

# THE EFFECT OF COMPENSATION, JOB SATISFACTION, AND CAREER DEVELOPMENT ON THE AUDITORS' PERFORMANCES AND P2UPD REGIONAL INSPECTORATE OF POHUWATO

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## ABSTRACT

This study aims to determine and analyze the effect of compensation, job satisfaction and career development on the Performance of the Auditor and P2UPD Regional Inspectorate of Pohuwato Regency.

This research uses descriptive quantitative method. The population and sample in this study were the staff of the Regional Inspectorate of Pohuwato Regency. Data analysis used multiple regressions.

The results show that compensation has a significant effect on performance, job satisfaction has a significant effect on performance, career development has a significant effect on performance and compensation, job satisfaction and career development simultaneously have a positive and significant effect on performance.

**Keywords:** compensation, job satisfaction, career development, performance

## INTRODUCTION

Technological developments & competition in the business sector in Indonesia require every organization to adapt to existing developments to compete & survive from time to time. In this case, human resources are an important factor determining the success of an organization in achieving its goals because the success or failure of an organization in achieving goals is dependent on the capabilities of human resources. The ability of human resources in carrying out their duties can be seen through performance, so that, the performance of human resources is very important for organizational success.

The performance of good human resources is characterized by their ability to complete tasks on time and be able to achieve every target set by the organization, in other words the performance of human resources is the result of work in quality and quantity achieved by human resources

in carrying out their duties appropriate with the responsibilities given.

The Regional Inspectorate of Pohuwato Regency is one of the OPDs in Pohuwato Regency with the task of supervising government affairs in the Regency, implementing guidance on the administration of subdistrict government and implementing Village Government affairs.

The decline in employee performance is known from the results of brief discussions with several employees who stated that they sometimes tend to switch to the supervisory function (auditor or supervisor of the implementation of regional government affairs). This shows problems in employee performance related to the quality of work that is not optimal.

The overall quality can be accounted for. The problem that often occurs within the team is the difference in the quality of the examiners' human resources, which has an impact on the overall team performance. Performance problem in terms

## The Effect of Compensation, Job Satisfaction, and Career Development on The Auditors' Performances and P2UPD Regional Inspectorate of Pohuwato Regency

of quantity also sometimes some of the completion of examination results did not reach the predetermined target. Besides, the results of the researchers' initial observations also found that less than optimal performance was reflected in the lack of cooperation between fields.

The performance of the Regional Inspectorate of Pohuwato Regency on completion of the follow-up results of the inspection by external and internal supervisors still needs to be maximized, namely 89.17 in 2016, which increased to 92.27 in 2017, but in 2018 and 2019 it decreased by 80.96 and 80, 62.

One way for management to improve work performance or employee performance is through compensation, in this case, a performance allowance or TKD. Presidential Regulation of the Republic of Indonesia Number 5 of 2014 for the level of position, the amount of allowance attached to the salary namely the main auditor Rp. 1,400,000.00; intermediate auditor Rp. 1,100,000.00; young auditor Rp. 700,000.00; the first auditor is Rp. 450, 000.00 and the supervisory auditor is Rp. 500,000.00.

Providing an adequate compensation can encourage employee performance improvement. If the performance of each individual or employee is good, it will contribute to better organizational performance. Additional salaries & bonuses that are appropriate with employee contributions can be a strong motivator for improving individual performance. This shows that the provision of appropriate compensation can motivate a person to carry out an activity to get the best results for the organization, which is shown through his performance.

Compensation is a meaningful aspect for employee' because the amount of compensation reflects the amount of the value of their work among the employee' themselves. Compensation is an important function in human resource management be-

cause compensation is one of the most sensitive aspects of a working relationship. The problem appeared in the Regional Inspectorate of Pohuwato Regency about providing indirect financial compensation, where the net allowance received by middle auditors was not much different from that of young auditors.

In working, besides the compensation, employees also need to get job satisfaction which can also have an impact on improving employee performance. Job satisfaction will lead to increased performance so that satisfied workers will be more productive at work. The concept of job satisfaction refers to the attitude or emotional reaction of an individual to his job. Job satisfaction can be defined as a feeling that supports or does not support an employee concerning his job or with his condition. Problems that arise related to job satisfaction at the Regional Inspectorate of Pohuwato Regency are working conditions that are not yet optimal because the inadequate facilities received, too narrow room conditions cause inconvenience to carry out overhaul inspections and most of the supervisors still use personal laptops and limited printers each room. Other dissatisfaction is discrimination of receiving income because sometimes there are supervisors who work hard, but the wages and allowance are almost the same as supervisors whose burdens are less. Dissatisfaction also arises in dealing with coworkers because ideally, a supervisor must comply with a code of ethics, but there are still colleagues who do not understand what is the responsibility and professionalism of a supervisor, especially teamwork.

