

# Analisis Of Organizational Behaviour Interaction On Human Resources Performance In University Of Manado

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## Abstract

The main objective of this research is directed to critically study the performance of employees at Manado State University, especially related to the determinants such as individual competencies, compensation management factors in the form of reward and punishment system and the career opportunities associated with the employee performance determinants, as well as the contingency factors that is job satisfaction that would help to strengthen the position of individual competencies influence, compensation management factors on employee performance. The population of this study is all employees at Manado State University. The samples are selected using proportional random sampling. This technique is used to enable all individuals in the population having an equal and independent opportunity to be elected as sample member. The selected sample amounts to 127 people. The data collecting is conducted using questionnaire technique to the employees of sample organization. The findings are: 1) individual competence factor has positive and direct effect on the performance of employees, 2) *reward and punishment system* has positive and direct effect on the performance of employees, 3) career opportunities has positive and direct effect on the performance of employees, 4) job satisfaction has positive and direct effect on the performance of employees, 5) individual competence factor has positive and direct effect on the job satisfaction, 6) *reward and punishment system* has positive and direct effect on the job satisfaction, and 7) career opportunities has positive and direct effect on the job satisfaction, 8) individual competence, compensation management, and career opportunities directly and significantly affect on the performance of employees, but it will be stronger if it is through job satisfaction of employee. Therefore, the employee satisfaction as intervening variable is able to strengthen the position of employee performance through the other determinant factors.

**Keywords:** Analisis behavior, employee, performance,

## 1. INTRODUCTION

Assessing human resource means explaining performance or service output produced by the human resource itself. Thus the measure of the human resource success can be seen from the performance. Many factors determine the performance of human resources which in this study is called public servant in UNIMA. The determinants of employee performance has been substantially investigated by many experts of management and behavioral economics which are primarily associated with the public sector, however, much research is done partially, while joint research, including the interaction between variables that determine the performance of employees is still very varied. Previously the factors that will determine the performance of employees partially have been studied, as Mahmudi (2007; 21-22) did. His research result stated that the traditional performance assessment system is only associated with personal factors, but in reality the performance is often attributed to other factors beyond personal factors as determinants, such as the systems, situations, leadership, or team. The result of Mahmudi's research concludes that in the performance-based management framework, any personal/individual responsible for his performance. Individual factors as performance determinants is also studied by Grote (1997), which states that there are five major responsibilities that must be met by every individual in the organization to achieve the desired performance of employees.

Campbell (1990) examines the determinants of performance not on individual factors, but another factors. His research suggests that the functional relationship between performance and performance attributes is influenced by three factors, i.e. knowledge, skills, motivation, and role. On the basis of two earlier studies, the financial performance of the public sector is not only influenced by a single factor but is influenced by many factors, i.e. individual factors, commitment, management/managerial, systems and team work. Another factor that determines the performance of human resources management is compensated. Research conducted by Klaas *et al.*, (2002) concludes that compensation management and career opportunities as exogenous variables affect performance significantly. Furthermore, the results show that compensation factors are external factors that helped determine job satisfaction, work motivation, organizational and performance commitment. Meanwhile, according to Ahmad (2008), competency, compensation and career opportunities are the variables that are generated through the organization's management policies, so it greatly determines the performance. The results are very much in line with the conditions on the university management, especially in UNIMA. Empirical

condition shows that the compensation system and career opportunities that are applied greatly affect the performance of employees in the work, especially for employees who directly receive compensation that should be received, both in the form of reward and punishment.

Interesting phenomenon is revealed that employees who excel receive compensation in the form of rewards, such as preferment, promotion, or another extra income. In the other hands, when making mistakes, the leader does not hesitate to give a punishment, e.g. delaying promotion, move to not strategic positions, or the other forms of punishment. However, it also occurs on the contrary, if the compensation management cannot be run fairly, then it turned into other conditions, that compensation management precisely lead to the negative effect on the performance of HR or employee. Compensation management is not much different from the career opportunities created by the leaders to employees.

