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# REMUNERATION, ORGANIZATIONAL COMMITMENT, AND PERFORMANCE IN INDONESIA STATE UNIVERSITIES: A MIXED METHOD STUDY

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## Abstract

### Purpose

This paper aims to explore the effect of the remuneration system on lecturers' performance as moderated by organizational commitment.

### Methodology

This research was conducted using a mix-method. The quantitative method uses a survey with Structural Equation Modelling with PLS, while the qualitative method is carried out by interview. The sample used is lecturers from 12 state universities in Indonesia that have implemented a remuneration system.

### Findings

The findings with quantitative method show that the remuneration system has no effect on lecturer performance at State universities. Likewise, organizational commitment does not strengthen the relationship between the remuneration system and performance. However, the results show that organizational commitment has moderated potentially on the relationship between remuneration and performance. The qualitative results of the study show the same thing. The results of interviews conducted with lecturers and students at 2 (two) universities

showed that the performance of lecturers did not get better after the remuneration system was implemented.

### **Implication**

By using contingency theory, the results of this research develop that the remuneration system and organizational commitment need to be built based on the environment and organizational characteristics.

### **Originality**

The research model tested in this study is still very limited, especially in state universities.

### **Keywords:**

Remuneration, organizational commitment, performance, mixed-methods

## **1. Background**

Five State Universities are included in the 2019 World University Rankings created by Times Higher Education (THE). This number is still very small when compared to the number of state universities in Indonesia (370 universities). Only 1.35% of state universities in Indonesia were able to penetrate the world rankings. This shows that state universities currently have huge performance challenges. Many strategies and programs have been rolled out by the Ministry of Research, Technology and Higher Education to encourage the performance, including requiring the implementation of remuneration.

The kind of four higher education institutions, namely Work Unit Universities, Public Service Agency Universities, Legal Entity State Universities and Private Universities. Furthermore, the Government of the Republic of Indonesia through the Ministry of Finance has required entities that have the status of a Public Service Agency to implement a remuneration system for civil servants and 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 as well as in the Minister of Finance Regulation No. 1262 of year 2015, which requires Public Service Agency to implement a remuneration system.

Several studies have investigated the relationship between remuneration or reward systems and performance. Rasheed et.al. (2016) stated that employee salary satisfaction should be a very important concern for University management in order to increase employee performance motivation. However, the research results of Iaffaldano and Muchinsky (1985) and Iswati (2002) indicate that incentive compensation has no effect on performance. Turk's research results (2008) provide evidence that performance appraisal and compensation systems (pay for performance) greatly motivate lecturers. Likewise, the research results of Addamo et.al (2017) show that performance-related pay (PRP) based monetary incentives can strongly encourage high school teachers' intrinsic motivation in Italy.

Different results are shown from the research of Rokhimakhumullah (2016) which provides evidence that the remuneration incentive system policy has no effect on employee performance at KPP Madya Malang and KPP Pratama Batu. Likewise, the research results of Jalal et al. (2017) show that rewards and remuneration have a positive psychological effect on job satisfaction, but have no effect on employee performance in private institutions. Likewise, Nurcahyani et al (2018) show that remuneration does not affect performance. The results of these studies still show inconsistencies.

This research proposes a moderating variable that is thought to strengthen the relationship between the remuneration system and performance, namely organizational commitment.

Research results from Rashid, et.al (2003), Narimawati (2007), Supriyadi (2010), Indarto and Ayu (2011), Susanto (2016), Arsalan et.al (2018), Anwar (2018), and Badu et al. 2019), shows that the variable organizational commitment has a relationship with performance. However, different results in the research of Riana and Wirasedana (2016) show that organizational commitment has no effect on performance. This shows that there are still contradictions in the results of previous studies.

