



THE EFFECT OF FINANCIAL COMPENSATION AND MOTIVATION ON PERFORMANCE WITH GENDER EQUALITY AS THE MODERATING VARIABLE IN THE REGIONAL SECRETARIAT OF EAST JAVA PROVINCE: THE STUDY OF NON- PERMANENT EMPLOYEES WITH WORK AGREEMENTS

Arum Dwi Rachma

Master Study Program of Human Resource Development. Postgraduate School of Universitas
Airlangga. Surabaya. Indonesia.

E-mail : arumdwirachma@gmail.com

Abstract

The Role of Non-Permanent Employees with Work Agreements was very important to support the achievement of the vision and mission of an organization. Performance evaluation of Non-Permanent Employees with Work Agreements assessed by the direct supervisor consisted of several aspects, namely integrity, discipline, service orientation, cooperation, and coordination and the performance results of some employees were still relatively low. The low performance could be caused by several factors one of which was financial compensation and motivation owned by employees. Besides, to improved employee performance, gender equality in an organization also needs to be considered. This was because, in the absence of gender differences in an organization, it was easier to achieve high levels of performance. The purpose of this study was to identifying and analyzing the effect of financial compensation and motivation on the performance of Non-Permanent Employees with Work Agreements with gender equality as a moderating variable in the Regional Secretariat of East Java Province. This research used a quantitative approach combined with an explanatory method design. The results of this study concluded that: 1.) Financial compensation had a positive and significant effect on performance; 2.) Motivation had a positive and significant effect on performance; 3.) Gender equality had a positive and significant effect on performance; 4.) Financial compensation and motivation had a positive and significant effect on the performance of Non-Permanent Employees with Work Agreements with gender as a moderating variable in the Regional Secretariat of East Java Province.

Keywords: Financial Compensation, Motivation, Performance, Gender Equality

A. INTRODUCTION

The Regional Secretariat of the Province of East Java is a staff element that is under and is responsible to the Governor of East Java. The Regional Secretariat is led by the Regional Secretary who is domiciled and is responsible to the Governor. It consists of 9 (nine) bureaus. To support organizational performance, each bureau employs temporary workers called Non-Permanent Employees with Work Agreements. Non-Permanent Employees with Work Agreements are non-permanent employees who are appointed by the Regional Secretary of East Java Province by drawing up work contracts to carry out certain tasks in an organization and

performance evaluations are carried out annually by direct superiors as a basis for recommending the extension of contracts for the following year. The age limit of Non-Permanent Employees with Work Agreements is at least 18 years and a maximum of 56 years and may not be extended for any reason. The Role of Non- Permanent Employees with Work Agreements is very important to support the achievement of the vision and mission of an organization. In achieving the vision and mission by these Agencies, it is expected that employee performance will increase each year (Ogunleye and Osekita, 2016)¹. But the performance in the Regional Secretariat of East Java Province experienced ups and downs. The problem of performance degradation occurs in several bureaus in the East Java Provincial Secretariat. This is shown in the following recapitulation of performance appraisal in

2017-2018:

Table 1. Recapitulation of Non-Permanent Employee with Work Agreements Performance

Assessment Results for 2017-2018				
No	Field of Work	Number Employees whose		Total
		Performance Upgrade	Performance Downgrade	
1.	Bureau of Public Relations and Protocol	12	2	14
2.	Organization Bureau	2	2	4
3.	General Bureau	44	12	56
4.	Social Welfare Administration Bureau	12	-	12
5.	Government Administration and Regional Autonomy Bureau	5	-	5
6.	Legal Bureau	3	-	3
7.	Development Administration Bureau	29	1	30
8.	Economic Administration Bureau	4	-	4
9.	Natural Resources Administration Bureau	-	7	7
Amount		111	24	135

(Source: e-Master of Regional Civil Service Agency of East Java Province, 2019)

Performance appraisal by the direct supervisor consists of several aspects, namely integrity, discipline, service orientation, cooperation, and coordination (Siahaan, 2017)².

Researchers conducted data processing on aspects of performance appraisal in 2017 and 2018, obtained the number of performance which decreased and increased. Furthermore, the researchers conducted interviews about the performance of Non-Permanent Employees with Work Agreements to the Head of Divisions, Heads of Subdivisions and Civil Servants staff in several bureaus, it is known that the performance of several Non-Permanent Employees with Work Agreements is still relatively low.

According to Ghaffari, *et. al.* (2017)³, this is indicated by work that was not completed on time, late for coming to the office and unsatisfactory work results. The low performance of Non-Permanent Employees with Work Agreements at the Regional Secretariat of East Java Province can be caused by several factors. The following are the results of the pre-survey conducted to 18 respondents regarding the factors that support employee performance.

Table 2. Pre-Survey Results Regarding Factors Affecting the Performance of Non-Permanent Employees with Work Agreements

No.	Factors Affecting Performance	Number of Answers	Percentage (%)
1	Workload	8	22
2	Financial Compensation	12	33
3	Work Motivation	10	28
4	Leadership Style	6	17
Amount		36	100

(Source: Primary Data, 2019)

From the pre-survey results, it appears that the highest factor is financial compensation of 33%. Furthermore, the second factor affecting work motivation is 28%. The smallest factor is the boss's leadership style by 17%. Then the researchers conducted interviews and observations of respondents Non-Permanent Employees with Work Agreements in each bureau to determine the main causes that affect performance, namely financial compensation. Based on interviews conducted the salaries of Non-Permanent Employees with Work Agreements differ in each bureau. Some apply the same salary without looking at the level of education, but some differentiate salaries from the level of education.

However, the difference in salary payments does not look at the burden of performance and tenure, so that those who have heavier or lighter workloads or who serve longer are all equal (Kee, Ahmad, and Abdullah, 2016)⁴. This has caused dissatisfaction with Non-Permanent Employees with Work Agreements. The following is the list of Non-Permanent Employees with Work Agreements in bureaus at the Regional Secretariat of East Java Province:

¹ Ogunleye, A. J. & Osekita, D. A. (2016). Effect of job status, gender, and employees' achievement motivation behavior on work performance: A case study of selected local government employees in Ekiti State, Nigeria. *European Scientific Journal*, 12(26), pp. 235-248. DOI: <http://dx.doi.org/10.19044/esj.2016.v12n26p235>

² Siahaan, E. (2017). Antecedents of employee performance and the influence on employee job satisfaction in banking service sector in Indonesia. *Banks and Bank Systems*, 12(4), pp. 75-89. DOI: <http://dx.doi.org/10.21511/bbs>

³ Ghaffari, S., Shah, I. M., Burgoyne, J., Nazri, M. & Salleh, J. R. (2017). The influence of motivation on job performance: A case study at Universiti Teknologi Malaysia. *Australian Journal of Basic and Applied Science*, 11(4), pp. 92-99.