Other determinant factors generated by Haerani (2003; Yulk (1989) and Lock (1997), through a study conclude that the individual competency gives positive effect on job satisfaction, work motivation and performance. While research by Banker (1996) concludes that an adequate level of job satisfaction will encourage someone to be motivated to work well, so it will affect the employee performance improvement.

Based on the background above, it can be stated that the performance of employees is determined by many interacting factors that the end goal is the determination of performance. These factors are: personal factors, management compensation, and organizational factors e.g. job satisfaction. However, there are some direct factors, there are some indirect factors, there are some intervening factors, and there are moderating factors in affecting the performance of employees. The relationship between the determinant variables, which is going to be revealed in this study, as previous studies, shows the relationship between the role of personal factors and compensation management with job satisfaction and performance, meaning that the performance and factors of job satisfaction are influenced by personal factors and compensation management roles. Meanwhile there is also relationship between personal factors, compensation management (reward and punishment) with job satisfaction, which in turn affects the performance of employee. If these determinants positively affects, then the performance of employees will be good, which in turn will affect the efficiency and effectiveness of the work. This concept is the target of this research to be revealed, how these factors interact to form the performance of employees, which in turn determines the efficiency and independence of personnel management.

## II. RESEARCH METHODOLOGY

According to the study objectives and problems, then this research is explanatory research, which explains the causality relationship between the variable factors: individual competence, the compensation management (reward and punishment system), the career opportunities on the performance of employees through the intervening variable of job satisfaction at the Manado State University. Therefore this study is to examine one or more variables which become determinants of the other variables, then this research tends to be causal explanatory research. Therefore, this kind of research is likely to lead to the quantitative approach which is path-modeling oriented. The used exogenous variables in this study are Individual Competence Factor (X1), Compensation Management Factor (Reward and Punishment System) (X2), and Career Opportunities (X3). The endogenous variable is job satisfaction (Y1) and Employee Performance (Y2). Operationally, these variables are defined as follows:

The population is all elements of leaders and employees for all units in the executive ranks of the Manado State University. Therefore, the population in this study is: 1) The head of the faculties and the technical implementation units at the Manado State University which consist of: 7 faculties, 3 institutes, 1 PPL unit, 3 bureaus, one combined unit, along with elements of leadership and employee underneath. Thus the number of faculty and technical implementation unit that is targeted population is 17 units; 2) employees at the faculty and implementation units at Manado State University. Because of the characteristics of this population is varied, then the samples are determined using multistage sampling technique. The prediction samples amounts to 148 samples consisting of 12 leaders and 127 employees. Because the target of this research is employee, then the sample is employees only. Thus the selected sample in this study is 127 employees.

The used main instrument to obtain the data in this study is a structured questionnaire adopted from previous studies that its reliability and validity have been considered and tested; however, the researcher also develops and adjusts it to the situation and the related theory. Data is collected through questionnaire techniques to the employees who are at the Manado State University, as respondents. Questionnaire distribution is conducted directly (questionnaires are delivered directly to the respondent). The data quality test of the research instrument is evaluated through validity and reliability test. The validity test is carried out by comparing the calculation results of the correlation coefficient (t-test) with the t-table. While the reliability value is seen from the Cronbach alpha of each research instrument ( $\geq 0.60$  are considered reliable). The used research instrument has been tested both the validity and reliability of the instrument, and after the test, the results showed that both the validity and reliability have met the requirements.

In accordance with the generated research concept and hypotheses, the research model is pathway model. Therefore the used data analysis technique is path analysis using correlation analysis, both partially for partial relationship test and multiple test. Inter-variables relationship model consists of two substructures: substructure-1 consists of the relation of three exogenous variables and one endogenous variable, i.e. individual competence ( $X_1$ ), compensation management ( $X_2$ ), career opportunities ( $X_3$ ), and job satisfaction ( $Y_1$ ). While the inter-variables causal relationship in the substructure-2 consists of three exogenous variables and the endogenous, namely: individual competence ( $X_1$ ), compensation management ( $X_2$ ), career opportunities ( $X_3$ ), job satisfaction ( $Y_1$ ), and HR Performance ( $Y_2$ ). Based on this relationship, the lines model lines in the substructure-1 and the substructure-2 are as follows:

$$Y_1 = \rho_{Y11} X_1 + \rho_{Y12} X_2 + \rho_{Y13} X_3 + e_1$$

$$Y_2 = \rho_{Y21} X_1 + \rho_{Y22} X_2 + \rho_{Y23} X_3 + \rho_{Y24} Y_1 + e_2$$

