assessment in 2015 - 2019](image)

**Figure 1. Data on Performance Assessment of All DKPPU PNS 2015-2019**

Source: Administrative Data of DKPPU Sub Division (2020)

According to the data that authors proceed, it is also seen that the average realization of DKPPU budget absorption from 2015-2019 has always been above 90% and always increased, which illustrates that organizational performance is also in good criteria. Thus the performance of DKPPU employees could actually be maximized again, so the conditions would be achieved where 100% of employees get an SKP assessment of “Very Good” and those maximum organizational performance was indicated by Budget Realization that reaching 100%.

As previously explained, the DKPPU has one of the duties to providing technical guidance and supervision, as well as evaluating and reporting in the field of airworthiness and aircraft operation. This includes the control and certification of all aviation operators, aircraft fleets and aviation personnel. In carrying out this supervision and certification of the number of operators and personnel, then another coupled of tasks such as arranging and formulating the policies, arranging norms, standards, procedures and criteria (drafting flight regulations) which sure needs a very high level of performance is required.
According to the results of distributing pre-research questionnaires which conducted randomly to 32 DKPPU civil servants, there were 23 respondents (76.7%) who answered “Yes” to the statement that employees felt less optimal in performance, as many as 23 respondents (76.7%) answered "Yes" For the statement that employees were not satisfied with the compensation received, 21 respondents (70.0%) who answered “Yes” to individual statements still felt dissatisfaction with working in the organization and 21 respondents (70.0%) answered “Yes” with statements that employees feel less satisfied with the motivation provided by the superiors.

Nuraeni, et al (2019) found that compensation has a positive and significant affect on employee performance. Then, Simanjuntak (2020) quoted if job satisfaction has a significant affect on employee performance. Furthermore, Hartanto, et al. (2018) found that motivation has a significant affect on employee performance. However, in another research by Kadir (2017) shows that compensation has no affect on employee performance and so does with motivation, which has no affect on employee performance. Then, Arianto (2017) and Sutopo (2018) found that job satisfaction does not have a significant affect on employee performance. Furthermore, Pawirosumarto, et al. (2016) declared that job satisfaction did not have a significant and positive affect on employee performance.

According to the data related to the employee performance assessment, through distributing pre-research questionnaires to 30 respondents and those research gap, the authors wish to examine the model of the correlations between compensation and job satisfaction towards the employee performance with motivation as a mediating variable in DKPPU.

**LITERATURE REVIEW**

**Employee Performance**

Performance could be interpreted as a result of the work function from person or group's activities in an organization which determined by various factors to achieve organizational goals within a certain period of time (Pabundu 2004: 50 in Busro 2018:87). Sedarmayanti (2017: 54) in Alfiyah & Riyanto (2019) revealed that the increased in employee performance could be viewed from the increased achievement of organizational which could reaching the main goals. According to Robbins & Judge (2015), there has 6 (six) indicators which sizing the individual employee performance, such as quality, quantity, timeliness, effectiveness, independence and work commitment.

**Compensation**

Compensation is the total packages which offered from organizational to workers in exchange of using its labor. Werther and Davis (1996: 379) in Wibowo (2017:289) defines that the compensation as what workers received in return of their contribution to the organization. Meanwhile, Hasibuan (2014:119) stated that the compensation is the money received by an employee from an employer as a salary or wages both of directly or indirectly received by employees in return of services provided to the company. Employee compensation has two form, such as direct financial payments (wages, salaries, incentives, commissions, and bonuses) and indirect financial payments (financial benefits such as insurance and holiday expenses by the employer). (Dessler, 2015:379)

**Job Satisfaction**
Robbins in Busro (2018: 101) argues that job satisfaction is a general attitude towards person’s job; the difference between the amount of reward that a worker received should fair with the amount of reward that they believe they worth earned. Furthermore, Robbins & Judge (2015:46) explained that job satisfaction is a good feeling towards a job determined by an evaluation of several criteria. The perception value theory said that job satisfaction depends on certain feeling related to job whether that job itself could supplies the things you value, the perception of job satisfaction theory consists of salary satisfaction, promotion satisfaction, supervisor satisfaction, coworker satisfaction, and job satisfaction itself. (Colquitt, et. al., 2011:98-101).

Motivation

Sedarmayanti (2017) stated that motivation is the whole process of giving work encourages to their subordinates in such a way that they are willing to work sincerely in order to achieve organizational goals effectively and efficiently. Another opinion argued that motivation is a process which causes individual intensity, direction, and persistence towards achieving goals (Robbins 2003:156 in Wibowo 2017:322). Operational Variable of motivation by develop the theory of needs from Abraham Maslow (1970) in Edison, et. al. (2016:184) which have dimensions of physiological needs, security needs, needs to be liked, self-esteem needs and self-development needs.

