

# The Perception Of Civil Servants In Higher Education To Remuneration System, And Its Effect On Motivation And Performance

S. Nicho Jayakusuma, Susi Sarumpaet, Fajar Gustiawaty Dewi

**Abstract:** The purpose of this study was to examine the perception of civil servants within the University of Lampung's state universities on the remuneration system seen from the aspects of transparency, fairness, control, and proportionality that tested its effect on motivation, and performance. This research uses SEM-PLS data analysis method, convenient sampling method, and 153 lecturers and 146 employees as the respondents. The results of the study show that transparency influences the work motivation, but for employees the transparency does not affect their motivation. Other results of proportionality for employees affect motivation, but for lecturers the proportionality does not affect their motivation. While fairness and control affect motivation, and motivation affects performance.

**Index Terms:** transparency, fairness, control, proportionality, remuneration system, motivation, performance

## 1. INTRODUCTION

The remuneration system policy is being widely discussed among employees both government and private institutions. In the government institution, the remuneration policy is given as reward to Civil Servants (PNS) for professional performance in order to realize clean and authoritative governance (Suparlan et al, 2016). Provision of remuneration to employees is based on grading or position and performance. University of Lampung as a Public Service Agency has the obligation to implement a remuneration system for civil servants and BLU employees. This is based on the Minister of Finance Regulation number 10 / PMK.02 / 2006 and the Minister of Finance Regulation number 73 / PMK.05 / 2007 and in the Minister of Finance Regulation No. 1262 of 2015 which requires the University of Lampung as a public service agency to implement the remuneration system since 2016, which was stated in the regulation of the Chancellor of the University of Lampung No. 01 of 2017. Azeez Rasheed, et al (2016) stated that employee salary satisfaction must be the most absolute concern for University management to increase employee performance motivation. Saad Ghafoor, et al (2017) in his research also stated that there is a relationship between financial compensation and employee career development. As well as according to Suparlan Al Hakim, et al (2016) the remuneration policy at the Faculty of Social Sciences of the State University of Malang in implementing the remuneration policy uses the principles i.e proportionality, equality, propriety and good performance. That is proven to be able to improve the performance of civil servants in the Faculty of Social Sciences, Malang State University. But in the research of Raja Nabeel-Ud-Din Jalal, et al (2017), stated that the reward and remuneration had a positive and significant psychological influence on job satisfaction, but it had no significant effect on the performance of employees in private institutions.

- *Magister Science of Accounting, Faculty of Economic and Business, University of Lampung*
- *Accounting Programme, Faculty of Economic and Business, University of Lampung*
- *Accounting Programme, Faculty of Economic and Business, University of Lampung*

This research was supported by Rokhimakhumullah's research (2016) which explained that the remuneration incentive system policy had a negative and insignificant effect on the performance of employees at Malang Madrasah KPP and Batu Pratama KPP. This study aims to examine how the Perceptions of Civil Servants (lecturers and employees) of Higher Education to the Remuneration System, and its Effects on Motivation and Performance

## 2. LITERATURE OF REVIEW AND DEVELOPMENT OF HYPOTHESES

### 2.1. Contingency theory

Contingency theory according to Otley (1995), and Mia and Clarke (1999) states that contingency theory can be used to analyze management accounting systems and design and provide information that can be used by companies for various purposes and to face company competition. According to Otley (1995) there is a premise of contingency theory where there is no control system that is universally always appropriate to be applied to all organizations in any situation. A control system will be different in each organization based on organizational factors and situational factors. Kenis (1979), in examining the relationship between the control system and work outcomes, it is suggested to involve situational variables such as personality, appropriate targets, reward expectancy, organizational and environmental variables as mediating variables that influence the relationship between management control systems and work outcomes. According to Chenhall (2003) a contingency theory in management control is between two extremes. The first extreme, based on a situation specific model or an appropriate control model that will be strongly influenced by the situation at hand. The second extreme is the fact that a management control system can still be generalized to be applied to several different companies.

### 2.2. Hierarchy Theory

Maslow's theory (in Sutrisno, 2009: 122) suggests that human needs can be classified into five hierarchies of needs, namely:

- Physiological Needs or Psychological Needs is the need to sustain life from death. This need encourages people to do a job, because by working people get rewards (money) that will be used to fulfill their needs.

- Safety Needs is the needs obtained after fulfilling the first needs, such as a safe workplace, life insurance protection, especially for employees, and a guarantee of employment certainty, that as long as they work well, they will not be laid off, and a guarantee of certainty career coaching.
- Social Relations Needs is the need to live together with others. This need can only be fulfilled with the community, because other people can fulfill it. For example, people need love, are loved, respected, recognized by others.
- Recognition Needs, Everyone needs self-esteem and self-prestige from his environment. The higher the status and position in the company, the higher the need for self-prestige.
- Self Actualization Needs. The highest need to act, not for encouraging others, but for self-awareness and desire. In this condition someone wants to show their abilities optimally in their respective places.

### 2.3. Theory of Hope

According to Vroom (in Sutrisno, 2009: 141) Theory of Hope, states that the power that motivates someone to work hard in carrying out their work depends on the reciprocal relationship between what he wants and the needs of the work. The theory of hope is based on expectations, values and relationships. This theory has three variables; attractiveness, relationship between work performance and reward, and the relationship between business and work performance.