Table 1. Theoretical Model Building and Measurement Scale

Research Construct/Variable	Construct / Variable Dimension	Measurement Scale
Individual Competence ( $X_1$ )	<ol style="list-style-type: none"> <li>1. Appropriate Education Background</li> <li>2. Work Experience Level</li> <li>3. Attitude</li> <li>4. Skills</li> </ol>	Likert with 5 options
Compensation Management ( $X_2$ )	<ol style="list-style-type: none"> <li>1. Salary Determination Based on Rules</li> <li>2. Bonus and Incentive Determination</li> <li>3. Received Awards and Facilities</li> <li>4. Punishment According to the Mistakes</li> </ol>	Likert with 5 options
Career Opportunity ( $X_3$ )	<ol style="list-style-type: none"> <li>1. The work as desired</li> <li>2. Career Path Information</li> <li>3. Promotion</li> <li>4. Career Path Structure</li> </ol>	
Job Opportunity ( $Y_1$ )	<ol style="list-style-type: none"> <li>1. Responsibility</li> <li>2. Participation</li> <li>3. Self-Confidence</li> <li>4. Openness</li> </ol>	Likert with 5 options
HR Performance ( $Y_2$ )	<ol style="list-style-type: none"> <li>1. Work Quality</li> <li>2. Work Quantity</li> <li>3. Time Standard Appropriateness</li> <li>4. Error Rate</li> </ol>	Likert with 5 options

Source: Adapted from the theoretical framework and operational definitions of variables, 2010

### III. RESEARCH RESULT AND DISCUSSION

#### 1. Inter-variables Path Relationship Model at Substructure-1

The causal model that is established theoretically, as stated in the previous section, obtains the path analysis diagram and calculation result of coefficient for each path. Based on the concept and the reality at the field, obtained the following results:

Table 2. Analysis of Variance (ANOVA) at Substructure-1

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	4896.405	3	1632.135	108.219	.000 <sup>a</sup>
Residual	1855.059	123	15.082		
Total	6751.465	126			

a. Predictors: (Constant), X3, X2, X1

b. Dependent Variable: Y1

Based on the ANOVA data above, coefficient of path  $\beta_{41}$ ,  $\beta_{42}$ , dan  $\beta_{43}$  can be explained through the overall testing (F test). The  $F_{count} = 108.219$ , this is significant at  $\alpha=0.00$ . This shows that  $H_0$  is rejected; that means that job satisfaction ( $Y_1$ ) is directly affected by individual competency ( $X_1$ ), compensation management ( $X_2$ ), and career opportunity ( $X_3$ ).

Path coefficient or standard coefficient (p) at substructure-1 is presented at the following table.

Table 3 Coefficient of Paths at Substructure-1

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	7.183	5.350		1.343	.182		
X1	.482	.140	.416	3.435	.001	.153	6.557
X2	.350	.116	.284	3.029	.003	.254	3.933
X3	.262	.105	.209	2.495	.014	.318	3.150

a. Dependent Variable: Y1

The calculation above shows that at Substructure-1 the coefficient of path  $X_1$  on  $Y_1$  is  $p_{y11} = 0.416$  ( $t_{count} = 3.416$ ); coefficient of path  $X_2$  on  $Y_1$  is  $p_{y12} = 0.284$  ( $t_{count} = 3.029$ ); coefficient of path  $X_3$  on  $Y_1$  is  $p_{y13} = 0.209$  ( $t_{count} = 2.495$ ); whereas  $t_{table}$  at  $\alpha = 0.05$  and from the obtained result, all coefficient are very significant at  $\alpha = 0.01$ . Overall scale of determination coefficient  $R^2_{y1,3,2,1}$ , is presented at the following table.