Previous Research

Nuraeni, et al. (2019), and Chandradewi & Dewi (2019) who were concluded that there was a positive and significant influence of the compensation variable towards the motivation variable. Lie & Siagian (2018), and Shefria (2020) which stated that there is a positive and significant influence from job satisfaction variables on motivation variables. Nuraeni, et al. (2019) and Riyadi (2019) concluded that there is a positive and significant influence from the compensation variable towards the employee performance variable. Andriansyah & Elmi (2020), Ariyanto (2020), Lie & Siagian (2018), Simanjuntak (2020) Kadir (2017), Sari & Susilo (2018), and Riyadi (2019) which concludes that there is a positive and significant influence of job satisfaction variables on employee performance variables. Riyanto, et al. (2017), Lie & Siagian (2018), Simanjuntak (2020), and Nuraeni, et al. (2019), concluded that there was a positive and significant affect from the motivation variable towards the performance variable. Nuraeni, et al. (2019), and Chandradewi & Dewi (2019) which defines that there is a positive and significant influence of the compensation variable towards the employee performance variables through motivation variable as a mediating variable. Shefria (2020) was interpreted that there is a positive and significant affect of employee achievement on performance variables through the motivation variable as a mediating variable.

Theoretical Framework

According to some of the theoretical research above, it could be concluded that the theoretical framework of this research are:
Research Hypothesis

According to the problem formulation and theoretical and empirical research, the hypothesis in this research as follows:

H1: Compensation has a positive and significant affect towards motivation.

H2: Job satisfaction has a positive and significant affect towards motivation.

H3: Compensation has a positive and significant affect towards the employee performance.

H4: Job satisfaction has a positive and significant affect towards the employee performance.

H5: Motivation has a positive and significant affect towards the employee performance.

H6: Compensation has a positive and significant affect towards the employee performance through motivation.

H7: Job satisfaction has a positive and significant affect towards the employee performance through motivation.

RESEARCH METHODS

This research used quantitative methods and was included in the type of research of causality research. Based on this research, the variables studied consisted of three types, namely the independent variable (compensation, job satisfaction), the dependent variable (employee performance) and the mediation variable (motivation) which theoretically affects between the independent variable and dependent variable but cannot be investigated and discovered yet (Tuckman in Sugiyono 2016:39). The measurement scale used the Likert Scale, where each made using a scale of 1-5 answer categories. The population in this research were all Civil Servants at the Directorate of Airworthiness and Aircraft Operations, by total of 193 civil servants, while the final sample was only 70 civil servants working at DKPPU (Slovin, 10% error tolerance). There are two types of methods for data collection in this research, such as surveys (questionnaires) and documentation. The analytical method used in this research was Structural Equation Modeling (SEM) through the PLS tool to examine the connection between the research variables.
RESULT AND DISCUSSION

Respondent Characteristics

Based on these research results, the majority of the characteristics from the respondents were male (74%), aged 30-39 years (41%), had an undergraduate degree (58%), and had a tenure of between 10-19 years. This could described that the majority of research respondents were men who are still in productive ages and have wide knowledge with high mobility. Therefore, it is necessary to have a strong motivation to encourages to support the improvement of their performance through competence and job satisfaction.

Outer Model Measurement

Based on the convergent validity analysis, the range of factor loading values from the competency, job satisfaction, motivation and employee performance variables was in the range of 0.719-0.926, so it could be said that it was valid (> 0.7).

Then, the Cronbach's Alpha value and Composite Reliability from competence, job satisfaction, motivation and employee performance has a score between 0.887-0.973, so it was declared as reliable (> 0.7).

Inner Model Measurement

The results of the path analysis through SmartPLS bootstrapping which could be illustrated in Table 1 below:

<table>
<thead>
<tr>
<th>Relations Between Construct</th>
<th>Original Sample (O)</th>
<th>Sample Mean (M)</th>
<th>Std. Dev. (STDEV)</th>
<th>T Statistics (O/STDEV)</th>
<th>P Values</th>
<th>Keterangan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct Effect</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Compensation (X1) =&gt; Motivation (Y1)</td>
<td>0.289</td>
<td>0.290</td>
<td>0.103</td>
<td>2.801</td>
<td>0.005</td>
<td>Positive Significant</td>
</tr>
<tr>
<td>Job Satisfaction (X2) =&gt; Motivation (Y1)</td>
<td>0.664</td>
<td>0.667</td>
<td>0.080</td>
<td>8.318</td>
<td>0.000</td>
<td>Positive Significant</td>
</tr>
<tr>
<td>Compensation (X1) =&gt; Employee Performance (Y2)</td>
<td>0.401</td>
<td>0.402</td>
<td>0.074</td>
<td>5.404</td>
<td>0.000</td>
<td>Positive Significant</td>
</tr>
<tr>
<td>Job Satisfaction (X2) =&gt; Employee Performance (Y2)</td>
<td>-0.038</td>
<td>-0.033</td>
<td>0.116</td>
<td>0.330</td>
<td>0.742</td>
<td>Negative Dissignificant</td>
</tr>
<tr>
<td>Motivation (Y1) =&gt; Employee Performance (Y2)</td>
<td>0.580</td>
<td>0.573</td>
<td>0.114</td>
<td>5.089</td>
<td>0.000</td>
<td>Positive Significant</td>
</tr>
</tbody>
</table>