### 2.4. Perception of Remuneration System

Suparlan, et al (2016) explained the meaningful remuneration system in total compensation received by management officials, supervisory boards, and BLU PTN employees based on the responsibilities and demands of professionalism needed. With remuneration system, civil servants will be required to optimize their performance because the amount of remuneration received will be proportional to the performance carried out, or in other words must meet certain targets. Legal protection in relation to the provision of remuneration systems at BLU University of Lampung is KMK Number 1262 / KMK.05 / 2015 concerning the determination of remuneration for management officials, supervisory boards, and employees of BLU Lampung University at the Ministry of Research, Technology and Higher Education, BLU Unila can pay extra salaries and performance incentives by paying attention to the revenue ability of BLU Unila. Then based on the legal protection through the Lampung University Chancellor Regulation number 01 of 2017 concerning guidelines for implementing the University of Lampung Public Service Agency remuneration, so the remuneration system i.e transparency, fairness and control and proportionality can be applied in accordance with the performance appraisal of civil servants at the University Lampung which is based on the regulation of the Republic of Indonesia Government Number 46 of 2011 concerning the work performance appraisal of civil servants. Explanation by Byares and Rue in Fitria, et al. (2014) was previously presented by Thierry (1987) in the Lampung University grant research report (Susi, 2017) how the effectiveness of a compensation system or incentive (in this case performance evaluation and financial rewards) depends on three characteristics perceived by employees: (1) transparency, (2) fairness and (3) control. These three characteristics are close to each other. Indonesia also has a basic principle in establishing remuneration systems for state

public service agencies. In the regulation of the finance minister of the Republic of Indonesia number 176 / PMK.05 / 2017 concerning the remuneration guidelines for public service agencies, chapter II on principles, article 3 describes that remuneration is given based on the level of responsibility and demands of professionalism by considering the principles: proportionality, equality, propriety and performance.

### 2.4. Motivation

According to Trisnaningsih (2011), motivation is born from various theoretical concepts, i.e need theory, equity theory and expectancy theory. How to analyze motivation requires attention to the conditions that drive and direct one's activities. In work motivation of employee according to Nurhayati (2015), it is very important to be cared, because by having high work motivation, employees can show good their performance. In the explanation of Sardiman (2014: 89) motivation is divided into several kinds of motivation, i.e intrinsic motivation and extrinsic motivation. Intrinsic motivation is the motives that become active or function without stimulated from the outside, because in each individual there is an urge to do something. While extrinsic motivation is active and functioning motives because of external stimuli.

### 2.5. Performance

Definition of performance according to the guidelines for implementing the remuneration of BLU Universitas Lampung (2017) in the context of work are the same as work performance, while indicators measure the level of outcome of an activity and / or achievement on the implementation of activities. Individual performance indicators are the parameters of process and work outcome that can be measured, observed and recorded. Kusuma (2013) said that the notion of performance here is not aimed to assess individual characteristics but to obtain the outcome in the certain period. Presidential regulation number 81 of 2010 concerning the grand design of bureaucratic reform 2010-2025 explicitly the government realizes that employee performance will increase if there is a strong motivation, both at the center and in the regions. This performance relationship affects motivation as in the explanation of Kurniawan, et al (2016), that motivation will encourage employee performance to produce output, value added, outcomes and benefits better from year to year, also by a system of reward and punishment in consistently and continuously. In the regulation of the Republic of Indonesia Government number 46 of 2011 concerning work performance appraisal of civil servants, it is also stated that Job performance appraisal is carried out with a systematic assessment process carried out by the appraisal officer to Employee Work Targets (SKP) and civil servant work behavior. SKP assessment includes at least aspects of quantity, quality, and time, in accordance with the characteristics and types of activities in each work unit. Each agency prepares and establishes technical standards of activities in accordance with the characteristics, types of activities, and job requirements of each position based on the guidelines set by the head of the state employment agency.

## 2.6. Hypothesis Development

### 2.6.1. Perception of Civil Servants to the Remuneration system for its influence on motivation

In Susi's (2017) research, Thierry (1987) states the effectiveness of a compensation or incentive system (in this case performance evaluation and financial rewards) depends on three characteristics perceived by employees: (1) transparency, (2) fairness and (3) control. Besides that, based on PMK 176 / PMK.05 / 2017 principle, it was also explained how the remuneration system was formed. A transparent system will inform employees about the rules and objectives of the organization. Clear communication of these rules will increase employee understanding of performance methods, measures and performance targets and will support the existing compensation system. Thus Employees' understanding of transparency will have a relationship with motivation. For this explanation, the author proposes the following hypothesis formulation:

**H1a:** Employee perceptions of transparency affect employee motivation

Related to the concept of fairness in various perspectives, agency theory in the explanation of Jensen and Meckling (1976), reciprocity theory emphasizes that the need for agents to receive a fair amount of compensation compared to the principal. The excess of the activities carried out by the agent must be fairly divided between the principal and the agent to prevent decreasing motivation of the agent in carrying out these activities. Janssen (2001) in Susi's (2017) study provides empirical evidence that managers who perceive performance rules and fair rewards have better performance. Therefore, the authors formulate a hypothesis:

