The Effect of Financial Compensation and Work Pressure on Employees’ Performance Through Job Satisfaction

The Case of Directorate of General Taxes of South, West, and South-East Sulawesi

Muhammad Akhyar¹*, Cepi Pahlevi², Muhammad Idrus Taba³

¹ Directorate of General Taxes (DGT); muhakhyar9188@gmail.com
² Faculty of Economics and Business, Hasanuddin University; c.pahlevi@yahoo.com
³ Faculty of Economics and Business, Hasanuddin University; emitaba71sa@gmail.com

* Correspondence author: muhakhyar9188@gmail.com

Abstract

This study aims to examine and analyze the effect of financial compensation and work pressure on the performance of employees through job satisfaction in DGT Regional office of South, West and South-East Sulawesi. Data was collected by a survey method, using questionnaire instruments created by Google Form platform and distributed to all civil servants of DGT Regional office of South, West and South-East Sulawesi and are grouped into five clusters. Of the 1,701 employee population, there were 352 employees who responded. Data is then analyzed using the Structural Equation Model (SEM) with the help of the SPSS AMOS application. The results showed that financial compensation and work pressure have a significant positive effect on job satisfaction. Interestingly, both variables, financial compensation and work pressure, did not show a significant effect on employees’ performance. Job satisfaction has a significant positive effect on employees’ performance.

Keywords: financial compensation; work pressure; job satisfaction; employee performance.

INTRODUCTION

The Directorate General of Taxes (DGT) is one of the echelon I units under the Ministry of Finance that has heavy task of collecting tax revenue and being the main source of revenue in the National Budget (APBN). With that kind of task and their difficulties, DGT needs to be supported by reliable human resources who can be measured from their level of achievement and good performance. To support good employees’ performance, employees’ job satisfaction needs to be considered further.

Employees’ job satisfaction is influenced by many factors and certain motivations, two of which are financial and non-financial compensation. The financial compensation that differentiates the DGT organization from other agencies is the existence of a performance allowance with separate calculations based on Presidential Regulation (Perpres) No. 37/2015 and a particular bonus called the IPK (Job Achievement Rewards). Apart from compensation, things that affect employees’ job satisfaction are related to work pressure.

In general, work pressure in government agencies is not too high when compared to private companies and BUMN. However, the work pressure for employees at DGT is relatively high. Existing work pressures include workload, performance appraisal systems, and job security. In particular, DGT has implemented a performance appraisal system with reference to the Minister of Finance Regulation Number PMK-211/PMK.03/2017. In addition to a fairly high workload, employees of DGT also faced with the pressure of work involves job security (job safety) in dealing with the...
various characters of taxpayers.

Compared to the context of developed countries, what makes it different from Indonesia or other developing countries may be the level of welfare that government employees gain. Asian countries, especially Indonesia, still have to struggle with the fact that most public servants' compensation is insufficient even to support their basic needs. Maslow (1943) argued that once a person has been satisfied by a particular need and moves towards a higher need, the lower need will no longer be his priority. It is very likely that government employees of developed countries are satisfied with their basic needs so that they will strive for higher needs which are intrinsic needs, while the majority of Indonesian government employees and other developing countries still have to meet their housing, educational needs, etc. on extrinsic needs (primary needs) rather than their intrinsic needs.

Related to employee performance evaluation, the performance evaluating system has already been applied in the DGT as a part of the bureaucratic reform undertaken, where the rules are applied differently by other organizational units. DGT is an organization that has become a pioneer in carrying out bureaucratic reform that has been kicked of since 2004.

LITERATURE REVIEW

Hierarchy Theory of Maslow

Theory of Hierarchy of needs is proposed by Abraham Maslow, a character psychology flow humanistic, in the year of 1943 through one of his words: A Theory of Human Motivation. Maslow stated that basically there are various kinds of needs in yourself someone who can be seen as a tiered (hierarchical). Such needs grouped in a hierarchy into five forms of needs, namely: (1) need of physiological; (2) need of security; (3) need of social ownership; (4) need of self-respect ; and (5) the need of self-actualization, as depicted on Figure 1. Rivai (2009: 840) in the other case explained that the chart theory of hierarchy of needs by Maslow at the top of the marker sequence needs someone who always follow the flow of the hierarchy. The more high-level needs of a person, or even move to the top level of the needs of a person, it is getting a bit of its needs, because the needs of others considered ‘have been fulfilled’, and getting a little to those people who did reach the level above it. Needs of physical/physiological as depicted on Figure 1 is positioned as the bottom of the hierarchy of needs. The theory stated that the physical/physiological needs contain primary needs that is incredibly necessary to sustain the life of a man, such as food, clothing, and shelter. Until this need sure met, other needs will continuously show a relatively small figure.