Table 3. Salary List of Non-Permanent Employees with Work Agreements

No	Field of Work	The Amount of Salary
1.	Government Administration and Regional Autonomy Bureau	IDR 3.500.000,00
2.	Development Administration Bureau	IDR 3.800.000,00
3.	Economic Administration Bureau	IDR 3.800.000,00
4.	Social Welfare Administration Bureau	IDR 3.800.000,00
5.	Natural Resources Administration Bureau	IDR 3.800.000,00
6.	Legal Bureau	IDR 3.300.000,00
7.	Organization Bureau	IDR 3.800.000,00
8.	General Bureau	IDR 3.800.000,00
9.	Bureau of Public Relations and Protocol	IDR 3.000.000,00

(Source: Bureau Budget Work Plan for Fiscal Year 2019)

With the provision of compensation to employees, the institution can motivate employees to further improve employee performance (Gunawan and Amalia, 2015)⁵. Furthermore according to Cainarca, Delfino, and Ponta (2019)⁶ where the purpose of giving compensation is as a bond of cooperation, job satisfaction, effective procurement, motivation, employee stability, discipline, and the influence of trade unions and the government. Thus, motivating employees through the provision of compensation, especially financially, can be said to influence the performance generated by employees (Ghafoor, Ansari, and Moazzam, 2017)⁷. Evelyne, Muathe, and Kilika (2018)⁸ stated that motivation is a willingness to spend a high level of effort toward organizational goals conditioned by the ability of the effort to meet individual needs if motivation and compensation have been achieved, it will create high levels of employee performance.

Also, to improve employee performance, gender equality in an organization needs to be considered. This is because in the absence of gender differences in an organization, it is easier to achieve high levels of performance. Meanwhile, the concept of gender is inherent in men and women socially and culturally constructed (Hoque and Awang, 2019)⁹. For example, according to Bae and Skaggs (2019)¹⁰ women are known to be gentle, beautiful, emotional, or motherly while men are considered strong, rational, male, and mighty. The characteristics of the traits themselves are interchangeable traits. This means that there are men who are emotional, gentle, motherly, while there are also women who are strong, rational, and mighty.

The Government of East Java Province has implemented gender mainstreaming with the issuance of East Java Province Regulation Number 3 of 2014 concerning the Medium-Term

⁷ Ghafoor, S., Ansari, N. & Moazzam, A. (2017). The effect of financial compensation and perceived career progression on employee turnover intentions with self actualization as a mediator. *Governance & Management Review*, 1(2), pp. 67-91

Development Plan of East Java Province in 2014-2019, one of the East Java development strategies is Gender Mainstreaming, and observing East Java Governor Regulation Number 66 of 2013 concerning Guidelines for Implementing Gender Mainstreaming in the Development of East Java Province and the issuance of East Java Governor Decree Number: 188/305/KPTS/013/2017 concerning the East Java Province Gender Mainstreaming Working Group.

Thus regional development that considers gender can optimize the roles and functions of women and men to be able to participate and enjoy the results of development in all fields. Every year the agency in the Provincial Government of East Java reports the implementation of Gender Mainstreaming. Based on these problems, the purpose of this study is to identify and analyze the effect of financial compensation and motivation on the performance of Non-Permanent Employees with Work Agreements with gender as a moderating variable in the Regional Secretariat of East Java Province.

⁴ Kee, L. B., Ahmad, R. B. & Abdullah, S. M. (2016). Relationship between financial compensation and organizational commitment among Malaysian bank workers. *Asian Business Research*, 1(1), pp. 75-85.

⁵ Gunawan, H. & Amalia, R. (2015). Wages and employees performance: The quality of work life as moderator. *International Journal of Economic and Financial Issues*, 5, pp. 349-353.

⁶ Cainarca, G. C., Delfino, F. & Ponta, L. (2019). The effect of monetary incentives on individual and organizational performance in an Italian Public Institution. *Administrative Science*, 9(72), pp. 1-19. DOI: <http://dx.doi.org/10.3390/admsci9030072>

⁷ Ghafoor, S., Ansari, N. & Moazzam, A. (2017). The effect of financial compensation and perceived career progression on employee turnover intentions with self actualization as a mediator. *Governance & Management Review*, 1(2), pp. 67-91

B. LITERATURES

1. Financial Compensation

According to Cainarca, Delfino, and Ponta (2019)¹¹ compensation is all income in the form of money, direct or indirect goods received by employees in return for services rendered to the institution. Kee, Ahmad, and Abdullah (2016)¹² suggested that compensation can be defined as any form of appreciation given to employees as a remuneration for the contribution they make to the organization. Ghafoor, Ansari, and Moazzam (2017)¹³ explained that compensation is something that employees receive as a substitute for their service contribution

⁸ Evelyne, N., Muathe, S. & Kilika, J. (2018). Mediating effect of motivation on employees performance in private equity firms, Kenya. *Journal of Human Resource Management*, 6(2), pp. 78-84. DOI: <http://dx.doi.org/10.11648/j.jhrm.20180602.15>

⁹ Hoque, A. S. M. M. & Awang, Z. B. (2019). Does gender difference play moderating role in the relationship between entrepreneurial marketing and Bangladeshi SME performance?. *Accounting*, 5, pp. 35-52. DOI: <http://dx.doi.org/10.5267/j.ac.2018.06.001>

¹⁰ Bae, K. & Skaggs, S. (2019). The impact of gender diversity on performance: The moderating role of industry, alliance network, and family-friendly policies – Evidence from Korea. *Journal of Management & Organization*, 25(6), pp. 896-913. DOI: <http://dx.doi.org/10.1017/jmo.2017.45>

¹¹ Cainarca, G. C., Delfino, F. & Ponta, L. (2019). The effect of monetary incentives on individual and organizational performance in an Italian Public Institution. *Administrative Science*, 9(72), pp. 1-19. DOI: <http://dx.doi.org/10.3390/admsci9030072>

¹² Kee, L. B., Ahmad, R. B. & Abdullah, S. M. (2016). Relationship between financial compensation and organizational commitment among Malaysian bank workers. *Asian Business Research*, 1(1), pp. 75-85.

¹³ Ghafoor, S., Ansari, N. & Moazzam, A. (2017). The effect of financial compensation and perceived career progression on employee turnover intentions with self actualization as a mediator. *Governance & Management Review*, 1(2), pp. 67-91

to Institutional organizations. Gunawan and Amalia (2015)¹⁴ stated that compensation is output and the benefits that employees receive in the form of pay, wages and also the same rewards as a monetary exchange for the employees to increase the performance.

Compensation is the segment of the transition between the employee and the owner that results in the employee contract (Khan, *et. al.*, 2019)¹⁵. As the prospective employee pay is the necessity of life. The payment receives from work done on behalf of people getting employment. From the prospective employee one of the most important parts of cash flow. Compensation is mostly equal to half of the cash flow of the organizations but in the service sector, it is more than half (Shah and Asad, 2018)¹⁶. It is the major to attract the employee and motivate the employee to increase the performance. According to Ghafoor, Ansari, and Moazzam (2017)¹⁷, there are several indicators of compensation, namely: 1.) The Payment Rate Can Be Given High; 2.) Payment Structure; 3.) Determination of Individual Payments; 4.) Payment Method; 5.) Payment Control.