Table 4. Determination Coefficient at Substructure-1

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.852 <sup>a</sup>	.725	.719	3.88353	1.384

a. Predictors: (Constant), X3, X2, X1

b. Dependent Variable: Y1

Overall scale of determination coefficient  $R^2_{y1,3,2,1}$  is 0.725. The determiner coefficient of external variable  $e_1$  at substructure-1 equation can be calculated using formula  $e_i = \sqrt{1 - R^2_{y_i, X_i}}$ , so  $e_1 = \sqrt{1 - 0.725} = 0.275$ . Based on this calculation result, then the empirical causal relation framework of variable  $X_1$ ,  $X_2$ ,  $X_3$ , on  $X_4$  at Substructure-1, as follows:

$$Y_1 = 0.416X_1 + 0.284X_2 + 0.209X_3 + 0.275e_1$$

The calculation result shows that path coefficient  $X_1$  on  $Y_1$  is significant or  $H_0$  is rejected, as well as the coefficient of path  $X_2$  on  $Y_1$  is significant or  $H_0$  is rejected, and coefficient of path  $X_3$  on  $Y_1$  is significant at  $\alpha = 0.01$  or  $H_0$  is rejected. The calculation result of path coefficient at Substructure-1, as follows:

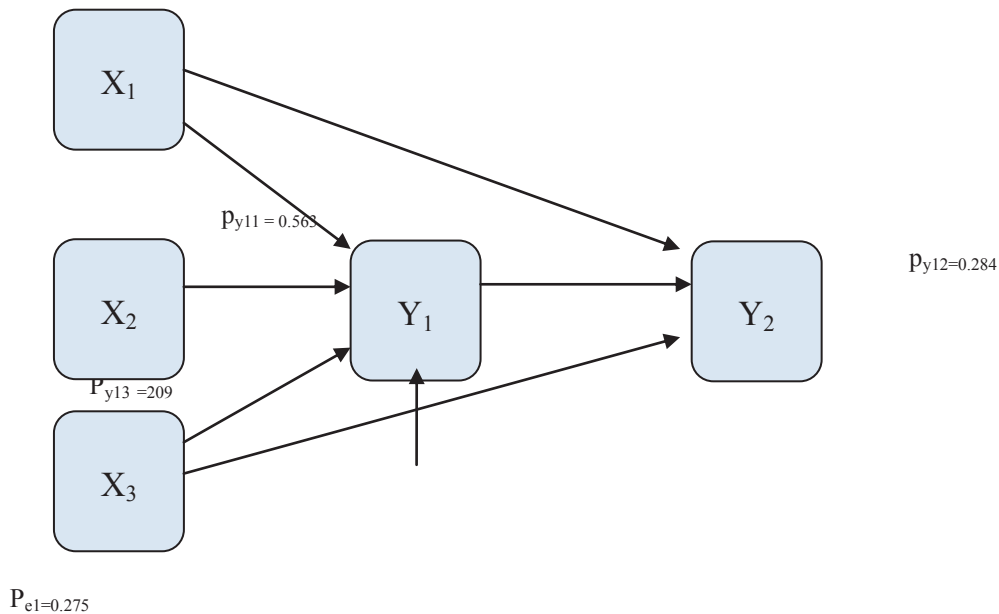


Figure 1. Empirical Causal Relationship of Substructure-1 Path Model

## 2. Inter-Variable Path Relationship Model at Substructure-2

The inter-variable causal relationship at substructure-2 consists of three exogenous variables, i.e. individual competency ( $X_1$ ), compensation management ( $X_2$ ), career path ( $X_3$ ), and an endogenous variable, i.e. work satisfaction ( $Y_1$ ). The structure causal relationship equation at substructure-2, as follows:

$$Y_2 = p_{y21}X_1 + p_{y22}X_2 + p_{y23}X_3 + p_{y1}Y_1 + e_2$$

Based on the calculation result at substructure-2 is presented in the ANOVA data as follows.