**H1b:** Employee perceptions of justice affect employee motivation

The third criterion for the effectiveness of understanding the compensation system for employees is control, defined by Baker (2002) in the Susi research (2017) is the level of individual ability to control or influence the outcome of the effort undertaken. An employee who can control how much performance will be achieved will have a clear and measurable plan in achieving its performance and it can motivate employee to improve performance. So that the more controlled the employee's performance on the remuneration system, the higher the motivation of employees. Based on the explanation, the authors formulated the following hypotheses:

**H1c:** Employee perceptions of control affect employee motivation

In the regulation of the finance minister of the Republic of Indonesia number 176 / PMK.05 / 2017 concerning the remuneration guidelines for public service agencies, chapter II on principles, article 3 describes that remuneration is given based on the level of responsibility and demands of professionalism by considering the principles: proportionality, equality, propriety and performance. This makes the writer formulate the following hypotheses:

**H1d:** Employee perceptions of proportionality affect employee motivation

### 2.6.2. Effect of Employee Motivation on Performance

According Rivai (2005: 309), in Kusuma (2013) one way that can be used to see the development of a company or organization is by looking at the results of the performance assessment. The object of performance appraisal are skills, the ability of employees to carry out a job or task that is evaluated by using certain benchmarks objectively and periodically. According to Irawan, et al (2015) Good employee performance will have an influence on the success of the organization. The main factor to realize the works of government and growth is the availability of professional, responsible, honest and fair employees (Law No. 43 of 1999). In order for policies in the development of human resources based on the system of work performance can be aligned with the needs of employees, motivation is needed to improve the performance of these employees. For these explanations, the authors propose the following hypothesis:

**H2:** Motivation of employees has a positive effect on employee performance.

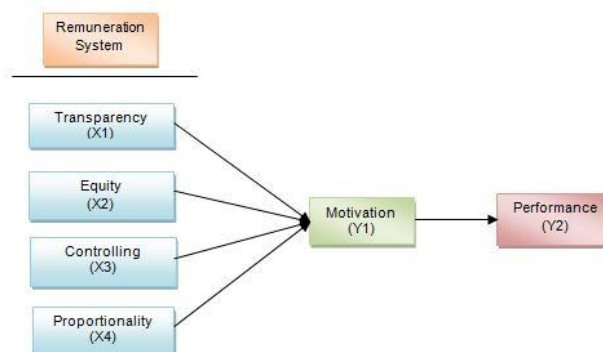


Figure 2.1 Framework

## 3. RESEARCH METHOD

The population of this study were all civil servants at the University of Lampung, the Faculty of Economics and Business, Faculty of Social and Political Sciences, Faculty of Law, Faculty of Teacher Training and Education, Mathematics and Natural Sciences Faculty, Medical Faculty, Faculty of Agriculture and Faculty of Engineering consisting of lecturers and employees. The sample selection is done by using the convenient sampling method, which is the sample available at the time of data collection. Data retrieval is done using a questionnaire to all employees who are successfully met and returned. Data returned from the respondent, then processed using Structural Equation Model (SEM). This study uses path analysis Structural Equation Model (SEM), partial least squares (PLS) with SmartPLS 3.2 software which is used to assess the measurement model and structural model of research.

## 4. RESEARCH RESULTS

### 4.1. Deskriptive Statistics

**Tabel. 4.1. Output of Lecturer Respondent Descriptive Statistics**

Dimensions	Item	N	Min	Max	Std.Dev	Mean	Median	Modus
Transparency	T1	153	1	5	0,960	3,5	4	4
	T2	153	1	5	0,902	3,8	4	4
	T3	153	1	5	0,901	3,9	4	4
Equity	E1	153	1	5	0,922	2,9	3	2
	E2	153	1	5	1,081	3,3	4	4
	E3	153	1	5	1,075	3,2	3	4
	E4	153	1	5	1,158	3,5	4	4
Controlling	C1	153	1	5	0,889	3,5	4	4
	C2	153	1	5	0,938	3,7	4	4
Proportionality	PP1	153	1	5	0,931	3,4	4	4
	PP2	153	1	5	0,999	3,2	3	4
Extrinsic Motivation	EM1	153	1	5	1,048	3,7	4	4
	EM2	153	1	5	0,838	3,9	4	4
Intrinsic Motivation	IM1	153	1	5	0,772	4,0	4	4
	IM2	153	1	5	0,807	3,8	4	4
	IM3	153	1	5	1,037	2,2	2	2
	IM4	153	1	5	1,186	2,5	2	2
Quantity	O1	153	1	5	0,807	4,0	4	4
Quality	Q1	153	1	5	0,847	3,9	4	4
Period	P1	153	1	5	0,866	3,9	4	4

Source: Questionnaire data, processed (2018)

**Tabel. 4.2. Output of Employee Respondent Descriptive Statistics**

Dimensions	Item	N	Min	Max	Std.Dev	Mean	Median	Modus
Transparency	T1	146	1	4	0,993	3,0	3	4
	T2	146	1	5	0,960	3,2	3	4
	T3	146	1	5	0,978	3,3	4	4
Equity	E1	146	1	5	1,086	2,6	2	2
	E2	146	1	5	1,159	3,0	3	4
	E3	146	1	5	1,104	3,0	3	4
	E4	146	1	5	1,192	2,9	3	2
Controlling	C1	146	1	5	0,972	3,2	3	4
	C2	146	1	5	1,114	3,3	4	4
Proportionality	PP1	146	1	5	1,076	3,0	3	4
	PP2	146	1	5	0,994	2,9	3	3
Extrinsic Motivation	EM1	146	1	5	1,052	3,5	4	4
	EM2	146	1	5	1,032	3,5	4	4
Intrinsic Motivation	IM1	146	1	5	1,086	2,6	2	2
	IM2	146	1	5	1,159	3,0	3	4
	IM3	146	1	5	1,104	3,0	3	4
	IM4	146	1	5	1,192	2,9	3	2
Quantity	O1	146	1	5	0,770	3,8	4	4
Quality	Q1	146	2	5	0,724	3,9	4	4
Period	P1	146	2	5	0,652	3,9	4	4