2. Motivation

Work motivation can be interpreted as a desire or need that lies behind an individual so that he is motivated to work (Ogunleye and Osekita, 2016)¹⁸. Besides, according to Evelyne, Muathe, and Kilika (2018)¹⁹, motivation can be interpreted as an individual's encouragement to take action because they want to do it. If the individual is motivated, the individual will make a positive choice to do something, because it can satisfy his desires (Ghaffari, *et. al.*, 2017)²⁰. Motivation is the willingness to spend a high level of effort toward organizational goals which is conditioned by the ability of the effort to meet individual needs (Shah and Asad, 2018)²¹.

From the limits that have been stated simply can be said that motivation is the emergence of behavior that leads to certain goals with full commitment to the achievement of the intended goals (Kee, Ahmad, and Abdullah, 2016)²². Work motivation as the most vital driving force in performance achievement. While the theory according to Maslow in Shah and Asad (2018)²³ suggested that the hierarchy of employee needs are as follows: 1.) Physiological Needs; 2.) Security Needs; 3.) Social Needs or Ownership; 4.) Need for Self-Esteem; 5.) Self Actualization Needs.

¹⁴ Gunawan, H. & Amalia, R. (2015). Wages and employees performance: The quality of work life as moderator. *International Journal of Economic and Financial Issues*, 5, pp. 349-353.

¹⁵ Khan, M. A., Yusoff, R. M., Hussain, A. & Ismail, F. B. (2019). The mediating effect of job satisfaction on the relationship of HR practices and employee job performance: Empirical evidence from higher education sector. *International Journal of Organizational Leadership*, 8, pp. 78-94.

- ¹⁶ Shah, M. & Asad, M. (2018). Effect of motivation on employee retention: Mediating role of perceived organizational support. *European Online Journal of Natural and Social Science*, 7(2), pp. 511-520.
- ¹⁷ Ghafoor, S., Ansari, N. & Moazzam, A. (2017). The effect of financial compensation and perceived career progression on employee turnover intentions with self actualization as a mediator. *Governance & Management Review*, 1(2), pp. 67-91
- ¹⁸ Ogunleye, A. J. & Osekita, D. A. (2016). Effect of job status, gender, and employees' achievement motivation behavior on work performance: A case study of selected local government employees in Ekiti State, Nigeria. *European Scientific Journal*, 12(26), pp. 235-248. DOI: <http://dx.doi.org/10.19044/esj.2016.v12n26p235>
- ¹⁹ Evelyne, N., Muathe, S. & Kilika, J. (2018). Mediating effect of motivation on employees performance in private equity firms, Kenya. *Journal of Human Resource Management*, 6(2), pp. 78-84. DOI: <http://dx.doi.org/10.11648/j.jhrm.20180602.15>
- ²⁰ Ghaffari, S., Shah, I. M., Burgoyne, J., Nazri, M. & Salleh, J. R. (2017). The influence of motivation on job performance: A case study at Universiti Teknologi Malaysia. *Australian Journal of Basic and Applied Science*, 11(4), pp. 92-99.
- ²¹ Shah, M. & Asad, M. (2018). Effect of motivation on employee retention: Mediating role of perceived organizational support. *European Online Journal of Natural and Social Science*, 7(2), pp. 511-520.
- ²² Kee, L. B., Ahmad, R. B. & Abdullah, S. M. (2016). Relationship between financial compensation and organizational commitment among Malaysian bank workers. *Asian Business Research*, 1(1), pp. 75-85.
- ²³ Shah, M. & Asad, M. (2018). Effect of motivation on employee retention: Mediating role of perceived organizational support. *European Online Journal of Natural and Social Science*, 7(2), pp. 511-520.

3. Performance

Abbas and Waheed (2011)²⁴ provided an opinion that the performance of the employee is considered as what the employee does and what he doesn't do. Employee performance involves quality and quantity of output, presence at work, accommodative and helpful nature and timeliness of output. With the increase in employee performance is expected to make a positive contribution to overall company performance (Jarboui, Saad, and Riguen, 2019)²⁵. Siahaan (2017)²⁶ stated that positive feedback will show that employees feel valued from their work and can tell what needs to be improved from them so that employees will improve their performance.

Measuring performance is of great importance to an incentive plan because it communicates the importance of established organizational goals, what gets measured and rewarded gets attention (Soomo, Soomro, and Memon, 2015)²⁷. Factors affecting employee performance are education, skills, work discipline, culture, and work ethics, management, income level, the opportunity for achievement, workload, work environment and technology (Cainarca, Delfino, and Ponta, 2019)²⁸. According to Bae and Skaggs (2019)²⁹, performance indicators include: 1.) Quality; 2.) Quantity; 3.) Timelines; 4.) Cost-Effectiveness; 5.) Need for Supervision; 6.) Interpersonal Impact.

4. Gender Equality

Hoque and Awang (2019)³⁰ argued that gender is a social and cultural structure which in turn differentiates between masculine and feminine characteristics. Masculine and feminine are relative, depending on the socio-cultural context of the community concerned (Khalid and Aroosh, 2014)³¹. The concept of gender equality arises because social scientists see that women's subordination is common and runs for years with advantages on the part of men so that it almost becomes an ideology, where gender ideology is an ideology that divides the roles and ideal positions of women in the home ladder and society (Nakagawa, 2015)³². This ideal role has finally become standard and stereotyped as the concept of gender equality, which is inherent in both men and women that are socially and culturally constructed (Abbas

²⁴ Abbas, A. & Waheed, A. (2011). Gender discrimination & Its effect on employee performance/productivity. *International Journal of Humanities and Social Science*, 1(15), pp. 170-176.

²⁵ Jarboui, A., Saad, M. K. B. & Riguen, R. (2019). Tax avoidance: Do board gender diversity and sustainability performance make a difference?. *Journal of Financial Crime*, 1(3), pp. 1-20. DOI: <http://dx.doi.org/10.1108/JFC-09-2019-0122>

²⁶ Siahaan, E. (2017). Antecedents of employee performance and the influence on employee job satisfaction in banking service sector in Indonesia. *Banks and Bank Systems*, 12(4), pp. 75-89. DOI: <http://dx.doi.org/10.21511/bbs>

²⁷ Soomo, P., Soomro, F. & Memon, M. S. (2015). Gender discrimination and Its impact on employee productivity/performance: A study on government universities of Upper Sindh. *International Journal of Management Science and Business Research*, 4(6), pp. 36-40.