## 2. Literature Review

Performance is defined as the quantity and quality of work completed by an individual, group, or organization (Stoner, 1986). Lecturer performance is very important for higher education to achieve its goals. To be able to determine the quality of lecturer performance, clear criteria are needed. The Indonesian University of Education (2009) has published guidelines for lecturer performance appraisal which contain 5 (five) aspects of lecturer performance measures: quality of work, capability, initiative, communication, and promptness. Assessment can be carried out by department leaders, students, and the lecturers themselves. Mwita (2000) argues that factors that influence performance include personal factors, leadership, team factors, and systems which include work systems, work facilities, organizational processes, reward systems, and work culture in organizations.

### Remuneration System

Remuneration is everything that employees receive in exchange for service contributions provided to the company (Davis and Newstorm, 1996). Astridina et al (2017) has conducted qualitative research on the application of the remuneration system in three legal entity colleges in Indonesia. The results of his research show that in the preparation of the remuneration system, legal entity colleges (LEC) which previously determined had not followed the remuneration preparation stages properly, while LECs which previously originated from Public Service Agencies tended to be more obedient to principles and the preparation of remuneration had been prepared in detail based on the principles of remuneration and government regulations.

Rokhimakhumullah's (2016) research results show that the performance measurement system has a significant positive impact on performance, but remuneration has no effect on performance. In addition, organizational culture can moderate the relationship between performance measurement systems on employee performance. On the other hand, organizational culture can strengthen the relationship between remuneration and employee performance. Likewise, Nurcahyani et al (2018) show that remuneration does not affect the performance of managers in several Technical Implementing Units in the Ministry of Education and Culture, Republic of Indonesia.

Ghafoor (2017) provides evidence that there is a significant relationship between financial compensation and perceived career development and self-actualization. In line with this, Rasheed and Lawal (2016) explain that employee salary satisfaction must be the most absolute concern for University management to increase employee performance motivation.

The results of Jayakusuma et.al (2018) research which uses the SEM-PLS analysis tool show that transparency as a dimension in the remuneration system affects work motivation, but for employees, transparency does not affect employee motivation. Other results indicate that proportionality for employees has an effect on motivation, but for lecturers, proportionality has no effect on motivation. As for justice, controllability affects motivation, and motivation affects performance. Therefore, the first hypothesis in this study is that the remuneration system has a positive effect on lecturer performance.

## Organizational Commitment

Organizational commitment is needed in an organization because the creation of a high commitment will affect a professional work situation to achieve performance goals. Rashid (2003) explains that organizational commitment is a psychological statement that shows the relationship between employees and the organization. This has implications for the sustainability of its membership in the organization.

Organizational commitment is conceptualized into 3 approaches (Meyer and Allen, 1991) as follows:

a. Affective commitment is defined as an employee's positive emotional sense of the organization. The things that lead to effective commitment include individual characteristics (age, length of service, gender, education), characteristics of the organizational structure, feedback from leaders, and involvement in management.

b. Continuance commitment is a condition in which employees consider the gain and losses in the organization. Individuals will be committed if they perceive that they will experience high costs if they leave the organization.

c. Normative Commitment, is a feeling that indicates that employees are obliged to stay or be in the organization. Normative commitment is higher in organizations that are loyal and communicate systematically the rewards, incentives, and other organizational strategies.

However, after 14 years there has been no agreement from researchers regarding organizational commitment including how to develop it, Mercurio (2015) concludes from the results of his research that affective commitment is the essence of organizational commitment. Therefore, practitioners, both companies and organizations, can start to focus on developing emotional bonds from each individual to the organization. Organizational commitment has a significant positive relationship with performance (Indarto and Ayu, 2011; Susanto, 2016; Arsalan et.al 2018; Anwar, 2018; and Badu et al, 2019). Therefore, the second hypothesis in this study is that organizational commitment has a positive effect on the relationship between the remuneration system and lecturer performance.

### 3. Research Method

This research uses mixed-methods, which is a combination of quantitative methods and qualitative methods sequentially (sequentially). The quantitative method is carried out by a survey method in the form of a questionnaire. Meanwhile, the qualitative method is carried out by using interviews with lecturers, study program managers, and students.