Pengaruh Tidak Langsung

<table>
<thead>
<tr>
<th>Relations Between Construct</th>
<th>Original Sample (O)</th>
<th>Sample Mean (M)</th>
<th>Std. Dev. (STDEV)</th>
<th>T Statistics (O/STDEV)</th>
<th>P Values</th>
<th>Keterangan</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation (X1) =&gt; Motivation (Y1) =&gt; Employee Performance (Y2)</td>
<td>0.167</td>
<td>0.167</td>
<td>0.068</td>
<td>2.464</td>
<td>0.014</td>
<td>Positive Significant</td>
</tr>
<tr>
<td>Job Satisfaction (X2) =&gt; Motivation (Y1) =&gt; Employee Performance (Y2)</td>
<td>0.385</td>
<td>0.382</td>
<td>0.088</td>
<td>4.403</td>
<td>0.000</td>
<td>Positive Significant</td>
</tr>
</tbody>
</table>

The results from Table 1 shows that: the compensation has a positive and significant influence on motivation, job satisfaction has a positive and significant influence on motivation, compensation has a positive and significant influence on employee performance, job satisfaction has a negative and insignificant influence on employee performance and motivation has a positive and significant influence on employee performance. Whereas based
on the indirect path coefficient analysis result shows that motivation could act as a mediator in the affect of compensation and job decisions towards employee performance.

**R² Evaluation and Goodness of Fit (GoF) Index**

$R^2$ value for motivation was 0.702 and 0.726 towards employee performance. The value of $R^2$ indicates that the level of determination of these exogenous variables (compensation and job satisfaction) to the endogenous variables is in the strong category.

The validation of these combined performance between the outer model and inner model was sized by GoF with the value was 0.405. Based on these results it could be said it was fit, because the GoF value was greater than 0.36.

**Discussion**

The outcomes of Hypothesis test reveal that compensation has a positive and significant affect on the motivation of civil servants in DKPPU. The research results were consistent with the results of previous research by Nuraeni, et al. (2019), and Chandradewi & Dewi (2019). Based on the results of this research, the biggest score for the loading factor of the compensation variable was the X1.06 indicator which stated that "an agencies provided the incentives / bonuses for employees of their work performance and to increase loyalty to the institution (official trips, study assistance, etc.)". Meanwhile, the highest score for the loading factor of the motivation variable was the Y1.07 indicator which stated if "the leadership is very concerned about the work results of the employees". This shows that according to employees, the agency has been good enough in providing indirect compensation, especially in terms of incentives for work performance achieved in the form of trips and learning assistance facilities in the framework of employee self-development (study assignments, training, training, etc.) and leadership. very concerned about the work results of employees as one of the factors in evaluating the work performance.

These hypothesis test results show that job satisfaction has a positive and significant influence on the motivation at civil servants in DKPPU. This research study which support the research results of Lie & Siagian (2018), Shefria (2020), and Darmawan (2018). Based on the research results, the highest score of loading factor of Job Satisfaction variable was indicator X2.04 which stated "that the implementation of promotion in employee agencies is carried out by a fair system". Meanwhile, the highest score for the loading factor of the motivation variable was the Y1.07 indicator which stated that "the leadership is very concerned about the work results of the employees". So it could be concluded that the promotion system in the DKPPU agency is well structured, with one of the criteria being references that the work results of employees are monitored continuously by the leadership. The feeling satisfaction of employees at their work, the existence of role models exemplified by the leadership, mutual respect among co-workers, all of that would increase the motivation of DKPPU civil servants in carrying out and completing their work.

The hypothesis test results show that compensation has a positive and significant influence on the performance of civil servants at DKPPU. This research results were in line with the results of previous research by Nuraeni, et al. (2019), and Kadir, et al. (2017). Based on the results of this research, tells the biggest score for the loading factor of the compensation variable was the X1.06 indicator with a value of 0.877 which stated that "agencies provide incentives/bonuses for employees in return of their work performance and in order to increase
the loyalty to the agencies (official trips, study aids, etc.) ". Meanwhile, the highest score for the loading factor of the Performance variable was the Y2.12 indicator which stated that "employees needs to completed the tasks immediately". The conclusion that could be drawn is that the existence of a good reward / punishment system in DKPPU has encouraged employees to be more involved in their work, both in terms of quantity and responsibility in terms of quality.