![Maslow Hierarchy](image)

**Figure 1:** Maslow Hierarchy

Employee Performance

Employees’ performance is defined by Mangkuprawira and Hubeis (2007: 13) as a result of work, both quality and quantity, achieved by employees in carrying out their duties in accordance
with the responsibilities given to them. Then, according to Mathis, R.L and Jackson, J.H. (2006), there are three indicators of employees’ performance, namely (1) the quality of work is the quality of work which refers to the completion of tasks well and goes according to established procedures, job accuracy or margin of error for work, and does tip to minimize the occurrence of work errors, (2) the amount of work produced by production can be displayed in currency units, the number of units or activities whose number of cycles is completed, and (3) the timeliness of completing a given task or project and how employees arrive on time go to work, come home from work according to the specified time, and be disciplined in their working hours.

**Job Satisfaction**

The term employees’ job satisfaction can be defined as a positive feeling which is the result of evaluation of its characteristics (Robbins and Judge, 2011), while Kreitner and Kinicki (2005) stated that employees’ satisfaction is the effectiveness or emotional response to various aspects of work. This definition implies that employees’ satisfaction is not a single concept. On the contrary a person can be relatively satisfied with one aspect of his job and not satisfied with the other aspects. Employees’ satisfaction is the worker's (positive) attitude towards their work, which arises based on the assessment of the work situation. The assessment can be carried out on one of the jobs and as a sense of appreciation in achieving one of the important values in work environment. Satisfied employees prefer their work situation to those who don't.

**Compensation**

According to Derlin and Schneider (1994), Miller (1985), and Solly and Hohenshil (1986), compensation has been considered a major factor in job satisfaction studies by scientists in interdisciplinary studies (as cited in Waskiewicz, 1999). Although they interchangeably use different terms between reward and compensation, basically the two terms have the same meaning. Gifts are a representation of what an individual wants when he is involved in an activity or job (Waskiewicz, 1999). Mottaz's research (1985) reveals that rewards are significantly related to job satisfaction and professionalism. He supports the idea that job satisfaction of professionals can be derived from how they feel about their job, or in other words, job satisfaction is influenced by employees’ benefits. He further concluded that there is actually a strong relationship between job satisfaction and rewarding job.

**Work Pressure**

Work pressure is the result of or in response to certain stimuli in the work environment. At this time, the pressure of work leads to an increasingly clear and low morale of employees. This could happen because of the pressure of work late that can be attributed to changes in technology, competitive lifestyle, and many other social factors. Work pressure however is a double-edged sword, it can have both productive and counter-productive impacts. Work pressure can be productive if it helps or motivates people to do more and do well. This allows them to explore opportunities and leads to increased work productivity. Work pressure can become counter-productive when external factors create more pressure to work but don't lead to concrete results. Work pressure could effect every employee lives on day-to-day basis and soon their job performance. Job stress can occur due to several factors such as overwork, workload, low salary, lack of incentives, motivation at work, recognition, etc. Maki et al. (2008) in their research entitled "Job Stress and New Migraine Attacks in Female Employee Population" analyzed the results of stress on health problems. They suggest that female employees experience new migraines as a result of more stress at work. This pressure is incorporated into the work tension model and the business benefits imbalance model, and is found to be around 19,469 employees are women without a history of migraines prior to the study, experienced migraine afterwards. The pioneer of new migraine cases is associated with an imbalance of high effort and reward. The main work pressure factors that affect job performance are: workload; job security; autonomy; role conflict; work shift; low salary; technological changes; low morale; and
lack of recognition.

Conceptual Model

![Conceptual Model Diagram]

**Figure 2: Theoretical Framework**

Based on the framework of conceptual which is reflected in the Figure 2, a hypothesis that was tested in a study of this are as follows:

H-1: Compensation has a significant positive effect on DGT employees’ performance.
H-2: Work pressure has a significant positive effect on the performance of DGT employees.
H-3: Job satisfaction has a significant positive effect on DGT employees’ performance.
H-4: Compensation has a significant positive effect on job satisfaction of DGT employees.
H-5: Work pressure has a significant positive effect on job satisfaction of DGT employees.
H-6: Compensation has a significant positive effect on employees’ performance through job satisfaction as an intervening variable.
H-7: Work pressure has a significant positive effect on employees’ performance through job satisfaction as an intervening variable.