#### Research variable

The dependent variable in this study is lecturer performance. Performance is defined as the quantity and quality of work completed by an individual, group, or organization (Stoner, 1986). Lecturer performance variables are measured using a self-rating instrument developed by researchers based on the guidebook for lecturer performance appraisals (UPI Team, 2009) and Law No. 14 of 2005 on Teachers and Lecturers Article 51 which states that lecturers are obliged to carry out education, research, and community service. Therefore, before this questionnaire is used, a pilot test will be conducted first to ensure that the instrument is appropriate to measure the lecturer's performance variable. Measurements are made using a Likert scale of 1 to 5.

#### Independent Variable

The independent variable in this study is the remuneration system. Remuneration is everything that employees receive in exchange for the contribution of services provided to the organization (Davis and Newstorm, 1996). The dimensions used to measure the remuneration system are transparency and fairness (Thierry, 1987). Each respondent is asked to choose a scale of 1 to

5. Scale 1 indicates a low remuneration system and on the other hand, scale 5 indicates a high remuneration system.

### Moderating variables <sup>31</sup>

The moderating variable in this study is organizational commitment. Organizational commitment is a psychological statement that shows the relationship between employees and the organization (Rashid, 2003). Organizational commitment is measured based on an instrument developed by Mowday et al. (1979). Each respondent is asked to answer 9 questions that measure employee commitment by choosing a scale of 1 to 5.

Table 1. Operationalization of Research Variable

| Variable                                 | Dimension                                 | Indicator  | Questions Item   |
|--|---|--|--|
| Remuneration system (Thierry, 1987)      | Transparency                              | 1. Information on remuneration numbers             | 1. I understand how remuneration points are related to performance   |
|  |   | 2. Measurement criteria                            | 2. I plan the points to be earned<br>3. I understand how to earn remuneration points<br>4. I know how to calculate remuneration points   |
|  | Fairness                                  | Performance measurement                            | 1. The new remuneration system can distinguish high-performing lecturers and low-performing lecturers<br>2. The awards are given by the workload<br>3. The income earned is commensurate with the performance achievements |
| Organizational Commitment (Mowday, 1979) | Loyalty                                   | Willingness to work extraordinary for success      | I am willing to work harder for this institution to be successful  |
|  |   | Build a positive image                             | I pride myself on the institution as a great place to work   |
|  |   | Willingness to do various jobs                     | I will accept any assignment so that I can continue to work at this institution <sup>25</sup>  |
|  |   | Pride as an employee                               | I am proud to tell people that I am part of an institution   |
|  |   | Care for conditions                                | I care about the fate of this institution  |
|  |   | Employees are proud of the organization            | I am very happy to choose this institution as a place to work  |
|  | Organizations are the best places to work | For me, this institution is the best place to work |  |
| The similarity of                        | Employee values are accommodated          | I found my values match the organizational values  |  |

|   |                        |  |  |
|---|------------------------|--|--|
|   | Vision and Values      | in organizational values                                     |  |
|   |                        | Employees have a vision of achieving operational performance | this institution provides the best inspiration on how to achieve performance   |
| Performance of lecturer (UU No. 14 the year 2005) | Education and teaching | quality of work  | 1. I prepare SAP, syllabus, lecture materials, and learning tools<br>2. I carry out lectures according to the set schedule                     |
|   |                        | capability   | 1. I master the course material while teaching<br>2. I use the lecture method according to the course material and learning objectives         |
|   |                        | initiative   | 1. I do student-centered learning<br>2. I am able to enforce the lecture regulations   |
|   |                        | communication  | 1. I am able to create a conducive classroom atmosphere<br>2. I am able to motivate students to be active in the teaching and learning process |
|   |                        | promptness   | 1. I attend class on the schedule<br>2. I am on time to provide the evaluation results of student assessments on schedule                      |
|   | Research               | Number   | I do research at least once a year   |
|   |                        | quality  | Publication of research results at least once a year in reputable journals   |
|   | Community dedication   | Number   | I do community service at least once a year  |
|   |                        | quality  | I publish the results of my community service at least once a year   |

## 4. Results

### 4.1. Quantitative Method

The first stage of the research was carried out using quantitative methods. The population in this study were all lecturers or teaching staff at state universities with the status of the Public Service Agency in Indonesia. 106 respondents were taken randomly from 12 (twelve) state universities with the status of the Public Service Agency.