Table 5. Analysis of Variance (ANOVA) at Substructure-2

ANOVA<sup>b</sup>

	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	4571.771	4	1142.943	363.801	.000 <sup>a</sup>
	Residual	383.284	122	3.142		
	Total	4955.055	126			

a. Predictors: (Constant), Y1, X3, X2, X1

b. Dependent Variable: Y2

Using the ANOVA result at table 4 above, then coefficient path substructure-2 can be explained through overall test through anova-test. The value of obtained calculation result  $F_{count} = 363.801$ . This result is very significant at  $\alpha = 0.0$ . The test result shows that  $H_0$  is rejected; HR performance ( $Y_2$ ) is positively directly affected by individual competency ( $X_1$ ), compensation management ( $X_2$ ), career opportunity ( $X_3$ ), and work satisfaction ( $Y_1$ ). While the path (p) coefficient at substructure-2 is presented at the following table.

Table 6. Path Coefficient at Substructure-2

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	.884	2.460		.359	.720		
	X1	.120	.067	.121	1.790	.076	.139	7.186
	X2	.875	.055	.829	16.007	.000	.237	4.226
	X3	.147	.049	.137	2.990	.003	.302	3.309
	Y1	.126	.041	.147	3.057	.003	.275	3.639

a. Dependent Variable: Y2

Overall determination coefficient scale  $R^2_{Y2;3,2,1}$  is presented at the following table.

Table 7. Determination Coefficient Value at Substructure-2

**Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.961 <sup>a</sup>	.923	.920	1.77248	1.788

a. Predictors: (Constant), Y1, X3, X2, X1

b. Dependent Variable: Y2

From the calculation above, the path coefficient at substructure-2 can be presented. Coefficient of path  $X_1$  on  $Y_2$  is  $p_{Y21} = 0.121$  (sig=0.076); coefficient of path  $X_2$  on  $Y_2$  is  $p_{Y22} = 0.829$  (sig=0.000); while coefficient of path  $X_3$  on  $Y_2$  is  $p_{Y23} = 0.137$  (sig=0.003), and coefficient of path  $Y_1$  on  $Y_2$  is  $p_{Y1} = 0.147$  (sig=0.003). The overall determination coefficient  $R^2_{Y2;3,2,1}$  is 0.921. The determinant coefficient scale of outside variable

$e_2$  at substructure-1 equation can be calculated using formula  $e_i = \sqrt{1 - R^2_{Y_i; X_i}}$ , so  $e_2 = \sqrt{1 - 0.921} = 0.079$ . Based on this calculation result, then the empirical causal relationship framework of variable  $X_1, X_2, X_3,$  and  $Y_1$  on  $Y_2$  at Substructure-2, as follows:

$$Y_2 = 0.121X_1 + 0.829X_2 + 0.137X_3 + 0.147Y_1 + 0.079e_2$$

**3. Hypotheses Testing**

According to the research problem and objective, there are seven hypotheses that are tested statistically. The hypothesis testing is respectively performed as follows. The statistical hypotheses that are proposed are:

Reject  $H_0$ , if:  $H_0 : \beta_i \leq 0$

Accept  $H_0$ , if:  $H_1 : \beta_i > 0$

Table 4 and 6 show that among the seven proposed hypotheses, there is only one that is significant at  $\alpha = 0.07$ , i.e. coefficient of path  $X_1$  on  $Y_2$  ( $p_{Y21}$ ) at the fourth hypothesis, that is the positive direct effect of individual competence on HR performance. While the other six proposed hypotheses states very significant at  $\alpha = 0.01$ . Based on this result and testing criteria,  $H_0$  for all proposed hypotheses are rejected. Thus the inter-variables relationship according to the proposed hypotheses affects positively.

**4. Direct and Indirect Effect**

After the path coefficient test is conducted, the direct and indirect effect calculation of inter-variables at substructure-1 and substructure-2. The scale calculation of effect coefficient is to square the obtained causal coefficient which is also called determination coefficient ( $p_{yxi}$ )<sup>2</sup>. The calculation result of direct and indirect effect scale is presented at the table below.