²⁸ Cainarca, G. C., Delfino, F. & Ponta, L. (2019). The effect of monetary incentives on individual and organizational performance in an Italian Public Institution. *Administrative Science*, 9(72), pp. 1-19. DOI:

<http://dx.doi.org/10.3390/admsci9030072>

²⁹ Bae, K. & Skaggs, S. (2019). The impact of gender diversity on performance: The moderating role of industry, alliance network, and family-friendly policies – Evidence from Korea. *Journal of Management & Organization*, 25(6), pp. 896-913. DOI: <http://dx.doi.org/10.1017/jmo.2017.45>

³⁰ Hoque, A. S. M. M. & Awang, Z. B. (2019). Does gender difference play moderating role in the relationship between entrepreneurial marketing and Bangladeshi SME performance?. *Accounting*, 5, pp. 35-52. DOI: <http://dx.doi.org/10.5267/j.ac.2018.06.001>

³¹ Khalid, M. & Aroosh, R. (2014). Outcomes of gender discrimination: A study of female workers in banking sector of Pakistan. *Journal of Business and Management*, 16(7), pp. 38-48.

³² Nakagawa, Y. (2015). The gender diversity – firm performance relationship by industry type, working hours, and inclusiveness: An empirical study of Japanese firms. *Journal of Diversity Management*, 10(1), pp. 61-78.

and Waheed, 2011)³³. According to Ngao and Mwangi (2013)³⁴ identifying indicators of gender equality are as follows: 1.) Access; 2.) Participation; 3.) Control; 4.) Benefits.

C. METHODS

1. Research Approach and Design

This research uses a quantitative approach combined with explanatory method design. Explanatory research is research conducted by researchers to determine the level of relationship between two or more variables, without making changes, additions, or manipulation of data that already exists (Capraro, 2016³⁵; Rahi, 2017)³⁶. Where this research variable consists of 2 independent variables namely financial compensation (X_1) and motivation (X_2), the dependent variable is performance (Y), and the moderating variable is gender equality (Z).

2. Sampling Technique

The population in this study is Non-Permanent Employees with Work Agreements at the Regional Secretariat of East Java Province. The sampling technique used in this study uses a proportional sampling technique, where every subject in the population has the same opportunity to be elected or not selected as a respondent. The sample size calculation uses the Slovin formula which is formulated as follows:

$$n = N/1(d)^2$$

Obtained sample of respondents as follows:

Table 4. The Result of Proportional Sampling

No	Field of Work	Population	Percentage of Sample Proportion (%)	Sample
1	General Bureau	64	41%	46
2	Bureau of Public Relations and Protocol	17	11%	12
3	Organization Bureau	4	3%	3
4	Social Welfare Administration Bureau	21	13%	15
5	Government Administration and Regional Autonomy Bureau	5	4%	4
6	Legal Bureau	3	2%	2
7	Development Administration Bureau	30	20%	22

8	Economic Administration Bureau	4	3%	3
9	Natural Resources Administration Bureau	7	4%	5
Amount		155	100%	112

(Source: Primary Data, 2019)

3. Collecting and Data Analysis

In the use of data collection techniques, researchers need instruments that are tools to make the process of collecting data easier, including 1.) Questionnaire; 2.) Literature Study; 3.) Documentation Study; 4.) Observation Study (Rahi, 2017). Where the test instruments used are validity test, reliability test, and analysis test of Partial Least Square (Hair, *et. al.*, 2011³⁷; Henseler, *et. al.*, 2014).³⁸

D. RESULT AND DISCUSSION

The results of the interpretation of quantitative data in this study explain the validity test, reliability test, and the Partial Least Square analysis test.

1. Validity Test and Reliability Test

Before further analysis, an instrument test was conducted using a questionnaire consisting of validity and reliability tests.

1.) Validity Test

Validity test shows how well an instrument can measure a particular concept. Validity test is carried out on each statement item that forms the research variable. To determine the calculated value, assisted with the analysis of the Partial Least Square (PLS) program which is stated by the value of the Corrected Item Total Correlation. If Pearson product moment correlation between each statement with a total score produces a positive correlation value (r_{count}) and $r_{count} > 0,186$ (r_{table}), then the statement item is declared valid. Following are the results of testing the validity of each statement item on the research

³³ Abbas, A. & Waheed, A. (2011). Gender discrimination & Its effect on employee performance/productivity. *International Journal of Humanities and Social Science*, 1(15), pp. 170-176.

³⁴ Ngao, E. & Mwangi, C. (2013). Effects of managing gender of employees in enhancing organizational performance: A case study of Kenya ports authority. *European Journal of Business and Management*, 5(21), pp. 1-8.

³⁵ Capraro, K. L. (2016). An explanatory case study of the implementation of co-teaching as a student teaching method. *Dissertation*. University of Rhode Island.

³⁶ Rahi, S. (2017). Research design and methods: A systematic review of research paradigms, sampling issues and instruments development. *International Journal of Economy and Management Science*, 6(2), pp. 1-6. DOI: <http://dx.doi.org/10.4172/2162-6359.1000403>

variables and dimensions:

Table 5. The Result of Validity Test

Variable	Indicator	Item	r_{count} (Corrected Item-Total Correlation)	r_{table}	Description
Financial Compensation (X_1)	The level of payment can be given high	X1.1	0,846	0,186	Valid
		X1.2	0,818	0,186	Valid
	Payment Structure	X1.3	0,811	0,186	Valid
	Determination of Individual Payments	X1.4	0,844	0,186	Valid
	Payment method	X1.5	0,832	0,186	Valid
		X1.6	0,844	0,186	Valid
	Payment Control	X1.7	0,833	0,186	Valid
Motivation (X_2)	Physiological Needs	X2.1	0,720	0,186	Valid
		X2.2	0,760	0,186	Valid
	Safety Needs	X2.3	0,781	0,186	Valid
		X2.4	0,669	0,186	Valid
	Social Needs or Ownership	X2.5	0,790	0,186	Valid
		X2.6	0,793	0,186	Valid
	Self-Esteem Needs	X2.7	0,771	0,186	Valid
		X2.8	0,727	0,186	Valid
	Self-actualization	X2.9	0,725	0,186	Valid
		X2.10	0,766	0,186	Valid
Performance (Y)	Quality	Y.1	0,847	0,186	Valid
		Y.2	0,858	0,186	Valid
	Quantity	Y.3	0,857	0,186	Valid
		Y.4	0,901	0,186	Valid
	Timelines	Y.5	0,859	0,186	Valid
		Y.6	0,910	0,186	Valid
	Cost-Effectiveness	Y.7	0,832	0,186	Valid
		Y.8	0,787	0,186	Valid

³⁷ Hair, J. F., Sarstedt, M., Ringle, C. M., & Mena, J. A. (2011). An Assessment of the Use of Partial Least Squares Structural Equation Modeling in Marketing Research. *Journal of Academy of Marketing Science*, 40(3), 414-433.

³⁸ Henseler, J., Ringle, C. M., & Sinkovics, R. R. (2014). The use of partial least squares path modeling in international marketing. *New Challenges to International Marketing Advances in International Marketing*, 20, 277-319.