Source: Questionnaire data, processed (2018)

Table 4.1, shows that for 153 lecturers (N), the smallest value (minimum) is 1 and the maximum is 5. The data obtained in total is 4 with a median 4, which means that the respondent agrees, the remuneration system can increase the motivation of respondents and affect the performance of respondents. This can be seen from the remuneration system whose dimensions of transparency, fairness, fairness and proportionality influence employee motivation and performance. Table. 4.2 shows that for 146 (N) number of employees, the

smallest value (minimum) is 1 and maximum is 5. The data mode obtained is all in number 4, but with a median value of 3, which means that the respondent is neutral, that the remuneration system increases motivation and affect performance. This can be seen from the distribution of the Likert 3 value to the employee respondents for the perception of the remuneration system which is defined as transparency, fairness, control, and proportionality which has not described its influence on motivation and performance.

### 4.2. Composite Reliability Dan Convergent Validity (AVE)

**Table 4.3 Value of Composite Reliability and AVE Model of Lecturer Respondents Measurement**

	Composite Reliability	Average Variance Extracted (AVE)
Transparency (X1)	0,914132	0,781128
Equity (X2)	0,899045	0,690867
Controlling (X3)	0,912436	0,838984
Proportionality (X4)	0,865742	0,763276
Motivation (Y1)	0,852219	0,590800
Performance (Y2)	0,862675	0,679848

Source: Questionnaire data, processed (2018)

**Table 4.4 Value of Composite Reliability and AVE Model of Employee Respondent Measurement**

	Composite Reliability	Average Variance Extracted (AVE)
Transparency (X1)	0,935857	0,829542
Equity (X2)	0,918048	0,737666
Controlling (X3)	0,918798	0,849878
Proportionality (X4)	0,940076	0,886932
Motivation (Y1)	0,914266	0,640934
Performance (Y2)	0,872731	0,696631

Source: Questionnaire data, processed (2018)

The value of composite reliability presented in the table. 4.3 and tables. 4.4 shows that the six variables have composite reliability values above 0.60 which means that the indicators that have been determined have been able to measure each latent variable (construct) well or it can be said that the six

measurement models have been reliable. The better convergent validity value is indicated by the higher correlation between the indicators that make up a construct. The AVE value shown in the table. 4.3 and table 4.4 show that the six latent variables have ave value above the minimum criteria of 0.5 so that the convergent validity size is good or can be said if it meets the convergent validity criteria.

#### 4.3. Cronbach's Alpha

**Table. 4.5.** Cronbach's Alpha Lecturer Respondents

Construct	Cronbachs Alpha
Transparency (X1)	0,858515
Equity (X2)	0,849570
Controlling (X3)	0,808525
Proportionality (X4)	0,690010
Motivation (Y1)	0,768433
Performance (Y2)	0,776105

**Source:** Questionnaire data, processed (2018)

**Table. 4.6.** Cronbach's Alpha Employee Respondents

Construct	Cronbachs Alpha
Transparency (X1)	0,896981
Equity (X2)	0,879729
Controlling (X3)	0,827131
Proportionality (X4)	0,872798
Motivation (Y1)	0,887502
Performance (Y2)	0,798921

**Source:** Questionnaire data, processed (2018)

The construct is reliable if it has cronbach's alpha above 0.60, and the results of the SmartPLS output in the table. 4.5. and table, 4.6, above all constructs have a value of cronbach's alpha above 0.60 so it can be concluded that the remuneration system variable that is defined by transparency, fairness, control, and proposinality, then motivation variables, and performance variables have good reliability.

#### 4.4. Structural Model Testing (Inner Model)

**Table. 4.7.** R-Square (R2) Lecturer Respondents

	R Square
Motivation (Y1)	0,420383
Performance (Y2)	0,169527

**Source:** Questionnaire data, processed (2018)

**Table. 4.8.** R-Square (R2) Employee Respondents

	R Square
Motivation (Y1)	0,950601
Performance (Y2)	0,038285

**Source:** Questionnaire data, processed (2018)

The R-Square test aims to determine how well the inner model is formed. These results can be seen from the table 4.7 Lecturer Respondents for Motivation as 42% can be explained from the indicators studied, while the remaining number of other indicators have not been studied, and Performance as 16.9% can be explained from the indicators studied, while the remaining is from other indicators that has not been studied. Table 4.8 Employee Respondents for Motivation as 95% can be explained from the indicators studied, while the remaining is from other indicators that have not been studied, and Performance as 3.8% can be explained from the indicators studied, while the remaining is from other indicators that have not been studied. The results of the path coefficients and t-statistics values obtained through the bootstrapping process by using the number of samples for resampling is 153 for the lecturer respondents and 146 for the employee respondents, provided that t-statistics must be greater than the critical value t of 1.96 at the significance level 5%.