Table 2. Research Sample

| NO    | NAME OF UNIVERSITIES               | NUMBER OF RESPONDENTS | PERCENTAGE (%) |
|-------|------------------------------------|-----------------------|----------------|
| 1     | Universitas Lampung                | 32                    | 30,19          |
| 2     | Universitas Jenderal Soedirman     | 22                    | 20,75          |
| 3     | Universitas Sriwijaya              | 32                    | 30,19          |
| 4     | Universitas Jambi                  | 2                     | 1,89           |
| 5     | Universitas Sebelas Maret          | 3                     | 2,83           |
| 6     | Universitas Udayana                | 1                     | 0,94           |
| 7     | Universitas Bengkulu               | 7                     | 6,60           |
| 8     | UIN Sunan Ampel Surabaya           | 1                     | 0,94           |
| 9     | Universitas Negeri Yogyakarta      | 1                     | 0,94           |
| 10    | UIN Raden Intan                    | 2                     | 1,89           |
| 11    | Universitas Sam Ratulangi          | 1                     | 0,94           |
| 12    | Universitas Sultan Ageng Tirtayasa | 1                     | 0,94           |
| TOTAL |                                    | 106                   |                |

The quantitative analysis in this study uses a Structural Equation Modeling (SEM) analysis tool with SmartPLS version 3 software. By using SEM, testing of measurement models and structural models can be done simultaneously.

### Testing the Measurement Model or Outer Model

The measurement model can be seen from the outer model to ensure that the indicators used are correct to measure the variables under study. The validity test is carried out in measuring the outer model as follows:

#### a. Convergent Validity Test

The measurement model with reflective indicators is assessed based on the correlation between the item/component score and the construct score. An individual reflective measure is said to be high if it correlates more than 0.70 with the measured construct (Hartman, 2008). However, in general, a factor loading value above 0.50 is also considered to represent the validity level of an indicator with its latent variables (Hulland, 1999).

This study used 30 question items derived from 21 indicators. The remuneration system variable is measured through 2 dimensions with 3 indicators which are reflected in 7 question items. The organizational commitment variable is measured through 2 dimensions with 9 indicators which are reflected by 9 question items. The lecturer performance variable is measured through 3 dimensions with 9 indicators which are reflected by 14 questions. Of the 21 indicators then processed using SmartsPLS and there are 3 (three) indicators that were removed because they were invalid. Therefore, the indicators used are 18 indicators. The three indicators that are reduced have a loading factor value <0.50, namely KD4, KD5, and KD6. This omission is intended to increase the predictive value of the model. Convergent validity testing after reduction can be seen in Table 3.



Table 3. Convergent Validity Testing After Reduction

| No | Indicator | Outer Loadings | Valid or Not |
|----|-----------|----------------|--------------|
| 1  | KD1       | 0.792          | Valid        |
| 2  | KD2       | 0.812          | Valid        |
| 3  | KD3       | 0.734          | Valid        |
| 4  | KD4       | 0.727          | Valid        |
| 5  | KD5       | 0.710          | Valid        |
| 6  | KD6       | 0.573          | Valid        |
| 7  | KO1       | 0.545          | Valid        |
| 8  | KO2       | 0.853          | Valid        |
| 9  | KO3       | 0.607          | Valid        |
| 10 | KO4       | 0.833          | Valid        |
| 11 | KO5       | 0.805          | Valid        |
| 12 | KO6       | 0.892          | Valid        |
| 13 | KO7       | 0.892          | Valid        |
| 14 | KO8       | 0.800          | Valid        |
| 15 | KO9       | 0.729          | Valid        |
| 16 | SR1       | 0.883          | Valid        |
| 17 | SR2       | 0.959          | Valid        |
| 18 | SR3       | 0.524          | Valid        |