Table 7. Inter-variables Effect Decomposition

Causal Coefficient	Effect		Total of Effect
	Direct	Indirect, through:	
$p_{y11}$	0.416	-	0.416
$p_{y12}$	0.284	-	0.284
$p_{y13}$	0.209	-	0.209
$p_{y21}$	0.121	$Y_1 = 0.061$	0.182
$p_{y22}$	0.829	$Y_1 = 0.042$	0.871
$p_{y23}$	0.137	$Y_1 = 0.030$	0.167
$p_{y1}$	0.147	-	0.147

#### 4.1. Positive Direct and Indirect Effect of Individual Competence ( $X_1$ ) on HR Performance ( $Y_2$ ) through Work Satisfaction ( $Y_1$ )

The calculation result shows that the positive direct effect of individual competence on HR performance at  $p_{y21} = 0.121$  or 12.10%; while the indirect effect of individual competence through HR performance through work satisfaction is 0.061 or 6.1%. The effect total of direct and indirect individual competence on HR performance is 0.182 or 18.32%. This shows that the HR performance increase in Manado State University beside is determined by individual competence, the effect will also become stronger if through job satisfaction for employees.

Therefore, the HR performance total is determined by individual competence of the employees and work satisfaction when they are working directly and indirectly. This result shows that the *intervening variable* work satisfaction is very strategic variable in relation to the effect of individual competence on the performance of employees at Manado State University.

#### 4.2. Positive Direct and Indirect Effect of Compensation Management ( $X_2$ ) on HR Performance ( $Y_2$ ) through Work Satisfaction ( $Y_1$ )

The calculation result shows that the positive direct effect of compensation management on HR performance is  $p_{y22} = 0.829$ , or 82.90%; while the indirect effect of compensation management self efficacy on HR performance through work satisfaction is 0.002 or 0.2%. The total of direct and indirect self efficacy effect on HR performance is 0.871 or 87.10%. This shows that the HR performance improvement in Manado State University is determined by compensation management, but it will be stronger if it is through work satisfaction. Therefore, HR performance improvement in Manado State University is not only determined by compensation management, but also determined by the work satisfaction of employees directly and indirectly. This research result shows that *intervening variable* work satisfaction is a variable that also determines the HR performance improvement in Manado State University. Based on it, according to the theoretic model and the produced model in this research, it shows that the power of intervening variable on compensation management effect on HR performance cannot be ignored, although the determiner power of intervening variable at this substructure is not as strong as the previous substructure.

#### 4.3. Positive Direct and Indirect Effect of Career Opportunity ( $X_3$ ) on HR Performance ( $Y_2$ ) through Work Satisfaction ( $Y_1$ )

The calculation result shows that the positive direct effect of career opportunity on HR performance is  $p_{y23} = 0.137$ , or 13.70%; while the indirect effect of career opportunity on HR performance through work satisfaction is 0.030 or 3.00%. Direct and indirect effect total of work opportunity on HR performance is 0.167 or 16.70%. This shows that HR performance in Manado State University beside is determined by career opportunity, it will be stronger if it is through job satisfaction. Therefore, the HR performance improvement in Manado State University beside is determined by career opportunity, it also determined by work satisfaction directly and indirectly.

#### IV. RESEARCH FINDINGS

##### 1. The Effect of Individual Competence on Employee Performance

The research result shows that the effect of individual competence on HR performance is at the seventh rank of seven categories of direct effect. Even though this research finding shows that individual competence positively and significantly affects the employee (HR) performance so much. This finding has given direction that the performance of employee is determined by individual competence factor of Manado State University employees. Therefore, individual competence is an important factor for each employee in doing duties, especially in higher education institution such as Manado State University in determining the performance of its employees.

Individual competence of employees in order to bolster the performance of its employees can be confirmed through the research result of Haerani (2003); Yukl and Van Fleet (1992), and Lock (1997), which conclude that individual competence positively affect on work satisfaction, motivation and performacen. This research is more directed to the performance of employee for service business. The result above is reinforced by the research result of Ahmad Alim Bahri (2008) who studies the performance of employee, which finds that work satisfaction, motivation, and the other elements determine the performance of employee. This contains meaning that individual competence is a manifestation of the someone's ability who can carry out his duties. From this, someone's self-confidence come that further it will improve performance. Based on this statement, it can be stated that individual competence can improve the self-confidence of an employee in determining performance of employee.