**RESEARCH METHOD**

This research is a quantitative study, by distributing questionnaires to all Civil Servants / State Civil Servants (ASN) in the South, West, and South-East Sulawesi Regional DGT Office. The data collected for this study came from employees of the Directorate General of Taxes at all levels of positions (Echelon II, III, IV, Auditors, Appraiser, Account Representatives, Objection Evaluators, etc) at the DGT Regional Office of South, West, and South-East Sulawesi. The research data collection method used a closed questionnaire by giving a choice of numbers 1 to 5, where 1 = Strongly Disagree and 5 = Strongly Agree. Anonymous questionnaires will be given to employees in each office but they are still required to fill in several identities such as Gender, Age, Last Education, Rank/Class, Working Period, Position, and current placement whether homebase or non-homebase. They were asked to give their answers as honestly as possible and not to leave questions unanswered. The score is subjected to statistical analysis to test the research hypothesis later.

In research with a complex model, basically it can be analyzed using regression analysis or path analysis, but in practice it is not efficient because each sub-structure must be analyzed one-by-one, then combined into a complete model. These complex problems can be analyzed using Structural Equational Modeling (SEM) analysis using the SPSS AMOS program.
EMPIRICAL RESULTS

Characteristics of Respondents

The research data were collected through questionnaires that were made on Google Form. After that, the shared link of the questionnaires were distributed via WhatsApp Application to contacts or groups with a time limit one week considering the intensity of the occupation of the respondents. After the time limit passed, there are 352 people responded and filled the questionnaire.

<table>
<thead>
<tr>
<th>No</th>
<th>Clusters (Workplace)</th>
<th>Population</th>
<th>Sample Target</th>
<th>Sample Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>First Cluster (Regional Office)</td>
<td>135</td>
<td>26</td>
<td>33</td>
</tr>
<tr>
<td></td>
<td>(DGT Regional Office of South, West, and South-East Sulawesi)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Second Cluster (Tax Offices in Makassar)</td>
<td>651</td>
<td>124</td>
<td>124</td>
</tr>
<tr>
<td></td>
<td>(KPP Pratama (KPPP) Makassar Utara; KPPP Makassar Barat; KPPP Makassar Selatan;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>KPPPKendari; KPP Madya Makassar; KPPP Mamuju)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Third Cluster (Tax Offices in the City outside Makassar)</td>
<td>280</td>
<td>53</td>
<td>64</td>
</tr>
<tr>
<td></td>
<td>(KPPP Parepare; KPPP Palopo; KPPP Baubau)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Fourth Cluster (Tax Offices in the regencies)</td>
<td>504</td>
<td>96</td>
<td>104</td>
</tr>
<tr>
<td></td>
<td>(KPPP Bulukumba; KPPP Bantaeng; KPPP Watampone; KPPP Maros; KPPP Majene; KPPP Kolaka)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Fifth Cluster (Micro Tax Offices)</td>
<td>131</td>
<td>25</td>
<td>27</td>
</tr>
<tr>
<td></td>
<td>(KP2KP Sidrap; Pinrang; Enrekang; Masamba; Malili; Makale; Sinjai;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Benteng; Sungguminasa; Takalar; Bontosunggu; Sengkang;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Watansoppeng; Pangkajene; Rumbia; Unaaha; Mamasa; Polecwali;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Pasangkayu; Lasusua; Raha)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>1,701</td>
<td>324</td>
<td>352</td>
</tr>
</tbody>
</table>

Source: Primary data processed

Model Test

Based on the results of this research data processing, the non-statistical measure model test shows that the Conformity Index Value or called the GFI (Goodness of Fit Index) is 0.921, where the GFI value measures the relative number of variants and covariances whose values range from 0 – 1. If the value is close to 0 then the model has a low fit, and if the value is close to 1 then the model has a high fit (Sarwono, 2010). The non-statistical measure of GFI has a value range between 0 (poor fit) to 1.0 (perfect fit). High scores on this index indicate a “better fit”. The expected GFI is 0.90 (Waluyo, 2016). Thus, based on the GFI value ≥ 0.9, the model in this study has good alignment.