Note:

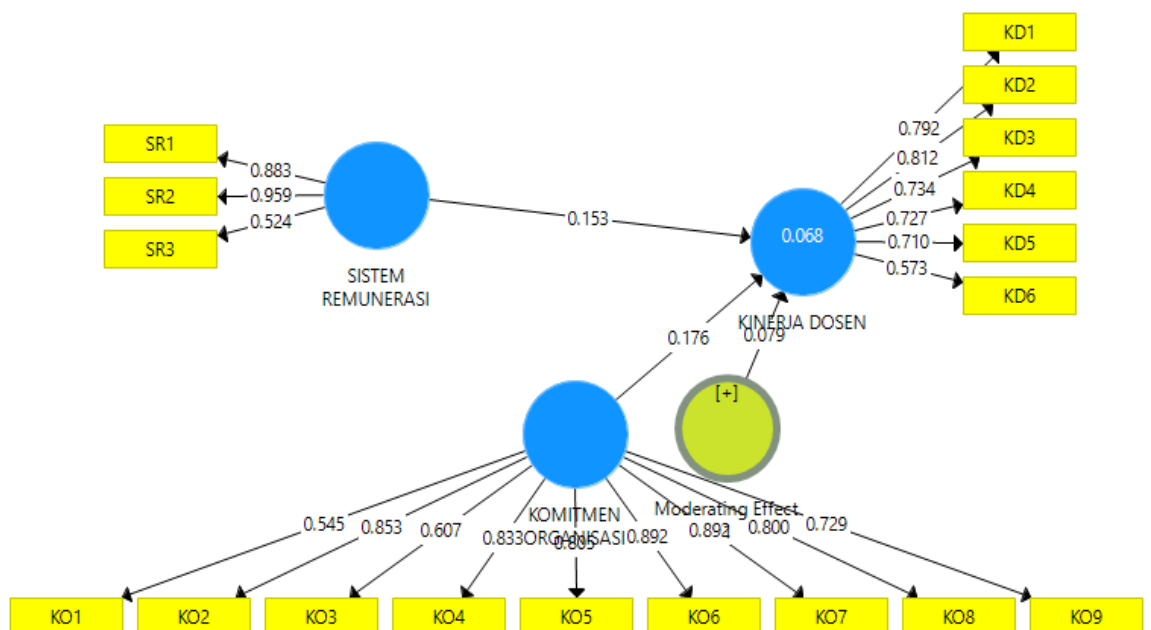
KD1-KD6 = Performance of Lecturer (X)

KO1-KO9 = Organizational Commitment (Z)

SR1-SR3 = Remuneration System (Y)

The following is a diagram of the loading factor of each indicator in this research model.

Figure 1. Loading Factor Value



### b. Discriminant Validity Test

Reflective indicators also need to be tested using discriminant validity. The method that can be used to see discriminant validity is by looking at the square root value of AVE (Average Variance Extracted). It meets discriminant validity if the value is above 0.5. The following table shows the AVE value of this study.

Table 4. Average Variance Extracted (AVE) Values

| Variable                  | AVE   |
|---------------------------|-------|
| Lecturer Performance      | 0.531 |
| Organizational Commitment | 0.611 |
| Moderating Effect         | 1.000 |
| Remuneration System       | 0.658 |

From the table above it can be seen that the AVE value is above 0.5 for all constructs. The lowest AVE value in the lecturer performance construct is 0.531. Even so, this value still meets the criteria, so it can be concluded that all constructs meet discriminant validity.

### c. Reliability Test

The reliability test can be done by looking at the composite reliability value of the block measuring the construct or the Cronbach Alpha value. The composite reliability value is said to be good if it is above 0.70. Meanwhile, the Cronbach Alpha value is said to be good if it is above 0.6.