**Table. 4.9.** Results Of T-Statistics Value Of Loading Measurement Models Of Lecturer Respondents

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics ( O/STERR )	Significance
Equity -> Motivation	0,227008	0,250099	0,102518	0,102518	2,214327	Significant
Controlling -> Motivation	0,326130	0,328121	0,097049	0,097049	3,360474	Significant
Motivation -> Performance	0,411737	0,424859	0,082796	0,082796	4,972895	Significant
Proportionality -> Motivation	0,104873	0,092720	0,117680	0,117680	0,891173	Not Significant
Transparency -> Motivation	0,218842	0,216852	0,081345	0,081345	2,690308	Significant

**Source:** Questionnaire data, processed (2018)

**Tabel. 4.10.** Results Of T-Statistics Value Of Loading Measurement Models Of Employee Respondents

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	Standard Error (STERR)	T Statistics ( O/STERR )	Significance
Equity -> Motivation	0,813018	0,809567	0,032093	0,032093	25,333464	Significant
Controlling -> Motivation	0,130762	0,137343	0,035541	0,035541	3,679165	Significant
Motivation -> Performance	0,195665	0,245255	0,097350	0,097350	2,009911	Significant
Proportionality -> Motivation	0,112486	0,111497	0,036200	0,036200	3,107381	Significant
Transparency -> Motivation	-0,002686	-0,003744	0,034113	0,034113	0,078725	No Significant

**Source:** Questionnaire data, processed (2018)

The t test is aimed to test whether the independent variable partially has a significant effect on the dependent variable. From the results of coefficient path in table 4.9, it can be seen that the proportionality dimension of the remuneration system variable with a T-statistic value of 0.891173 <1.96 is not significant. This shows that proportionality does not affect motivation among lecturer respondents. Table 4.10. Transparency dimensions in the remuneration system variable with a T-statistic value of 0.07872 <1.96 were not significant. This shows that transparency has no effect on motivation among employee respondents. This is based on decision making if the probability (prob value) > 0.05 or - t table < t count < t table then H<sub>0</sub> is not rejected. If the Probalance (prob value) < 0.05 or t count < - t table or t count > t table then H<sub>0</sub> is rejected (t table for alfa = 0.05 is 1.96 and t table for alfa = 0.10 is 1, 65).

## 5. DISCUSSION

### 5.1. Perception of Civil Servants to the Remuneration system for its influence on Motivation is as follows:

**H1a:** Employee perceptions of transparency affect employee motivation

Lecturer respondents t-statistic value = 2.690308 > 1.96 so that for H1a is accepted which means that the lecturer's perception of the transparency dimension of the remuneration system affects the motivation of the lecturer. Employee respondents t-statistic value = 0.078725 <1.96 so that for H1a is not accepted, which means that employee perceptions of the transparency dimension of the remuneration system do not affect employee motivation.

**H1b:** Employee perceptions of fairness affect employee motivation

Lecturer respondents t-statistic value = 2.214327 > 1.96 so that for H1b is accepted which means that the lecturer's perception of the fairness dimension of the remuneration system has an influence on the motivation of the lecturer. Employee respondents t-statistic value = 25,333464 <1,96 so that for H1b is accepted which means that employee perceptions of the fairness dimension of the remuneration system have an influence on employee motivation.

**H1c:** Employee perceptions about influencing employee motivation

Lecturer respondents t-statistic value = 3.360474 > 1.96 so that for H1c it is accepted which means that the lecturer's perception of the control dimension of the remuneration system has an influence on the motivation of the lecturer. Employee respondents t-statistic value = 3.679165 <1.96 so that for H1c it is accepted which means that employees' perceptions of the control dimension of the remuneration system have an influence on employee motivation.

**H1d:** Employee perceptions of proportionality affect employee motivation

Lecturer respondents t-statistic value = 0.891173 > 1.96 so that for H1d is not accepted which means that the lecturers' perception of the proportionality dimension of the remuneration system does not affect the motivation of the lecturer. Employee respondents t-statistic value = 3.107381 <1.96 so that for H1d is accepted which means that employee perceptions of the proportionality dimension of the remuneration system have an influence on employee motivation. The results of this study support previous research, such as Palagia et al (2010), Widyastuti (2010), Murwati (2013) Fitri et al (2014), Olawale (2016), and Hakim et al (2016) how the remuneration system has an influence on employee work motivation. But this research also supports the research, Suci (2014), Rokhimakhumullah (2016), and Riyadi (2011) which states that the remuneration system does not have an influence on employee work motivation. Both results of the study were found in this study. This is for the writer influenced by the respondent's motivation on the expectation of this remuneration system. Maslow's Motivation Theory (in Sutrisno, 2009: 125) previously stated that every human being is inseparable from the needs that must be fulfilled; how humans as social beings who desire more, and continuously, needs that become a tool of satisfaction for human motivation, and humans as social beings who need to be accepted, respected, successful and participate in the social environment. As well as the theory of hope by Vrom (in Sutrisno, 2009: 141) that the power that motivates someone to work hard in carrying out their work depends on the reciprocal relationship between what he wants and the needs of the work. The theory of hope is based on expectations, values and relationships The results of this study were also supported by the statements of respondents that the author met to discuss the remuneration system at Lampung State University. Lecturer respondents that the author met, stated that the proportionality in the remuneration system for lecturers needed to be improved so that it was in line with the expectations of the lecturers to increase the motivation of lecturers. Then related to the socialization of the remuneration system for senior lecturers, the information is still not evenly distributed. For employee respondents, they argue that transparency in the remuneration system is still not in line with employee expectations. Employees feel that they are still not noticed and protected. Likewise for information dissemination, the remuneration system for employees is still limited, so employees keep a sense of suspicion that affects their motivation.