The results of observations also show the low job satisfaction of employees at the Inspectorate Office of Pohuwato Regency, which can be seen from the employees' dissatisfaction with their work which sometimes has a heavier workload than other employees who occupy the sa-

me position. Besides, some employees are not satisfied with the relationships between employees because of the unfair compensation provided by the organization. This indicates that job satisfaction is also an important contribution to improving employee performance.

Besides compensation and employee job satisfaction, career development can also have an impact on employee performance. Career development is an effort carried out in the context of developing employee potential to occupy higher positions to achieve organizational goals. The importance of career development is closely related to employee performance. The clearer the implementation of career development in an agency will improve employee performance because employees feel satisfied, increase employee morale, loyalty, and creativity.

Planning & developing a career will provide benefits for individuals and organizations. Through career of development programs, the organization will improve employee performance and productivity, reduce labor turnover, and increase promotion opportunities for employees. For employees themselves, career planning can encourage their readiness to use existing career opportunities. Especially for the human resources department, it will make it easier to meet the needs of the organization's internal staffing. The problem that occurs related to career development at the Regional Inspectorate of Pohuwato Regency is that there is no equal distribution in determining the Dalnis for each Irban or having to change roles to become Dalnis.

Related to the career development at the Inspectorate Office of Pohuwato Regency, career separation is carried out or takes 2 years after participating in the training. This has resulted in fatigue of some employees, so that, they more interested in switching to functional personnel. The desire to switch to functional per-

sonnel has an impact on performance that is not maximum in the structural field.

Based on some of the theoretical studies mentioned above, it indicates that employee performance can be affected by compensation, job satisfaction, and career development.

Performance is the quantity or quality of the work of an individual or group within the organization in carrying out the main tasks and functions that are guided by norms, standard operating procedures, criteria, & measures that have been set or are applicable in organization [19].

Performance is the result obtained by an organization, both the organization is profit and nonprofit oriented which is generated over some time [5]. Performance is the Level of attainment results from the implementation of certain tasks. Individual performance is the level of achievement or the work of a person from the goals that must be carried out within a certain period [20].

Performance is the result of work achieved by employees based on job requirements [2]. Performance is about doing the job and the results achieved from that job [21].

Indicators of employee performance are as follows:

1. Work quality. How well an employee does what should be done.
2. Work quantity. How long employees works in one day. This work quantity can be seen from the work speed of each employee
3. Implementation of tasks. To what extent are employees able to do their job accurately or without errors
4. Responsible. Awareness of the obligation to do work accurately or without mistakes.

Compensation is a counter achievement to the use of labor or services that have been provided by the workforce [21]. Compensation is what an employee or worker receives in return for the work

## The Effect of Compensation, Job Satisfaction, and Career Development on The Auditors' Performances and P2UPD Regional Inspectorate of Pohuwato Regency

given [9]. Some of the compensation provided by the organization is money, but some aren't money. Compensation in the form of wages generally is money so that the possibility of its real value fluctuates.

Compensation is all income in the form of money, direct or indirect goods received by employees in return for services provided to the organization [7]. Compensation is the entire reward received by employees as an appreciation for the contributions given to the organization both financial & non-financial [18].

Employee compensation is any form of payment or gift given to employees because of their job and has two components: direct payments (wages, salaries, incentives, commissions & bonuses), and indirect payments (financial benefits such as insurance and vacation money paid by the organization) [4].

Compensation is everything that employees receive in return for their work [6]. Compensation is the overall arrangement for the provision of remuneration for employers and employees, both financial and non-financial [12].

The compensation indicator, that is:

1. Salary is money given every month to an employee as remuneration for their contribution.
2. Wages are benefits that are given directly to employees based on working hours.
3. Incentives are financial rewards given directly to employees whose performance exceeds the specified standard.
4. Allowances are compensation given to certain employees as a reward for their sacrifice.
5. Facilities are supporting facilities provided by the organization.

Compensation is something that employees receive as a substitute for their service contribution to the organization. Compensation is also an important factor in improving employee performance and as an incentive in encouraging employees

to achieve organizational goals. Implementing a good compensation system will make employees feel valued, so that, they will be motivated to work. The provision of compensation, salaries, bonuses, and awards that are not good, is considered to reduce employee performance.