Table 5. Reliability Test

|                           | Cronbach's Alpha | Composite Reliability |
|---------------------------|------------------|-----------------------|
| Lecturer Performance      | 0.827            | 0.871                 |
| Organizational Commitment | 0.925            | 0.933                 |
| Moderating Effect         | 1.000            | 1.000                 |
| Remuneration System       | 0.755            | 0.845                 |

Table 5 shows that all constructs have a composite reliability value above 0.70 and a Cronbach Alpha value above 0.6. The lowest composite reliability value is in the remuneration system construct of 0.845. Meanwhile, the lowest Cronbach Alpha value in the remuneration system construct is also 0.755. However, all of these values indicate that all constructs are reliable.

### Testing the Structural Model or Inner Model

After the estimated model meets the measurement model, the structural model is tested. The R square value of the research model can be seen in table 6.

Table 6. R Square Value

|                         | R Square | R Square Adjusted |
|-------------------------|----------|-------------------|
| Performance of Lecturer | 0.068    | 0.041             |

In table 6 it can be seen that the variables of the application of the remuneration system and organizational commitment can explain the variation in lecturer performance by 6.8%. This means that 93.2% of the variation in lecturer performance can be explained by other variables outside the research model. This opens up very broad opportunities for research to be able to produce a more comprehensive model in explaining the determinant variables that affect lecturer performance. The PLS estimation model of the research model through the bootstrapping procedure can be seen in the following figure.

Figure 2. Bootstrapping Inner Model

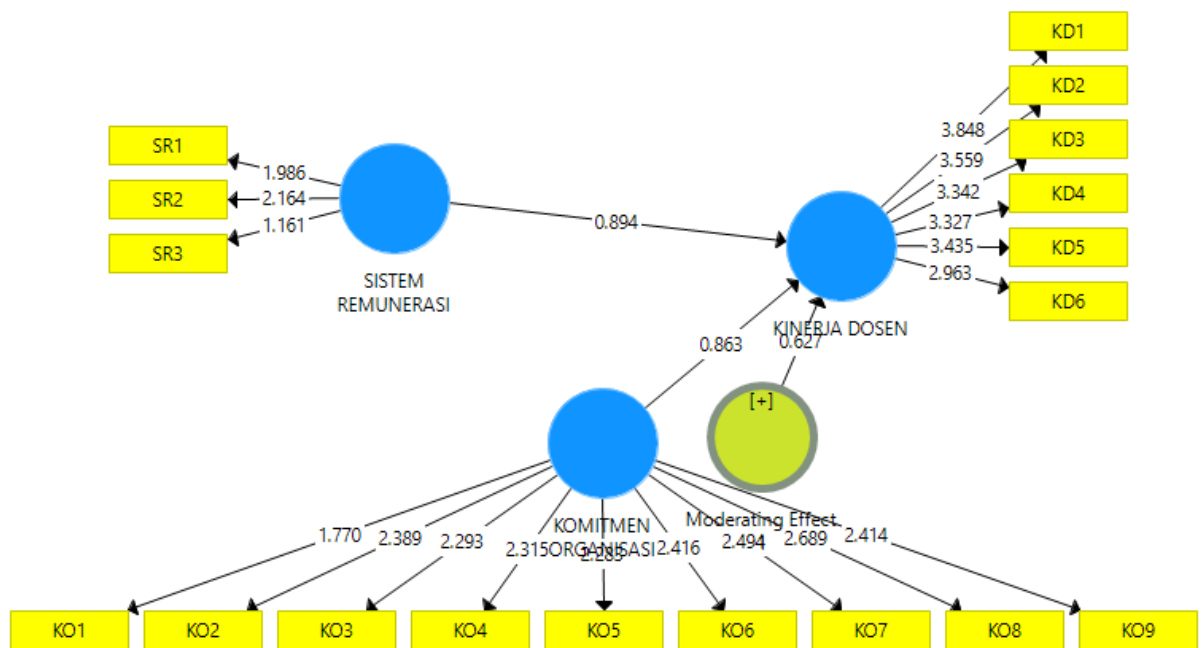


Table 7. Hypothesis Testing

|   | Original Sample | P Values | Conclusion       |
|---|-----------------|----------|------------------|
| REMUNERATION -> PERFORMANCE                               | 0.153           | 0.372    | H1 not supported |
| MODERATING EFFECT ORGANIZATIONAL COMMITMENT-> PERFORMANCE | 0.079           | 0.531    | H2 not supported |