Variable	Indicator	Item	r_{count} (Corrected Item-Total Correlation)	r_{table}	Description
	Need for Supervision	Y.9	0,906	0,186	Valid
		Y.10	0,832	0,186	Valid
	Interpersonal Impact	Y.11	0,879	0,186	Valid
		Y.12	0,877	0,186	Valid
Gender Equality (Z)	Access	z1.1	0,779	0,186	Valid
		z1.2	0,745	0,186	Valid
		z1.3	0,768	0,186	Valid
	Participation	Z1.4	0,766	0,186	Valid
		Z1.5	0,835	0,186	Valid
		Z1.6	0,783	0,186	Valid
		Z1.7	0,771	0,186	Valid
	Control	Z1.8	0,774	0,186	Valid
		Z1.9	0,790	0,186	Valid
		Z1.10	0,812	0,186	Valid
Benefits					

(Source: Primary Data, 2020)

Based on table 5 it is known that all the question items on the research variable have a calculated r_{count} greater than r_{table} of 0,186 so that all question items on the research variable are declared valid and can be used for further analysis processes.

2.) Reliability Test

Reliability test shows the extent to which the gauges are reliable. To measure the reliability used Cronbach alpha value. If the Cronbach alpha value $> 0,600$, then the statement items that make up the research variable are declared reliable. Here are the results of testing the reliability of research variables:

Table 6. The Result of Reliability Test

Variable	Cronbach Alpha	Critical Value	Description
Financial Compensation (X_1)	0,951	0,600	Reliabel
Motivation (X_2)	0,938	0,600	Reliabel
Performance (Y)	0,974	0,600	Reliabel
Gender Equality (Z)	0,948	0,600	Reliabel

(Source: Primary Data, 2020)

Based on table 6 it shows that the magnitude of the Cronbach alpha value on the research variable is greater than 0,600, thus the question items that measure the research variable are declared reliable and the research questionnaire can be said to be a consistent measuring tool.

2. Partial Least Square Analysis Test

To test the research hypothesis the following Partial Least Square analysis test is used:

1.) Evaluation of the Outer Model (Measurement Model)

a.) Convergent Validity

The first evaluation of the outer model is convergent validity. Convergent validity is measured by looking at the outer loading value of each indicator. An indicator is said to meet convergent validity if it has an outer loading value \geq of 0,500. The following is the outer loading value of each indicator in the research variable:

Table 7. Value of Outer Loading Model

Item	Financial Compensation (X₁)	Motivation (X₂)	Performance (Y)	Gender Equality (Z)
-------------	---------------------------------------------------	---------------------------------------	----------------------------	--------------------------------

Item	Financial Compensation (X ₁)	Motivation (X ₂)	Performance (Y)	Gender Equality (Z)
X1.1	0,883			
X1.2	0,863			
X1.3	0,861			
X1.4	0,886			
X1.5	0,891			
X1.6	0,887			
X1.7	0,881			
X2.1		0,807		
X2.2		0,793		
X2.3		0,806		
X2.4		0,712		
X2.5		0,808		
X2.6		0,850		
X2.7		0,816		
X2.8		0,784		
X2.9		0,798		
X2.10		0,821		
Y.1			0,875	
Y.2			0,882	
Y.3			0,883	
Y.4			0,917	
Y.5			0,885	
Y.6			0,926	
Y.7			0,858	
Y.8			0,818	
Y.9			0,924	
Y.10			0,859	
Y.11			0,899	
Y.12			0,898	
Z.1				0,851
Z.2				0,806
Z.3				0,837
Z.4				0,784
Z.5				0,868
Z.6				0,810
Z.7				0,811
Z.8				0,807
Z.9				0,831
Z.10				0,842

(Source: Primary Data, 2020)

Based on table 7 above, it is known that the outer loading value for each indicator on the research variables all has values of more than 0,500. This means that the indicators used in this study have fulfilled convergent validity.

b.) Discriminate Validity

The second evaluation of the outer model is discriminant validity. Discriminant validity is measured using cross-loading. An indicator is said to meet discriminant validity if the cross-loading indicator value of the variable is the largest compared to other variables:

Table 8. Value of Cross-Loading

Item	Financial Compensation	Motivation	Performance	Gender Equality
-------------	-------------------------------	-------------------	--------------------	------------------------

	(X ₁)	(X ₂)	(Y)	(Z)
X1.1	0,883	0,017	0,351	0,347
X1.2	0,863	-0,018	0,349	0,254
X1.3	0,861	-0,071	0,372	0,271
X1.4	0,886	-0,140	0,395	0,312
X1.5	0,891	0,101	0,512	0,341
X1.6	0,887	0,054	0,400	0,343
X1.7	0,881	-0,045	0,411	0,200
X2.1	0,128	0,807	0,369	0,235
X2.2	-0,046	0,793	0,203	0,182
X2.3	-0,075	0,806	0,158	0,165
X2.4	-0,031	0,712	0,170	0,138
X2.5	-0,075	0,808	0,150	0,220
X2.6	0,003	0,850	0,274	0,129
X2.7	-0,077	0,816	0,242	0,251
X2.8	0,010	0,784	0,251	0,104
X2.9	0,051	0,798	0,307	0,193
X2.10	-0,122	0,821	0,256	0,221
Y.1	0,405	0,332	0,875	0,374
Y.2	0,398	0,231	0,882	0,358
Y.3	0,417	0,284	0,883	0,429
Y.4	0,405	0,322	0,917	0,385
Y.5	0,497	0,244	0,885	0,424
Y.6	0,364	0,336	0,926	0,358
Y.7	0,370	0,298	0,858	0,425
Y.8	0,356	0,206	0,818	0,317
Y.9	0,405	0,334	0,924	0,457
Y.10	0,424	0,268	0,859	0,380
Y.11	0,464	0,237	0,899	0,423
Y.12	0,383	0,287	0,898	0,436
Z.1	0,251	0,297	0,508	0,851
Z.2	0,316	0,159	0,427	0,806
Z.3	0,350	0,216	0,457	0,837
Z.4	0,201	0,125	0,169	0,784
Z.5	0,252	0,167	0,341	0,868
Z.6	0,263	0,101	0,249	0,810
Z.7	0,195	0,226	0,306	0,811
Z.8	0,320	0,087	0,319	0,807
Z.9	0,257	0,203	0,365	0,831
Z.10	0,326	0,236	0,328	0,842

(Source: Primary Data, 2020)

Based on table 8, it is known that the cross-loading value of all indicators that make up each variable in this study (the value in bold) has fulfilled discriminant validity because it has the largest cross-loading value for the variable it forms and not the other variables. Thus all indicators in each variable in this study have met discriminant validity.

c.) Average Variance Extract (AVE)

Average Variance Extract (AVE) illustrates the average variance or discriminant extracted on each indicator so that the ability of each item to share measurements

with the others can be known. AVE value equal to or above 0,5 indicates a good convergent as shown in the following table:

Table 9. Value of Average Variance Extract

Variable	AVE
Financial Compensation (X ₁)	0,772
Motivation (X ₂)	0,640
Performance (Y)	0,785
Gender Equality (Z)	0,681

(Source: Primary Data, 2020)

Based on table 9 above it is known that the average variance extract (AVE) value of each variable is above the critical limit, then the indicators on each variable have converged.

d.) Composite Reliability

The last evaluation of the outer model is composite reliability. Composite reliability tests the consistency of indicators in measuring a construct. A constructor variable is said to meet composite reliability if it has a composite reliability value \geq of 0,700. Here are the composite reliability values of each variable:

Table 10. Value of Composite Reliability

Variable	Composite Reliability
Financial Compensation (X ₁)	0,960
Motivation (X ₂)	0,947
Performance (Y)	0,978
Gender Equality (Z)	0,955

(Source: Primary Data, 2020)

Based on table 10 above shows that the composite reliability value of each study variable has a value of more than 0,700. Thus it can be concluded that each variable meets the composite reliability.