The Comparative Fit Index or the so-called CFI (Comparative Fit Index) on the results of data processing is 0.897, whose value ranges from 0 – 1. If the value is close to 0 then the model has a low fit, and if the value is close to 1 then the model has a good fit (Sarwono, 2010). The TLI (Tucker Lewis Index) value is 0.866. If the value is close to number 1, then the model has a very high compatibility (Sarwono, 2010).

Root Mean Square Error of Approximation (RMSEA) on the results of data processing is 0.080, where RMSEA serves as a criterion for covariance structure modeling by considering the errors that approach the population. The feasibility of a model that fits the population covariance matrix is said to be quite good if it is valued at or less than 0.08 (Sarwono, 2010). The RMSEA value that is smaller or equal to 0.08 is an index for the acceptance of the model. The RMSEA index can be used to compensate for chi-square statistics in a large sample. The RMSEA value shows the expected goodness of fit if the model is estimated in the population (Hair as cited in Minto, 2016).

The model structure in this study uses the Structural Equation Model (SEM) which is operated using the SPSS AMOS application which can be seen in Figure 3.
One of the requirements for testing the Structural Equation Model (SEM) is to analyze the determinants of the variables, namely by using Confirmatory Factor Analysis (CFA). CFA as Measurement Modeling, is directed to investigate the unidimensionality of indicators that explain a factor or a latent variable. The loading factor of each indicator against each of its latent variables is used to assess the suitability of the indicators in forming a latent variable. To see the contribution of each indicator in forming latent variables can be seen in the table 2.

### Table 2. Latent Variable Estimation Results

<table>
<thead>
<tr>
<th>Latent Variable and Indicators</th>
<th>Loading Factor</th>
<th>t-Statistic</th>
<th>Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>X₁ =&gt; X₁₁</td>
<td>0.462</td>
<td>11.873</td>
<td>0.000</td>
</tr>
<tr>
<td>X₁ =&gt; X₁₂</td>
<td>0.342</td>
<td>8.735</td>
<td>0.000</td>
</tr>
<tr>
<td>X₁ =&gt; X₁₃</td>
<td>0.329</td>
<td>5.316</td>
<td>0.000</td>
</tr>
<tr>
<td>X₁ =&gt; X₁₄</td>
<td>0.396</td>
<td>10.538</td>
<td>0.000</td>
</tr>
<tr>
<td>X₁ =&gt; X₁₅</td>
<td>0.534</td>
<td>12.441</td>
<td>0.000</td>
</tr>
<tr>
<td>X₁ =&gt; X₁₆</td>
<td>0.445</td>
<td>8.814</td>
<td>0.000</td>
</tr>
<tr>
<td>X₁ =&gt; Y₁₁</td>
<td>0.104</td>
<td>4.521</td>
<td>0.000</td>
</tr>
<tr>
<td>X₁ =&gt; Y₁₂</td>
<td>0.131</td>
<td>4.545</td>
<td>0.000</td>
</tr>
<tr>
<td>X₁ =&gt; Y₁₃</td>
<td>0.128</td>
<td>4.649</td>
<td>0.000</td>
</tr>
<tr>
<td>X₁ =&gt; Y₁₄</td>
<td>0.116</td>
<td>4.582</td>
<td>0.000</td>
</tr>
<tr>
<td>Y₂ =&gt; Y₂₁</td>
<td>0.082</td>
<td>10.916</td>
<td>0.000</td>
</tr>
<tr>
<td>Y₂ =&gt; Y₂₂</td>
<td>0.291</td>
<td>12.378</td>
<td>0.000</td>
</tr>
<tr>
<td>Y₂ =&gt; Y₂₃</td>
<td>0.281</td>
<td>12.072</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Source: Primary data processed

The estimation results show that all indicators show a significant contribution (fulfilling the validity and reliability test) in forming the latent variables, this can be seen in the t-statistic number for each indicator which is greater than 2 (significance of 5 percent).