Table 7 shows that the p-value of the relationship between the remuneration system variable and lecturer performance is 0.372 greater than the error rate of 0.05 (not significant). This means that the remuneration system does not affect lecturer performance. Furthermore, the p-value of the relationship between organizational commitment and lecturer performance variables is 0.388 > 0.05 (not significant), which means that organizational commitment does not affect lecturer performance. Likewise, the p-value of the moderating variable organizational commitment to the relationship between the remuneration system and lecturer

performance was  $0.531 > 0.05$  (not significant). This means that organizational commitment is not a pure moderating variable but a potential moderating variable.

The results of this study are in line with the research results of Iaffaldano and Muchinsky (1985); Iswati (2002); Rokhimakhumullah (2016); Jalal et al (2017); Nurcahyani et al (2018) who show that incentive compensation does not affect performance. Rokhimakhumullah (2016) provides evidence that the remuneration incentive system policy does not affect employee performance at KPP Madya Malang and KPP Pratama Batu. Jalal et al (2017) show that rewards and remuneration have a positive psychological effect on job satisfaction, but do not affect employee performance in private institutions. Likewise, Nurcahyani et al (2018) show that remuneration does not affect performance.

The results of testing the second hypothesis in this study indicate that organizational commitment does not strengthen the relationship between the remuneration system and lecturer performance, but becomes a potential moderating variable. It is in line with the results of research by Riana and Wirasedana (2016) which show that organizational commitment does not affect performance. This indicates that organizational commitment needs to be improved in the future because it has the potential to become a moderating variable.

The results of this study have not been able to provide support for the Contingency Theory because organizational factors, namely the remuneration system, and personal factors, namely organizational commitment do not affect the outcome (lecturer performance). Lecturers at state universities have different characteristics and environments from private universities. Therefore it can be said that the Contingency Theory is not solid in this type of public organization.

#### 4.2. Qualitative Methods

The use of qualitative methods in this study was carried out by interviewing and observing secondary data. Interviews were conducted with lecturers, study program managers, and students. A lecturer interview was conducted with one of the lecturers in the Mathematics Department at the Faculty of Mathematics and Natural Sciences, University of Lampung. The informants selected in this study were lecturers who had served for a long time and had a doctoral degree. This criterion is necessary so that the information provided is valid enough regarding the remuneration system, organizational commitment, and lecturer performance. The informants interviewed in this study were lecturers who had served for 23 years and doctoral graduates from Germany so they were considered to have adequate capacity.

The results of interviews with lecturers indicate that the remuneration system has not affected lecturer performance, although there is already a strong desire to improve performance. It is felt that the assignment of remuneration points is often incompatible with the efforts and sacrifices to achieve this performance. Hence, it is psychologically holding back the effort to be made. Lecturers also do not understand how to calculate remuneration points because the calculation system always changes every year and tends to harm lecturers. Lecturers tend to say that the set amount of rupiah is not taken from the maximum limit of the applicable range of provisions so the remuneration does not seem to appreciate the lecturer's works. The point calculation should use the standard assessment reference from the Directorate General of Higher Education and not change. Although it is understood that the remuneration payment must be within the ability of the university, if the ability to pay decreases, do not lower the performance points to reduce incentives, but use the proportion of payments to accommodate the decrease.