##### 2. The Effect of Compensation Management on Employee Performance

Based on the analysis result at table 6 and table 7, it is found that the effect of compensation management on the performance of employees show positive and significant effect directly, even among seven direct effects, this effect is the highest. This research result shows that compensation management is very strong in giving direct role on the performance of employees in Manado State University.

This research finding is in line with the preceding research results. Ahmad (2008) who conducts research at Commercial Bank in South Sulawesi concludes that compensation positively and significantly affects the performance of commercial bank in South Sulawesi. The support of other research result shows that incentive provisions affect the employee work achievement in the sense of improving the performance of employees (Mitra, Jenkins and Gupta, 1982) and (Brick, Palia & Wang, 1995). While McNally (1998) in his research finds that there is productivity improvement between 200-300% at National Bank in Little Rock Arkansas which means the performance of the organization improves. Locke (1997) states that incentive in the form of money can improve the productivity more which means it improves performance compared with the other incentive techniques, as well as with the results of studies by Fernandes (2005), and Burns & Kedia (2002). This is supported by the research of Ahmad (2008) that states that compensation is variable produced through organization management policy, therefore it largely determine the performance.

The research finding that compensation management affects the performance of employees at Manado State University, shows that the employees really feel any type of received compensation that leads employees to commit to work well thus improving their performance. This condition supports the condition at field much which suggests that the monetary compensation motivate them to work, because usually every year employees received additional funding in the form of additional cash compensation (e.g. side dishes allowance, holiday allowance, and others).

##### 3. The Effect of Career Opportunity on Employee Performance

The research result shows that the effect of career opportunity on employee performance is at the sixth rank among the seven categories of direct effect. Nevertheless, the findings of this study indicate that the career opportunities that are created by the leaders positively and significantly determine the performance of employees. These findings have given directions that the resulting performance of employees is determined by many factors, one of them is career opportunities which created by the leaders at the Manado State University. Therefore, career opportunity is an important factor for every employee in carrying out his duties at the Manado State University in determining the performance of employees.

The indication of the relationship strength between career opportunities and job satisfaction is found by Iverson, Roderick, and Parimal Roy (2000), who concluded that the variables that most affect the job satisfaction is a promotional opportunity, freedom in work, work friends, feelings considered by his superiors, and limited



employment opportunities in the labor market. This gives an indication that the individual is still confident of the opportunities ahead, higher work satisfaction than the individuals who do not have the confidence of the opportunities ahead.

This research finding gives direction that the employee performance improvement cannot ignore career opportunities. This means that career opportunity will encourage an employee to achieve it. Because essentially every person has motivation to achieve, so that this nature will encourage him to strive maximal, by increasing its performance.

#### **4. The Effect of Work Satisfaction on Employee Performance**

Based on the research result at table 6 and table 7, it is found that job satisfaction directly affects the employee performance. These finding gives meaning that job satisfaction plays an important role in improving employee performance, although not as big as the effect of other variables. It gives the sense that if employees are satisfied in their work, then the employee will work properly and without pressure, which in turn will improve their performance.

This finding is in line with the results of previous studies, as found by Robbins (2001) through his research which finds that the performance (productivity) guiding towards job satisfaction and not vice versa. The opposite research results is found by Banker, et al (1996) which states that an adequate level of job satisfaction will encourage someone to work well, therefore it contributes to performance improvement. The other research findings by Manaroinsong, Johny (2009) states that work satisfaction significantly affect the performance on government leaderships in North Sulawesi. The findings of the study recommend that job satisfaction is very powerful in determining the performance of employees at the Manado State University directly. This condition is very possible because employees who do not work according to their competencies, get pressure at work, and jealousy towards other employees will create dissatisfaction in work that ultimately have an impact on employee performance.

This finding implies that job satisfaction should be anticipated by the leaders through policies that create high satisfaction in the work, so that both employees and the organization's performance can be improved by increasing job satisfaction.