## 5.2. The influence of motivation on performance achievement is as follows:

**H2:** Motivation of employees has a positive effect on employee performance

Lecturer respondents t-statistic value =  $4.972895 > 1.96$  which means H2 is accepted, i.e the motivation of the lecturer has an influence on the achievement of lecturer performance. For employee respondents the value of t-statistic =  $2.009911 < 1.96$  means that H2 is accepted, i.e the motivation of employee has an influence to employee performance that related to the achievement of SKP in the principles of Republic of Indonesia government regulation number 46 of 2011 concerning civil servant performance appraisal. This hypothesis testing shows that motivation variables have a positive and significant effect on performance performance. This study supports the research of Trisnarningsih (2011), Riyadi (2011), Latif (2014), Nurhayati (2015), Kurniawan et al (2016), and Teja (2017) which state the importance and influence of employee motivation on employee performance. The results of this study are in line with the theory of expectations for respondents in motivating work that depends on the reciprocal relationship between what he wants with the needs of the results of his work. According to Sutrisno (2009: 141) Expectancy Theory has three things: rewards given by the organization in accordance with expectations desired by employees, leaders convince employees that what is expected by employees related to rewards are given based on employee performance that is assessed on a rational and objective basis, and regarding the theory of expectations employees in a realistic and rational in expecting rewards to increase work performance in satisfying their goals. This result is also in line with the theory of needs (Maslow's motivation), how the needs of individuals greatly affect one's motivation in relation to the fulfillment of employee performance.

## 6. CONCLUSION

This study shows that not all respondents have the same opinion about their expectations. E.g in the dimension of proportionality, the previous rewards that they accepted are still not agree with their expectations and it makes them unmotivated. As well as employees, the transparency dimension of the remuneration system still does not meet their expectations in the disclosure of information. The results of this study are supported by the statements of respondents that the authors met. The lecturers that the authors met said that the proportionality in the remuneration system still does not meet their expectations. Likewise with the information dissemination of the remuneration system for senior lecturers is still lacking in information to them. The same thing that the authors found for employees; Employees believe that this remuneration system still does not meet their expectations, especially in transparency that is still not addressed and protected by employees. Employees also argue that the lack of transparency in the information makes them feel suspicious which affects their motivation. Despite all the shortcomings, this remuneration system has increased the motivation of civil servants in the public service institutions of Lampung University. It is positive thing even though improvements are still needed in order to create a sense of safe, comfortable and guaranteed for employees at work.

## BIBLIOGRAPHY

- [1] <http://kbbi.web.id/>
- [2] <http://id.wikipedia.org/>
- [3] Al Hakim, Suparlan and Muhammad Mujtaba Habibi, and Sudirman. 2016. "Implementation of Remuneration Policy in improving the performance of civil servants in the faculty of social science, State University of Malang". *Jurnal Ilmiah Adminitrasi Publikasi (JIAP)* Vol 2. PP 65-73.
- [4] Azeez, Rasheed Olawale and Lawal Ibrahim Olanrewaju. 2016. Investigating The Influence Of Financial Reward On Lagos State University Staff Turnover Intention. *European Scientific Journal* April 2016 edition vol.12, No.10.
- [5] Birkinshaw, J., Morison, A., and Hulland, J. 1995. "Structural and Competitive Determinants of a Global Integration Strategy". *Strategic Management Journal*.
- [6] Chenhall, R. H. 2003. "Management control systems design within its organizational context: findings from contingency-based research and directions for the future." *Accounting, Organizations and Society* 28 (2003)127–168.
- [7] Davis, James H., David Schoorman and Lex Donaldson. 1997. "Toward a Stewardship Theory of Management". *The Academy of Management Review*, Vol. 22, No. 1.
- [8] Fitria, R., Idris, A., & Kusuma, A. R. 2014. "Effect of Work Motivation, Performance Satisfaction, on remuneration at the Samarinda High Religion Court Office". *Administrative Reform*, 2(3), 1691–1704.
- [9] Fitriah, dan Saed Armia. 2015. "Remuneration, Motivation, Style of Leadership, and Work Ethics in Improving Employee Performance on Lembaga Penjaminan Mutu Pendidikan (LPMP) Province Aceh". Thesis. Faculty of Economics and Business, Syiah Kuala University. Aceh.
- [10] Ghafoor, Saad, Nighat Ansari, And Amani Moazzam. 2017. The Effect Of Financial Compensation And Perceived Career Progression On Employee Turnover Intentions With Self Actualization As A Mediator. *Governance & Management Review*, Vol. 1, No. 2.
- [11] Ghozali, Imam. 2014. *Structural Equation Modeling : Metode Alternatif dengan Partial Least Square (PLS)*. Edisi 4. Semarang : Badan Penerbit UNDIP.
- [12] Gujarati, Damodar, N., and Dawn C. Porter. 2010. *Dasar-Dasar Ekonometrika*, McGraw-Hill-Irwin, New York. Salemba Empat publisher. Jakarta.
- [13] Hanseler, J. dan M. Sarstedt. 2012. "Goodness-of-Fit Indices for Partial Least Squares Path Modeling". *Computer Station*, Vol. 28. pp. 565-580.
- [14] Hartman, Frank and sergeja slapincar. 2008. How formal performance evaluation affects trust between superior and subordinate managers. *Accounting, organizations, and society*. 34. 2009:722-737.
- [15] Hartono, J. M. 2009. *Konsep dan Aplikasi PLS (Partial Least Square) untuk Penelitian Empiris*. Yogyakarta: BPFE.
- [16] Hartono, Angga Fitri Valina and M. Nasih. 2014. The Influence of Justice Perception of Remuneration on the Performance of Employee Services at the Regional Personnel Board of East Java Province. Thesis. Faculty of Economics and Business, Airlangga University. Surabaya.
- [17] Hernoko, Agus Yudha. 2016. The Principle Of Proportionality As The Basis Exchange Rights And Obligations Of The Parties In The Commercial Contract. *Jurnal Hukum Dan Peradilan*, Volume 5 Nomor 3, November 2016 : 447 – 466.