The following is a measurement model to visualize the relationship effect between the variables of this study presented in the figure below:

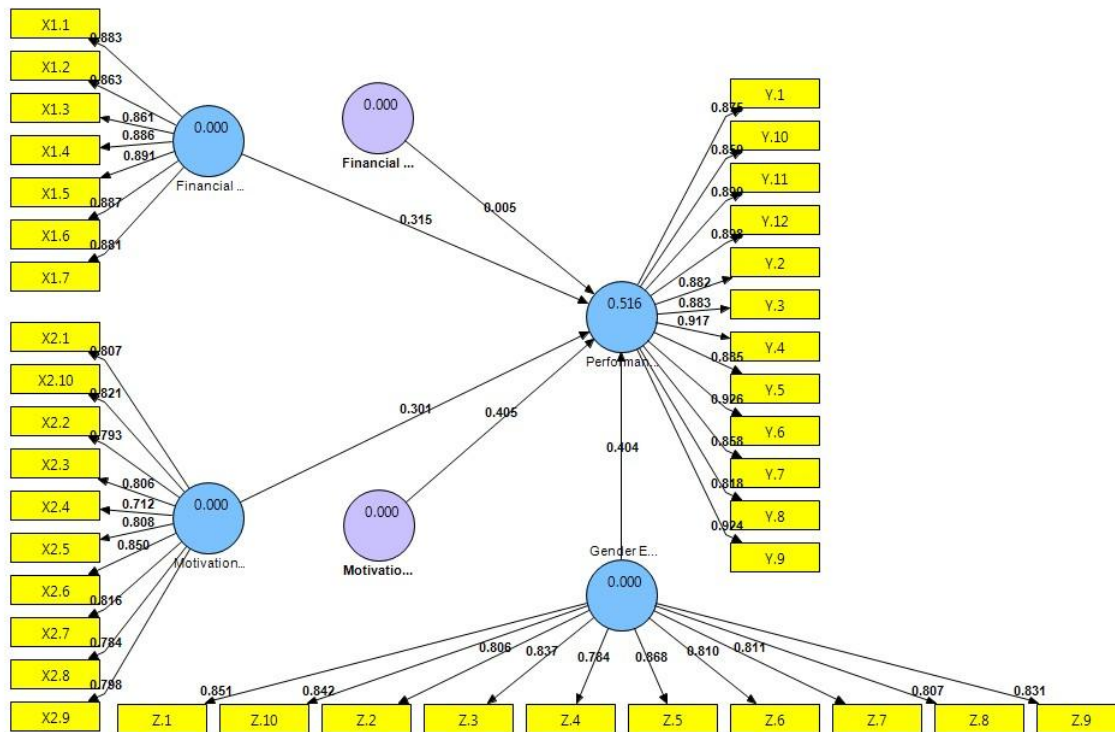


Figure 1. The Result of Partial Least Square Measurement Model Analysis
 (Source: Primary Data, 2020)

2.) Evaluation of the Inner Model (Structural Model)

a.) R-Square Value

The first evaluation of the inner model is seen from the R-Square value or the coefficient of determination. Based on data processing with Partial Least Square, the resulting R-Square values are as follows:

Table 11. Value of R-Square

Dependent Variable	R-Square
Performance (Y)	0,516 (Source:

Primary Data, 2020)

From table 11 above it is known that the R-Square value for purchase intention is 0.516 which means that the percentage of the effect of financial compensation and motivation on performance with gender as a moderating variable is 51.6% while the remaining 48.4% is explained by other variables. In the Partial Least Square model, the assessment of the goodness of fit is known from the Q^2 value. Q^2 value has the same meaning as the coefficient of determination (R-Square) in the regression analysis, where the higher the R-Square, the model can be said to be more fit with the data. From the research model, it is known that the Q^2 value is the same as the R-Square value of 0.516, meaning that the

magnitude of the diversity of research data that can be explained by the structural model developed in this study is 51.6%.

3.) Hypothesis Testing with Inner Weight

Testing of research hypothesis using Partial Least Square analysis is done using an inner weight table. The research hypothesis can be accepted if the value of the t_{count} (t- statistic) $\geq t_{table}$ at an error rate (α) of 5% is 1.96. Here are the path coefficient values (original sample estimate) and calculated values (t-statistics) on the inner model:

Table 12. The Result of Path Coefficient and t_{count}

Variable Effect	Original	Sample	Standard Deviation	Standard Error	t-statistics
------------------------	-----------------	---------------	-------------------------------	---------------------------	---------------------

	Sample (O)	Mean (M)	(STDEV)	(STERR)	(O/STERR)
Financial Compensation (X ₁) → Performance (Y)	0,315	0,309	0,070	0,070	4,514
Motivation (X ₂) → Performance (Y)	0,301	0,290	0,070	0,070	4,301
Gender Equality (Z) → Performance (Y)	0,404	0,374	0,113	0,113	3,585
Financial Compensation (X ₁) & Gender Equality (Z) → Performance (Y)	0,005	0,001	0,121	0,121	0,042
Motivation (X ₂) & Gender Equality (Z) → Performance (Y)	0,405	0,399	0,162	0,162	2,494

(Source: Primary Data, 2020)

The path coefficient value of the effect of financial compensation on performance is 0,315 with a t-statistic value of 4,514 which is greater than 1,96. This shows that there is a positive and significant effect between financial compensation on performance, so the greater the value of compensation received, the more performance will improve. Based on these results the first hypothesis (H₁) of the study which suggests that there is an effect of financial compensation on performance of Non-Permanent Employees with Work Agreements in the Regional Secretariat of East Java Province can be accepted and proven true.

The path coefficient value of the effect of motivation on performance is 0,301 with a t-statistic value of 4,301 which is greater than 1,96. This shows that there is a positive and significant effect between motivation on performance, so the higher the perceived motivation, the more performance will improve. Based on these results the second hypothesis (H₂) of the study which suggests that there is an effect motivational on performance of Non-Permanent Employees with Work Agreements in the Regional Secretariat of East Java Province can be accepted and proven true.

The path coefficient value of the effect of gender equality on performance is 0,404 with a t-statistic value of 3,585 which is greater than 1,96. This shows that there is a positive and significant effect between gender equality on performance, so the higher the perceived gender equality, the more performance will improve. Based on these results the third hypothesis (H₃) of the research which suggests that there is an effect of gender equality on performance of Non-Permanent Employees with Work Agreements in the Regional Secretariat of East Java Province can be accepted and proven true.