### Estimation Main Results of Employee Performance Determinants

### Tabel 3. Estimation Results of Employees’ Performance Variables (Y₂)

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Direction of Influence between Variables</th>
<th>Path Coefficient</th>
<th>t-Statistic</th>
<th>Probability</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>X₁ =&gt; Y₂</td>
<td>0.031</td>
<td>0.093</td>
<td>0.926</td>
</tr>
<tr>
<td>2</td>
<td>X₂ =&gt; Y₂</td>
<td>-0.543</td>
<td>-1.100</td>
<td>0.271</td>
</tr>
<tr>
<td>3</td>
<td>Y₁ =&gt; Y₂</td>
<td>0.381*</td>
<td>2.328</td>
<td>0.020</td>
</tr>
<tr>
<td>4</td>
<td>X₁ =&gt; Y₁</td>
<td>1.724*</td>
<td>3.722</td>
<td>0.000</td>
</tr>
<tr>
<td>5</td>
<td>X₅ =&gt; Y₁</td>
<td>2.457*</td>
<td>3.950</td>
<td>0.000</td>
</tr>
</tbody>
</table>

Note: *) Significant at α = 5%

Source: Primary data processed
The results of hypothesis testing can be described as follows:

1. The direct effect of financial compensation ($X_1$) on employees’ performance ($Y_2$) shows an insignificant effect with a t value of 0.093 (t-statistic < 2 with a significance of 5 percent) and a coefficient value of 0.031. This means that whether the financial compensation is good or bad will not affect employees’ performance. Here the initial hypothesis contradicts the research results, where the initial assumption is that there is a significant positive relationship between financial compensation and employee performance.

2. The direct effect of work pressure ($X_2$) on employees’ performance ($Y_2$) shows an insignificant influence with a t value of -1.100 (t-statistic < 2 with a significance of 5 percent) and a coefficient value of -0.543. This means that whether the work pressure is good or bad will not affect employees’ performance. Here the initial hypothesis contradicts the research results, where the initial assumption is that there is a significant positive relationship between work pressure and employees’ performance.

3. The direct effect of job satisfaction ($Y_1$) on employees’ performance ($Y_2$) showed a significant effect with t value of 2.328 (t-statistic > 2 with a significance of 5 percent) and the coefficient of 0.381. This means that the better the level of job satisfaction, the better the employees’ performance (based on the positive number on the coefficient value). Conversely, the worse the job satisfaction, the lower the employees’ performance. These results are in accordance with the initial hypothesis which states that there is a significant positive relationship between job satisfaction and employees’ performance.

4. The direct effect of Financial Compensation ($X_1$) on Job Satisfaction ($Y_1$) shows a significant effect with a t value of 3.722 (t-statistic > 2 with a significance of 5 percent) and a coefficient value of 1.724. This means that the better the financial compensation received, the better the employees’ job satisfaction (based on a positive number on the coefficient value). Conversely, the worse the financial compensation received, the lower the employees’ job satisfaction. This result is in accordance with the initial hypothesis which states that there is a significant positive relationship between financial compensation and job satisfaction.

5. The direct effect of Work Pressure ($X_2$) on Job Satisfaction ($Y_1$) shows a significant effect with a t value of 3.950 (t-statistic > 2 with a significance of 5 percent) and a coefficient value of 2.457. This means that the better the existing work pressure, the better the employees’ job satisfaction (based on a positive number on the coefficient value). Conversely, the worse the work pressure is received, the lower the employees’ job satisfaction. This result is in accordance with the initial hypothesis which states that there is a significant positive relationship between work pressure and job satisfaction.

6. The indirect effect of Financial Compensation ($X_1$) on Employees’ Performance ($Y_2$) through Job Satisfaction ($Y_1$) shows a significant overall effect. This influence comes from a positive and significant relationship between financial compensation and job satisfaction which is continued with a positive and significant relationship between job satisfaction and employee performance. This means that any increase in financial compensation received will increase the level of job satisfaction. Furthermore, increasing job satisfaction will have a significant effect on improving employees’ performance. Here the initial hypothesis is in accordance with the research results, where the initial assumption is that there is a significant positive relationship between financial compensation and employees’ performance through job satisfaction.

7. The indirect effect of Work Pressure ($X_2$) on Employees’ Performance ($Y_2$) through Job Satisfaction ($Y_1$) shows a significant overall effect. This influence comes from a positive and significant relationship between work pressure and job satisfaction which is continued with a positive and significant relationship between job satisfaction and employees’ performance. This means that the better the existing work pressure, the higher the level of job satisfaction. Furthermore, increasing job satisfaction will have a significant effect on improving employees’ performance. Therefore, the initial hypothesis is in accordance with the results of the study, where
the initial assumption is that there is a significant positive relationship between work pressure and employee performance through job satisfaction.