- [18] Herpen, Marco Van, Mirjam Van Praag, And Kees Cools. 2005. The Effects Of Performance Measurement And Compensation On Motivation: An Empirical Study. *De Economist* 153, No. 3.
- [19] Hulland, J. 1999. "Use of Partial Least Square (PLS) in Strategic Management Research: A Review of Four Recent." *Strategic Management Journal*, 20(2):195.
- [20] Indriantoro, Nur and Supomo, Bambang. 2012. *Metodologi Penelitian Bisnis Untuk Manajemen dan Akuntansi*, First Edition. First Print. Yogyakarta: BPFE.
- [21] Irawan, Andi, M. Syamsul Maarif, and M. Joko Affandi. 2015. Factors affecting the performance of civil servants at the Directorate General of Higher Education. *Jurnal Aplikasi Bisnis Dan Manajemen (Jabm)* Vol. 1 No. 1.
- [22] Ivancevich, John, M, dkk. 2008. *Perilaku dan Manajemen Organisasi*. Volume 1 and 2. Jakarta: Erlangga.
- [23] Jalal, Raja Nabeel-Ud-Din and Muhammad Asif Zaheer. 2017. Does Job Satisfaction Mediate the Relationship of Workload, Remuneration and Psychological Reward with Job Performance?. *International Journal of Academic Research in Business and Social Sciences* 2017, Vol. 7, No. 9.
- [24] Jensen, M., & Meckling, W. (1976). Theory of the firm: Managerial behaviour, agency costs and ownership structure. *Journal of Financial Economics*, 3(305–360).
- [25] Jogiyanto. 2011. *Metodologi Penelitian Bisnis, Salah Kaprah dan Pengalaman-Pengalaman*. Yogyakarta: BPFE.
- [26] Kenis, I., 1979. "Effect of Budgetary Goal Characteristics on Manajerial Attitudes and Performance." *The Accounting Review*, Vol. 6, pp 707-721.
- [27] Decree of the Minister of Finance of the Republic of Indonesia Number 1262 / KMK.05 / 2015 concerning Determination of Remuneration for Management Officials, Supervisory Board, and Employees of the Lampung University Public Service Agency at the Ministry of Research, Technology and Higher Education.
- [28] Kurniawan, M. Ihsan dan Sutarni and Any Suryantini. 2016. Effect of Job Satisfaction and Motivation on employee performance in the Inspectorate General of the Ministry of Agriculture. Thesis. Faculty of Agriculture. Gajah Mada University. Yogyakarta.
- [29] Kusuma, Dirk Malaga. 2013. Performance of Civil Servants at the Office of the Regional Personnel Agency of East Kutai Regency. *Ejournal Administrasi Negara*, Volume 1, Nomor 4, 2013: 1388-1400.
- [30] Latif, Madiha and Sumaira Aslam. 2014. Impact of Financial and non Financial Rewards on Employee Motivation. *Middle-East Journal of Scientific Research* 21 (10): 1776-1786.
- [31] Mia, L dan Brian Clarke, 1999, "Market Competition, Management Accounting Systems and Business Unit Performance." *Management Accounting Research*, Vol.10. pp. 137-158.
- [32] Nurhayati, Ni Ketut, 2015, Work Motivation and Performance of Bali State Polytechnic Employees After Receiving Performance Allowances. *Soshum Jurnal Sosial Dan Humaniora*, Vol. 5, No. 3.
- [33] Otley, D. 1995. "Management control, organization design and accounting information system." UK: Prentice Hall.
- [34] Palagia, Misail, Nurdin Brasit, and Muh. Yunus Amar. 2010. Remuneration, Motivation, and Job Satisfaction Against Employee Performance in the Tax Office. Thesis. Faculty of Economics and Business, Hasanuddin University. Makassar.
- [35] Minister of Finance Regulation Number. 10 of 2006 concerning Guidelines for Determination of Remuneration for Management Officials, Supervisory Board and Employees of Public Service Agencies.
- [36] Minister of Finance Regulation Number 73 of 2007 concerning Amendment to Regulation of the Minister of Finance Number 10 / Pmk.02 / 2006 concerning Guidelines for Determining Remuneration for Management Officials, Supervisory Board, and Public Service Agency Employees.
- [37] Government Regulation of the Republic of Indonesia Number 46 of 2011 concerning Assessment of Work Performance of Civil Servants.
- [38] Regulation of the Minister of Education and Culture of the Republic of Indonesia Number 105 of 2013 concerning Treasury Officers in the Ministry of Education and Culture.
- [39] Minister of Research, Technology and Higher Education Regulation of the Republic of Indonesia Number 31 of 2016 concerning Giving Employee Performance Allowances in the Ministry of Research, Technology, and Higher Education Regulation of the Head of the State Civil Service Agency Number 3 of 2016 concerning Guidelines for Preparing Technical Standards for Employee Work Target Activities.
- [40] Republic of Indonesia Presidential Regulation Number 32 of 2016 concerning Employee Performance Allowances in the Ministry of Research, Technology and Higher Education.
- [41] Regulation of the Head of the State Civil Service Agency Number 3 of 2016 concerning Guidelines for Preparing Technical Standards for Employee Work Target Activities.
- [42] Regulation of the Minister of Finance of the Republic of Indonesia Number 176 / PMK.05 / 2017 concerning Guidelines for the Remuneration of Public Service Bodies.
- [43] University of Lampung Chancellor Regulation Number 01 of 2017 concerning Guidelines for the Implementation of BLU University Remuneration in Lampung.
- [44] Raharjo, Eko. 2007. Agency Theory and Stewardship Theory in the Accounting Perspective (Agency Theory Vs Stewardship Theory in the Accounting Perspective). *Fokus Ekonomi* Vol. 2 No. 1 Juni 2007 : 37-46.
- [45] Riyadi, Slamet. 2011. Effect of Financial Compensation, Leadership Style, and Work Motivation on Employee Performance in Manufacturing Companies in East Java. *Jurnal Manajemen Dan Kewirausahaan*, Vol.13, No. 1.
- [46] Robbin, Stephen P. 2007. *Prinsip-prinsip Perilaku Organisasi*. Fifth Edition, Erlangga, Jakarta.
- [47] Rokhimakhumullah, Dewi Noor Fatikhah. 2017. The Effect Of Performance Measurement System And Remuneration To Employee Performance With Organizational Culture As A Moderating Variable. *Journal Of Innovation In Business And Economics* Vol. 01 No. 02.
- [48] Sadirman A.M. 2014. *Interaksi & Motivasi Belajar Mengajar: Rajawali Pers*. Jakarta.
- [49] Siagian, Sondang P. 2003. *Kiat-Kiat Meningkatkan Produktivitas Kerja*. Jakarta: Rineka Cipta.
- [50] Stolovitch, Harold D dan Keeps, Erica J. 1992. *Handbook Of Human Performance Technology A Comprehensive Guide For Analysis And Solving Performance Problem In Organizations*. San Fransisco: Jersey-Bass Publisher.