The path coefficient value of the effect of financial compensation on performance with gender equality as a moderating variable is 0,005 with a t-statistic value of 0,042 which is smaller than 1,96. This shows that the existence of gender equality does not strengthen or weaken the effect of compensation on performance.

Based on these results the fourth_(a) hypothesis (H_{4a}) of the study that suggests that there is an effect of financial compensation on performance of Non-Permanent Employees with Work Agreements with gender equality as a moderating variable in the Regional Secretariat of East Java Province can not be accepted and unproven.

The path coefficient value of the effect of motivation on performance with gender equality as a moderating variable is 0,405 with a t-statistic value of 2,494 that is greater than 1,96. This shows that gender equality strengthens the effect of motivation on performance, the more it recognizes gender equality the more it will strengthen the influence of motivation on performance. Based on these results the fourth_(b) hypothesis (H_{4b}) of the study which suggests that there is an effect motivation on performance of Non-Permanent Employees with Work Agreements with gender equality as a moderating variable in the Regional Secretariat of East Java Province can be accepted and proven.

Overall this shows that there is an effect of financial compensation and motivation on performance of Non-Permanent Employees with Work Agreements with gender equality as a moderating variable in the Regional Secretariat of East Java Province on the fourth hypothesis (H₄) can be accepted and proven. The following is a structural model to visualize the relationship effect between the variables of this study presented in the figure below:

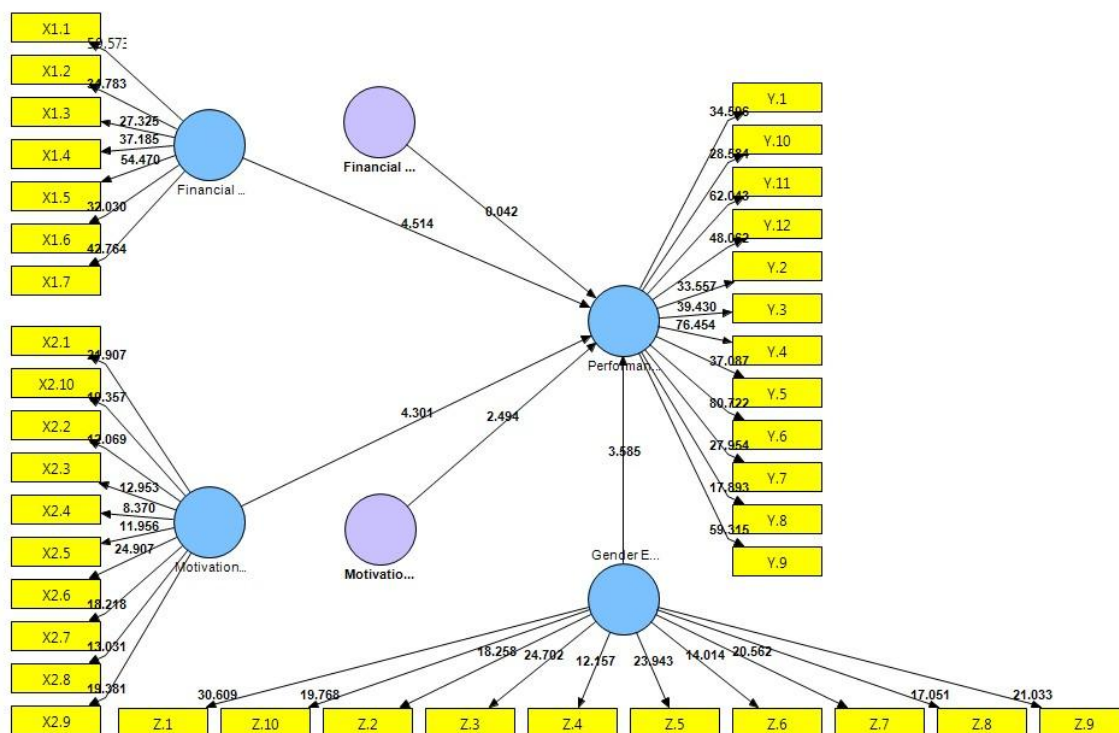


Figure 2. The Result of Partial Least Square Structural Model Analysis

(Source: Primary Data, 2020)

E. CONCLUSION AND RECOMMENDATION

This study uses an explanatory quantitative research method approach regarding the effect of financial compensation and motivation on the performance of Non-Permanent Employees with Work Agreements with gender equality as a moderating variable in the Regional Secretariat of the East Java Province using Partial Least Square analysis:

- 1.) Financial compensation has a positive and significant effect on performance, with a path coefficient value of 0,315 and a t-statistic value of 4,514 greater than 1,96 where the greater the value of financial compensation received will further improve employee performance. Based on these results the first hypothesis of the study which allegedly had the effect of financial compensation (X_1) on performance (Y) of Non-Permanent Employees with Work Agreements at the Regional Secretariat of the East Java Province can be accepted and proven.
- 2.) Motivation has a positive and significant effect on performance, with a path coefficient value of 0,301 and a t-statistic value of 4,301 greater than 1,96 where the higher the perceived motivation, the more performance will improve. Based on these results, the second hypothesis of the study which suggests that there is an effect of motivation (X_2)

on performance (Z) of Non-Permanent Employees with Work Agreements at the Regional Secretariat of the East Java Province can be accepted and proven.

- 3.) Gender equality has a positive and significant effect on performance, with a path coefficient value of 0,404 with a t-statistic value of 3,585 which is greater than 1,96 where the higher the perceived gender equality, the more performance will improve. Based on these results the third hypothesis of the research which suspects that there is an effect of gender equality (Z) on performance (Y) of Non-Permanent Employees with Work Agreements at the Regional Secretariat of the East Java Province can be accepted and proven.
- 4.) Financial compensation and motivation have positive and significant effect on performance of Non-Permanent Employees with Work Agreements with gender equality as a moderating variable in the fourth hypothesis (H₄) that can be accepted and proven, with the path coefficient value of compensation effect on performance with gender equality as a moderating variable is 0,005 with a t-statistic value of 0,042 which is less than 1,96 which shows that gender equality does not strengthen or weaken the effect of compensation on performance. Based on these results the fourth_(a) hypothesis (H_{4a}) of research suggesting that there is an effect of financial compensation on performance of Non-Permanent Employees with Work Agreements with gender as a moderating variable in the Regional Secretariat of East Java Province is unacceptable and unproven. While the path coefficient value of the effect of motivation on performance with gender equality as a moderating variable is 0,405 with a t-statistic value of 2,494 greater than 1,96 where this shows that with gender equality reinforcing the effect of motivation on performance, the more recognized gender equality will increasingly strengthen the influence of motivation on performance. Based on these results the fourth_(b) hypothesis (H_{4b}) of the study which suggests that there is a motivational effect on performance of Non-Permanent Employees with Work Agreements with gender as a moderating variable in the Regional Secretariat of the Province of East Java can be accepted and proven.