#### **5. The Effect of Individual Competence on Work Satisfaction**

From the analysis result at table 6 and table 7, it is found that individual competence strongly and positively affects work satisfaction. These results indicate that the employees at Manado State University who has good competence will directly be able to create the job satisfaction of employees. It means the good competence will be able to direct the employees of how to carry out the work efficiently and effectively which will further increase job satisfaction.

The results are in line with the study by Bhagat in Haerani (2003) which states that individuals, including leaders who have the competence and the high workload will have high job satisfaction and performance compared with workers who have low competence and performance. This finding is also in line with the findings by Manaroinsong, Johny (2009) that states that individual competency and other factors simultaneously and independently and positively affects job satisfaction for managers and employees on government leaderships in North Sulawesi.

The results of this study also confirmed by the findings of Andrew W. Halpin (1959) which states that there are two main dimensions that always comes from individual leaders and employee competencies, i.e. consideration and initiatives-making structure. These two main dimensions that emerged from the individual competence will create high job satisfaction, if it is implemented efficiently and effectively. The implications of these finding is the decision-making in an organization depends on the leader individual or employee. Thus satisfaction of the decision depends on the employee. Employee who has good competence will make decisions properly, which in turn will have an impact on job satisfaction.

#### **6. The Effect of Compensation Management on Work Satisfaction**

From the analysis results in Table 6 and Table 7, it is found that the compensation management strongly and positively affects job satisfaction. These results indicate that job satisfaction of employee is also determined by

the management compensation. This means the created job satisfaction cannot ignore the compensation management received by employee, whether it is in physical form of money, in form of reward or compensation, or in the psychical form as punishment.

This research result is in line with some previous research findings. Brian S. Klaas (2002), through his research result finds compensation and organization environment positively and moderately affect work satisfaction. Chris Hogan (1999) states that one of performance factors is compensation structure. Good compensation structure will produce good performance. This means that compensation needs to be managed fairly and wisely so that it will not cause dissatisfaction of employee in working. If employee is dissatisfied because he sees and feels unfairness, then he will not do his duties well.

The finding of strong and positive effect of compensation on work satisfaction is proper, because phenomenologically in Manado State University, the compensation which is received by employees considered qualified, even higher than in other organization. The implications of granting compensation to employees can be used as a reference for the management and other employees, so as to improve the work satisfaction which gives impact on their performance.

### **7. The Effect of Career Opportunity on Work Satisfaction**

Based on the analysis result at Table 6 and Table 7, it is found that the career opportunity significantly and positively affects job satisfaction. The results of this study indicate that employee satisfaction determines career opportunities at Manado State University. These conditions also explain that the higher the career opportunities, the higher the job satisfaction will be.

This research is supported by previous research findings. Indication of the strong relationship between career opportunities and job satisfaction is found by Iverson (2000). He concludes that the variables that most affects job satisfaction is a promotion opportunity, freedom in work, work friends, feelings considered by his superiors, and limited employment opportunities in the labor market. Thus, individuals who still believe that there is opportunity ahead, have higher work satisfaction than individuals who do not.

This finding gives indication that an employee who is given opportunity to improve his career will show instinctive desire to excel. This is due to the satisfaction in working. Therefore, in order to make employees satisfied in their work, it needs to create some elements of the trigger, giving them the opportunity to compete in determining a better career. This phenomenon is in accordance with the conditions on the field, that almost leaders at Manado State University do not intervene the employees in their positions.

## **V. CONCLUSION**

Based on the analysis and discussion of the research result above, it can be concluded that:

- 1) Individual competence factor directly and positively affects the performance of employees,
- 2) compensation management (*reward and punishment system*) directly and positively affects the performance of employees,
- 3) career opportunity directly and positively affects the performance of employees,
- 4) work satisfaction directly and positively affects the performance of employees,
- 5) individual competence factor directly and positively affects the work satisfaction,
- 6) compensation management (*reward and punishment system*) directly and positively affects the work satisfaction
- 7) career opportunity directly and positively affects the work satisfaction
- 8) Individual competence, compensation management, and career opportunity directly and positively affect the performance of employee, but it will be stronger if it is through work satisfaction of employees. Therefore, employee satisfaction as intervening variable can strengthen the employee performance position through other determiner variables.

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