The hypothesis test results show that job satisfaction has a negative and insignificant influence on the performance of civil servants at DKPPU. These research results from the previous research by Arianto (2017) and Sutopo (2018). Based on these research results, the highest score of loading factor for job satisfaction variable was in indicator X2.04 which stated that "the implementation of promotion in employee institution is carried out with a fair system". Meanwhile, the highest score for the loading factor of performance variables is the Y2.12 indicator which stated that "employees needs to completed the tasks immediately". This shows that the existence of a good promotion system in DKPPU does not affect the attitude of employees to be more committed to their work. This also defined that the implementation of promotions at DKPPU is not something that employees crave, as is common in other organizations / companies in general. This situation is certainly different from the situation in many other organizations where the employees make promotion opportunities one of their career targets. This is relevant to conditions in the field because DKPPU civil servants tend to be less interested in promotion, so the promotion system is not something that triggers increased performance. One of the factors that causes employees to be less interested in promotion is because the performance allowance for Echelon IV and III positions is relatively smaller than the performance allowance for Flight Inspectors who have reached Levels 5 and 6.

Based on hypothesis test results it shows that motivation has a positive and significant influence on the performance of civil servants at DKPPU. The research results was support previous research by Riyanto, et al. (2017), Lie & Siagian (2018), Simanjuntak (2020), and Nuraeni, et al. (2019). According to the research results, the highest score of loading factor of motivation variable is an indicator which stated that "the leader is very concerned about the work results of the employees". Meanwhile, the highest score for the loading factor of the Performance variable was the Y2.12 indicator which stated that "employees needs to completed the tasks immediately". The conclusion which can be drawn is the continuous attention from superiors has encouraged employees to increase the commitment and responsibility for completing their work.

Based on this hypothesis test results it shows that motivation could played a perfects role as a mediator on the influence of compensation towards the performance of civil servants at DKPPU. These research results are consistent with the research by Nuraeni, et al. (2019), and Chandradewi & Dewi (2019). The direct affect of the compensation towards the performance was greater than the indirect effect when it is mediated by the motivation variable. Compensation as the right motivator would create a conducive atmosphere which resulting in higher work productivity (Sedarmayanti 2004: 7 in Busro 2018: 317). Generally speaking, by fair given adequate and appropriate compensation, both financial and non-financial, it would stimulate and increase the motivation of DKPPU's civil servants in completing their work.

The hypothesis test results show that motivation could perfectly act as a mediator over its affection from job satisfaction on civil servant achievement at DKPPU. These results were in line with the results of Shefria's research (2020). The direct affect of job satisfaction on
performance was smaller than indirect one. And it could be interpreted that adequate job satisfaction and supported by high motivation would affect the performance of DKPPU employees. Therefore, job satisfaction would affect performance if it is mediated by motivation.

**CONCLUSION AND SUGGESTION**

**Conclusion**

Based on these research outcomes and the discussion above, it could be concluded that:

1) Compensation has a positive and significant affect towards motivation on civil servants at DKPPU.
2) Job Satisfaction has a positive and significant influence towards the motivation on civil servants at DKPPU.
3) Compensation has a positive and significant influence towards the performance on civil servants at DKPPU.
4) Job Satisfaction has a negative and insignificant influence towards the performance of civil servants at DKPPU.
5) Motivation has a positive and significant influence towards the performance of civil servants at DKPPU.
6) Compensation has a positive and significant influence towards the performance of civil servants through motivation at at DKPPU.
7) Job Satisfaction has a positive and significant influence towards the performance of civil servants through motivation at at DKPPU.

**Suggestion**

Set up from these evaluation outcomes and some of the interpretation above, there are several suggestions that could be put forwards as complement to this research, such as:

1) DKPPU management in particular and the Ministry of Transportation are expected to fight continuously so the performance allowance received would achieve 100% from the maximum potential.
2) DKPPU management is expected to increase the interest towards promotion so it would boost the level of performance from a civil servants by sending qualified civil servants to attend training/leadership/communication training as well as other management training, both routinely held by central agencies and by other parties. Besides, the management needs to encourage many of employees to participate in scholarship programs for continuing their education programs, especially in the field of management science.
3) DKPPU management is advised to provide an education about a simple lifestyle and foster investment interest during the active period of the civil servants' service.
4) DKPPU management is advised to upgrade the employee performance through a detailed schedule of work activities and hold regular meetings/briefings once a week.
5) For further researchers, it is important to learn further related to other variables which have an impact on employee performance, such as competence and leadership.
REFERENCES