Based on the results of the analysis and discussion of this study, the researcher proposes the following recommendations:

- 1.) There needs to be monitoring and evaluation related to the provision of financial compensation obtained by Non-Permanent Employees with Work Agreements at the Regional Secretariat of East Java Province by looking at the results of the performance appraisal obtained.

- 2.) The motivation given to Non-Permanent Employees with Work Agreements at the Regional Secretariat of the Province of East Java needs to be improved in all aspects so that they can participate in increasing the performance achieved following individual and institutional goals.
- 3.) The pattern of gender equality is needed concretely to improve the performance of Non-permanent Employees with Work Agreements at the Regional Secretariat of East Java Province based on the Regional Regulation of East Java Province Number 3 of 2014 concerning the Regional Medium-Term Development Plan (RPJMD) of East Java Province in 2014 - 2019, one of the East Java development strategies is Gender Mainstreaming, and observing the East Java Governor's Regulation Number 66 the Year 2013 concerning Guidelines for Implementing Gender Mainstreaming in the Development of the East Java Province and the East Java Governor's Decree issued: 188/305 / KPTS / 013/2017 concerning Working Groups Gender Mainstreaming of East Java Province can optimize the roles and functions of women and men to be able to participate and enjoy the results of development in all fields.

ACKNOWLEDGMENT

Researchers give thanks to God Almighty God because of His blessings and grace we can complete this research well. Not to forget, we also thank the Chairman of the Regional Secretariat of East Java Province and the Non-Permanent Employees with Work Agreements who are willing to be respondents in this study.

REFERENCES

- Abbas, A. & Waheed, A. (2011). Gender discrimination & Its effect on employee performance/productivity. *International Journal of Humanities and Social Science*, 1(15), pp. 170-176.
- Bae, K. & Skaggs, S. (2019). The impact of gender diversity on performance: The moderating role of industry, alliance network, and family-friendly policies – Evidence from Korea. *Journal of Management & Organization*, 25(6), pp. 896-913. DOI: <http://dx.doi.org/10.1017/jmo.2017.45>
- Cainarca, G. C., Delfino, F. & Ponta, L. (2019). The effect of monetary incentives on individual and organizational performance in an Italian Public Institution. *Administrative Science*, 9(72), pp. 1-19. DOI: <http://dx.doi.org/10.3390/admsci9030072>
- Capraro, K. L. (2016). An explanatory case study of the implementation of co-teaching as a student teaching method. *Dissertation*. University of Rhode Island.
- Evelyne, N., Muathe, S. & Kilika, J. (2018). Mediating effect of motivation on employees performance in private equity firms, Kenya. *Journal of Human Resource Management*, 6(2), pp. 78-84. DOI: <http://dx.doi.org/10.11648/j.jhrm.20180602.15>

- Ghaffari, S., Shah, I. M., Burgoyne, J., Nazri, M. & Salleh, J. R. (2017). The influence of motivation on job performance: A case study at Universiti Teknologi Malaysia. *Australian Journal of Basic and Applied Science*, 11(4), pp. 92-99.
- Ghafoor, S., Ansari, N. & Moazzam, A. (2017). The effect of financial compensation and perceived career progression on employee turnover intentions with self actualization as a mediator. *Governance & Management Review*, 1(2), pp. 67-91
- Gunawan, H. & Amalia, R. (2015). Wages and employees performance: The quality of work life as moderator. *International Journal of Economic and Financial Issues*, 5, pp. 349-353.
- Hair, J. F., Sarstedt, M., Ringle, C. M., & Mena, J. A. (2011). An Assessment of the Use of Partial Least Squares Structural Equation Modeling in Marketing Research. *Journal of Academy of Marketing Science*, 40(3), 414-433.
- Henseler, J., Ringle, C. M., & Sinkovics, R. R. (2014). The use of partial least squares path modeling in international marketing. *New Challenges to International Marketing Advances in International Marketing*, 20, 277-319.
- Hermawan, S. & Sari, L. N. I. (2018). Motivation as moderating variable on the effect of moral reasoning and ethical sensitivity toward the ethical behavior of accounting students. *Journal of Accounting and Business Education*, 3(1), pp. 72-92.
- Hoque, A. S. M. M. & Awang, Z. B. (2019). Does gender difference play moderating role in the relationship between entrepreneurial marketing and Bangladeshi SME performance?. *Accounting*, 5, pp. 35-52. DOI: <http://dx.doi.org/10.5267/j.ac.2018.06.001>
- Jarboui, A., Saad, M. K. B. & Riguen, R. (2019). Tax avoidance: Do board gender diversity and sustainability performance make a difference?. *Journal of Financial Crime*, 1(3), pp. 1-20. DOI: <http://dx.doi.org/10.1108/JFC-09-2019-0122>
- Kee, L. B., Ahmad, R. B. & Abdullah, S. M. (2016). Relationship between financial compensation and organizational commitment among Malaysian bank workers. *Asian Business Research*, 1(1), pp. 75-85.

- Khalid, M. & Aroosh, R. (2014). Outcomes of gender discrimination: A study of female workers in banking sector of Pakistan. *Journal of Business and Management*, 16(7), pp. 38-48.
- Khan, M. A., Yusoff, R. M., Hussain, A. & Ismail, F. B. (2019). The mediating effect of job satisfaction on the relationship of HR practices and employee job performance: Empirical evidence from higher education sector. *International Journal of Organizational Leadership*, 8, pp. 78-94.
- Nakagawa, Y. (2015). The gender diversity – firm performance relationship by industry type, working hours, and inclusiveness: An empirical study of Japanese firms. *Journal of Diversity Management*, 10(1), pp. 61-78.
- Ngao, E. & Mwangi, C. (2013). Effects of managing gender of employees in enhancing organizational performance: A case study of Kenya ports authority. *European Journal of Business and Management*, 5(21), pp. 1-8.
- Ogunleye, A. J. & Osekita, D. A. (2016). Effect of job status, gender, and employees' achievement motivation behavior on work performance: A case study of selected local government employees in Ekiti State, Nigeria. *European Scientific Journal*, 12(26), pp. 235-248. DOI: <http://dx.doi.org/10.19044/esj.2016.v12n26p235>
- Rahi, S. (2017). Research design and methods: A systematic review of research paradigms, sampling issues and instruments development. *International Journal of Economy and Management Science*, 6(2), pp. 1-6. DOI: <http://dx.doi.org/10.4172/2162-6359.1000403>
- Shah, M. & Asad, M. (2018). Effect of motivation on employee retention: Mediating role of perceived organizational support. *European Online Journal of Natural and Social Science*, 7(2), pp. 511-520.
- Siahaan, E. (2017). Antecedents of employee performance and the influence on employee job satisfaction in banking service sector in Indonesia. *Banks and Bank Systems*, 12(4), pp. 75-89. DOI: <http://dx.doi.org/10.21511/bbs>
- Soomo, P., Soomro, F. & Memon, M. S. (2015). Gender discrimination and Its impact on employee productivity/performance: A study on government universities of Upper Sindh. *International Journal of Management Science and Business Research*, 4(6), pp. 36-40.