Job satisfaction is the attitude or feelings of employees towards pleasant or unpleasant aspects of work appropriate with the assessment of each worker [3]. Job satisfaction is an evaluation that describes a person feeling happy or unhappy, satisfied, or dissatisfied at work. [15].

Job satisfaction is a pleasant emotional attitude and loves his job [7]. This attitude is reflected by work morale, discipline, and turnover. Job satisfaction is a positive feeling about one's job which is the result of an evaluation of characteristics [16]. Job satisfaction depend on what someone wants from their job & what they get. Most dissatisfied people are those who have the most desires but get the least [13].

Job satisfaction is a general attitude towards one's job as the difference between the amount of reward received by workers and the amount of reward that is believed to be received [16]. Job satisfaction is the employee's feelings about his job, whether happy/like or unhappy/dislike as result of employee interaction with the work environment or as a perception of mental attitudes, as well as a result of employee assessments of their work [14]. Employees' feelings about their work reflect their attitudes & behavior at work.

The indicators of job satisfaction consist of below:

1. Mentally challenging work. Employees tend to prefer jobs that allow them to use their skills and abilities and offer a variety of assignments, freedom, and feedback. A job that is too less challenging will create boredom, but a job that is too challenging will create frustration and feelings of failure. In

- conditions of moderate challenges, most employees will experience pleasure and satisfaction.
2. Supporting working conditions. Employees care about a good environment for personal comfort and to make it easier to do good tasks. Studies show that employees prefer safe, harmless, and hassle-free surroundings. Besides, most employees prefer to work close to home, in clean and relatively modern facilities, and with adequate equipment.
  3. Fair salary or wages. Employees want a wage system and promotion policies that they perceive to be fair and along with their expectations. When wages are seen as fair based on job demands, individual skill levels, and community wage standards, satisfaction is likely to result. The promotion provides opportunities for personal growth, more responsibility, and increased social status. Therefore, for individuals who perceive that promotion decisions are made fairly, it is likely that employees will experience satisfaction in their work.
  4. The suitability of personality with work. Holland's "job-personality fit" theory concludes that a high match between an employee's personality and occupation will result in a more satisfied individual. People with the same personality type as their job have a high probability to succeed in their job, so they will also get high satisfaction.
  5. Supportive co-workers. For most employees, work also fills the need for social interaction. Therefore, it is not surprising that having friendly and supportive coworkers will lead to increased job satisfaction. Superior behavior is also a major determinant of satisfaction.

Job satisfaction is one of the most important factors to get optimal work re-

sults. When someone feels satisfaction at work, they will try their best of their ability to complete their work assignments. Thus, productivity and work results will increase optimally. Job satisfaction is closely related to how a person does his job.

Career development can be defined as an employment activity to help employees plan future careers where they work. So, the employees concerned and also the organization can develop themselves optimally.

Career development is the process of increasing individual employability to achieve the desired career [15]. Career development is a formal approach that organizations take to ensure that people with the right qualifications and experience are available when needed.

Career development is a personal improvement that a person can do to achieve a planned career plan. Career development goals are to match the needs of employees with the career opportunities available in an organization or government agency [6]. Career development is a series of attitudes and behaviors relating to work activities and experiences throughout a person's life.

The dimensions that need to be considered in career development are as follows:

1. Fair treatment in a career. Fair treatment can only be realized if the promotion criteria are based on objective, rational considerations and are widely known among employees.
2. The concern of direct superiors. Employees generally crave the involvement of their direct supervisor in their respective career planning. One form of concern is providing feedback to employees about the implementation of their respective duties, so that, employees know the potential that needs to be addressed. In turn, this feedback is an important material for employees

## The Effect of Compensation, Job Satisfaction, and Career Development on The Auditors' Performances and P2UPD Regional Inspectorate of Pohuwato Regency

regarding what initial steps they need to take so that they are more likely to be promoted.

3. Information about various promotional opportunities. Generally, employees expect that they have access to information about various opportunities for promotion. This access is very important especially if the available vacancies are filled through an internal competitive selection process. If such access does not exist or is very limited, workers will easily assume that the principles of fairness, equality and opportunity to be considered, for promotion are not applied in the organization.
4. There is interest in being promoted. The right approach used in terms of arousing interest in workers for career development is flexible and proactive. That is, the interest in developing a career is very individualistic. A worker takes into account various factors such as age, gender, type and nature of current work, education and training taken, number of dependents, and various other variables. These various factors can result in a person's interest in developing their career.
5. Satisfaction level. Although in general it can be said that everyone wants to achieve progress, including in pursuing a career, the measure of success that is used is indeed different. This difference is a result of the level of satisfaction, and in the latter context does not necessarily mean the success of reaching a high position in the organization, but also means being willing to accept the fact that, due to various limiting factors faced by a person, workers are "satisfied" if they can reach a certain level in career, although there are not many career ladders that he has successfully climbed.