Interviews with study program managers are needed to determine the assessment of those who follow the lecturers' performance journey. The informant selected in this study is the secretary of the Department of Public Administration at the Faculty of Social and Political Sciences, Sriwijaya University. This informant has held the mandate of being the department's

secretary for 6 years, so he is expected to have a good understanding of the lecturer's performance.

The results of interviews with study program managers indicated that in terms of teaching performance, in general, there was an increase in quality. However, the measurement and assessment are not carried out in detail in the teaching process in the classroom. The university has a remuneration guide called Sirendokar which regulates the measurement of the performance of lecturers and employees, but it is still possible to improve it. In terms of research performance, although there is an increase in the number of publications, it is admitted that these publications only come from a certain number of lecturers. This indicates that the remuneration system has not been able to encourage all individual lecturers to publish. Likewise with dedication. Institutions have conducted training to improve the abilities and skills of lecturers in this regard. The commitment of lecturers to the organization also seems to have not changed. This can be felt by the program manager when asking for assistance from lecturers in carrying out activities in the study program. There are still many lecturers who remain active outside the campus, just like before the implementation of remuneration

Interviews with students were conducted to determine student ratings of lecturer performance, especially during the education and teaching process. The sample of students taken were students of class 2015 from the Accounting Department, Faculty of Economics and Business, University of Lampung. The remuneration system was implemented at the University of Lampung starting in 2016. Therefore, students taken as informants are students of class 2015 who are expected to be able to compare the performance of their lecturers before and after the implementation of remuneration.

The results of interviews with students showed that the lecturer's performance in terms of teaching did not change from the period before the application of remuneration and the period after the application of remuneration. Lecturers who have always carried out the teaching process well, are still doing this until now. However, this also applies to lecturers who have bad teaching habits, so far they have not made changes for the better. This can be used as evaluation material for institutions to improve the measurement and assessment of lecturer teaching performance. In this case, students can only be asked for their opinion about the teaching performance of lecturers, but research and service performance is considered less relevant because they are not directly related to students.

## 5. Conclusion

The results of research using this quantitative method indicate that the remuneration system does not affect the performance of Public Service Agencies lecturers in Indonesia. The organizational commitment variable also does not fully moderate the effect of the remuneration system on lecturer performance. However, from the results of statistical testing, it is known that organizational commitment is a potential moderating factor in the research model being tested. This can be caused by the application of the remuneration system at Public Service Agencies relatively recently, on average, only 2-5 years, so that psychologically the remuneration system has not been internalized in each lecturer.

The results of subsequent studies using qualitative methods show similar results to the results of quantitative research. Interviews were conducted with students, lecturers, and managers of study programs at Sriwijaya University and Lampung University. These two universities were chosen because based on a survey conducted on a quantitative method, the largest percentage of respondents came from these two universities. The results of interviews with students, lecturers, and program managers show that in general the performance of lecturers before and after the application of the remuneration system is felt to be no different. Lecturer performance is measured through the implementation of lecturer duties: education, research, and service to the public). Lecturer scientific publications in reputable journals are

seen to increase in numbers in the period after the application of the remuneration system. However, after being traced the variations of this increase came from lecturers who were relatively the same every year. Likewise in terms of teaching. This indicates that the lecturers' performance, which used to be good, after the application of the remuneration system is still good. On the other hand, lecturers who previously underperformed, after implementing the remuneration system, still performed less well. It seems that there are lecturers disappointment and dissatisfied in giving awards in the form of remuneration points. This can be one of the factors that hinder lecturers from performing on campus.

### **Limitations and Suggestions**

This study has several limitations, including the insufficient number of people interviewed in qualitative research from the perspective of students, lecturers, and program managers. Meanwhile, suggestions for further research are as follows:

1. Adding other variables that are thought to affect performance, such as leadership style, and monitoring and evaluation systems.
2. Increase the number of people interviewed in qualitative research.

This research has implications for the need to redesign the measurement and assessment of lecturers' performance so that each individual is encouraged to improve their performance. In addition, a continuous evaluation is also needed to determine system weaknesses.

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