- [51] Suci, Shiomy W.R. 2014. Impact of Performance-Based Compensation System Implementation on Improving the Performance of Civil Servants (PNS) in the City of Cipta Karya and Spatial Planning. *Kebijakan dan Manajemen Publik*, Volume 2, Nomor 1, Januari 2014. ISSN 2303 - 341X.
- [52] Suryani, Mega. 2016. The Effect of Motivation and Remuneration on Employee Performance with Leadership Style as Moderating Variables in the Regional Office of the Ministry of Justice and Ham Lampung. Thesis. Faculty of Economics and Business, University of Lampung. Bandar Lampung.
- [53] Susi, Wamiliana, Rochmah Agustina, And Elida Purba. 2017. Lecturer Lecturer Perceptions of the Remuneration System and Their Effects on Motivation and Performance: Study of Evaluation of the Application of the Remuneration System at the University of Lampung. Grant Research Institute of Lampung University. (Unpublished).
- [54] Sutrisno, Edy. 2009. *Manajemen Sumber Daya Manusia : Kencana Prenada Media Grup*. Jakarta.
- [55] Teja, Sri Gusti Bima Harya. 2017. Effect of Remuneration and Work Motivation on Employee Performance (Case Study in Surakarta Customs and Excise Supervision and Service Office). *Jurnal Ekonomi Manajemen Sumber Daya* Vol. 19, No. 2.
- [56] Trisnaningsih, Sri. 2011. Factors Affecting the Performance of Accounting Lecturers. *Jurnal Akuntansi & Auditing* Volume 8/No. 1/November 2011: 1-94.
- [57] Thierry, H (1987). Payment by Result Systems: A Review of Research 1945-1985. *Applied Pasychology*, 36, 91-108.
- [58] Urbach, N., & Ahlemann. F. 2010. "Structural Equation Modeling in Information Systems Research Using Partial Least Squares." *Journal of Information Technology Theory and Application*, 11(2): 5-39.
- [59] Law Number 20 of 2003 concerning the National Education System.\
- [60] Law Number 14 of 2005 concerning Teachers and Lecturers.
- [61] Widyastuti, Yeni. 2010. The Influence of Employee Remuneration Perception, Work Motivation and Work Discipline Against Employee Performance Kantor Pelayanan Perbendaharaan Negara (KPPN) Serang Pilot Banten Province. *Jurnal Administrasi Publik*, Volume 1 No 2.