Career development is an effort carried out to develop the potential of em-

ployees to occupy higher positions to achieve organizational goals. The importance of career development is closely related to employee performance. The clearer the implementation of career development in an agency will improve employee performance because employees feel satisfied, increase employee morale, loyalty, and creativity.

### RESEARCH METHOD

This research uses quantitative research with an associative approach or research based on influence/relationship which aims to determine between two or more variables and this research has a causal effect/relationship (cause-effect) between independent variables. This research uses a causality design that aims to understand the influencing (independent) variables and the consequent (dependent) variables and to determine the nature of the independent variables and their predicted effects.

The population in this research was 39 employees of the Inspectorate of Pohuwato Regency. The population is relatively small; this research uses saturated sampling Analysis of the data in this research using multiple linear regression statistics.

### FINDING AND DISCUSSION

Compensation is proven to have a positive and significant effect on performance at the Regional Inspectorate of Pohuwato Regency, indicated by the count = 4,650 greater than 1.688 and the Sigcount value of 0,000 less than 0.05. This means that if the compensation increases, it will be followed by an increase in performance at the Regional Inspectorate of Pohuwato Regency. The results of descriptive data, items that have a very high effect on performance are the salary that is appropriate with the needs, while the items with the high category of influence are full health insurance coverage

for all family members, the right to leave by applicable regulations and sufficient transport fees for every official journey. This study is relevant to the results of previous studies which show that compensation has a positive and significant effect on performance [17] [11] [1] and [8] but it is not along with the results of research which states that compensation has no significant effect on human resource performance [17]. 10].

Job satisfaction is proven to have a positive and significant effect on performance at the Regional Inspectorate of Pohuwato Regency, indicated by the  $t_{count} = 2.442$  greater than 1.688 and the Sigcount value of 0.020 less than 0.05. It means that, if job satisfaction increases, it will be followed by an increase in performance at the Regional Inspectorate of Pohuwato Regency. The results of descriptive data, items that have a high influence on performance include the atmosphere of calm and comfort at work, my boss often provides constructive criticism for work, my colleagues always provide encouragement/enthusiasm at work. The level of agency discipline in implementing regulations, policies, and satisfaction with salaries. This research is relevant to the results of previous studies which show that job satisfaction has a positive and significant effect on performance [17] [11], [1], and [8].

Career development is proven to have a positive and significant effect on performance at the Regional Inspectorate of Pohuwato Regency, indicated by the  $t_{count} = 2.109$ , greater than 1.688 and the Sigcount value of 0.033, less than 0.05. This means that if career development increases, it will be followed by an increase in performance at the Regional Inspectorate of Pohuwato Regency. The results of descriptive data, items that have a very high effect on performance are employee career development paying attention to employee tenure and promo-

tion principles are trust, fairness, and existing formation. Whereas the item that has a high impact on performance is the determination of employee competency standards in career development which is very good and appropriate. Career development has taken into account the educational background of employees and promotions are based on the needs and work performance of employees. Whereas, the item that has a high impact on performance is the determination of employee competency standards in career development which is very good and appropriate. Career development has taken into account the educational background of employees and promotions are based on the needs and work performance of employees. This research is relevant to the results of previous studies which show that career development has a positive and significant effect on performance [11] but it is not along with the results of research which states that compensation does not have a significant effect on human resource performance [10].

## CONCLUSION

1. Compensation has a positive and significant effect on performance with a Sig value of 0.000 less than 0.05 and a contribution of influence of 26.60%. Thus the hypothesis which states that compensation has a positive and significant effect on performance can be accepted.
2. Job satisfaction has a positive and significant effect on performance with a Sig value of 0.020 less than 0.05 and a contribution of influence of 12.30%. Thus the hypothesis that job satisfaction has a positive and significant effect on performance can be accepted.
3. Career development has a positive and significant effect on performance with a Sig value of 0.033 less than 0.05 and a contribution of influence of 11.80%. Thus the hypothesis that career devel-

opment has a positive and significant effect on performance can be accepted.

Compensation, job satisfaction, and career development simultaneously have a positive and significant effect on performance with a Sig value of 0.000 less than 0.05 and an influential contribution of 50.70%. Thus the hypothesis which states that compensation, job satisfaction, and career development simultaneously have a positive and significant effect on performance can be accepted.

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