**DISCUSSION**

**The Effect of Financial Compensation on Employees’ Performance**

Based on the results of the first hypothesis testing, the direct effect of financial compensation (X₁) to employees’ performance (Y₁) showed no significant effect with the value t of 0.093 and the coefficient of 0.031. This means that the level of financial compensation will not have a direct effect on employees’ performance. Therefore, the initial hypothesis contradicts the results of the study, where the initial assumption is that there is a significant positive relationship between financial compensation and employees’ performance.

This can be caused by conditions in government agencies where employees (subordinates) can only accept good conditions regarding the financial compensation received and the existing work pressure. On the other hand, employees are required to continue providing their best performance on the workplace.

The results of this study are not in accordance with the theory of Mathis and Jackson (2006) which revealed the management method to improve the performance, motivation, and job satisfaction of all employees through compensation. Compensation is something that employees receive from their work. However, the results of this study are in accordance with those expressed by Taba, M.I. (2010) who conducted research on the effect of the reward system on work performance and job satisfaction. The results obtained are that the direct and positive effect of the reward system on work performance is minimal. This relationship is in fact indirect and positive.

**The Effect of Work Pressure on Employee Performance**

Based on the results of testing on the second hypothesis, the direct effect of work pressure (X₂) on employees’ performance (Y₂) shows an insignificant effect with a value of -1.100 and a coefficient value of -0.543. This means that the level of work pressure will not affect employees’ performance. These results also contradict the initial hypothesis that there is a significant positive relationship between work pressure and employees’ performance.

According to Newstrom, J. W. and Davis, K. (1993: 32), there are two variables that could affect performance. The first variable is the individual variable which is consisted of experience, education, gender, age, motivation, leadership, physical condition, personality, and attitude. The second and last variable called the situational variable which is consisted of physical and occupational factors including work methods, settings and conditions, work equipment, workspace arrangements, noise, radiation and temperature, as well as social factors of an organization which include policies, types of training and experience, payroll systems, and work environment.

This study shows that the two variables stated above have generally been fulfilled. Seeing the characteristics of employees working in DGT Regional Office of South, West, and South-East Sulawesi, having an average level of undergraduate education is considered to have a good balance of the performance process in order to successfully meet the organization's vision and mission. Likewise, if viewed from another perspective, the conditions of work environment in the DGT generally are well organized and neat, so that work comfort should be able to run well.

**The Effect of Job Satisfaction on Employee Performance**

Based on the results of the third hypothesis testing, job satisfaction has a positive influence on employees’ performance significantly with the value t of 2.328 and the coefficient of 0.381. This means that the higher the level of employees’ job satisfaction, the better the employees’ performance (based on a positive number on the coefficient value). Conversely, the worse job satisfaction, the lower the employees’ work performance. These results are in accordance with the initial hypothesis which states that there is a positive and significant relationship between job satisfaction and employees’ performance.
Job satisfaction positively affects employees’ performance significantly with beta value (regression coefficient) of 0.740 (74 percent). Therefore, it can be understood that any rise in job satisfaction by one unit will affect the surge in employees’ performance by 74 percent. The results of this study are in line with the results of previous studies conducted by Sudiardhita et al. (2018) which states that job satisfaction is a positive direct effect toward the employees’ performance. However, the results of hypothesis testing in this study are not in line with the results of research conducted by Subekti, A., & Setyadi, D. (2016) which state that job satisfaction has no effect at all on employees’ performance.

Job satisfaction, is the effectiveness or emotional response to various aspects of work. Companies that are able to meet their employees’ job satisfaction will not experience obstacles in managing human resources Kreitner & Kinicki (2005). Job satisfaction is briefly a person’s satisfaction with his job (Lie & Siagian, 2018). Yang et al. (2011) emphasized that job satisfaction is how individuals in the organization feel about their work. They add that the reason is why public managers should pay more attention to job satisfaction because it can lead to higher work performance.

The Effect of Financial Compensation on Job Satisfaction

Based on the results of testing the fourth hypothesis, financial compensation has a significant positive influence on job satisfaction with the value t of 3.722 and the coefficient of 1.724. This means that the higher the financial compensation received, the better the level of employees’ job satisfaction (based on a positive number on the coefficient value). Conversely, the worse the financial compensation, the lower the level of job satisfaction.

Financial compensation has a significant positive effect on job satisfaction with a beta value (regression coefficient) of 0.520 (52 percent). Thus, it can be explained that each increase in financial compensation by one unit will affect an increase in job satisfaction by 52 percent.

This study confirms the result of previous studies conducted by Subekti & Setyadi (2016) which shows that the financial compensation effect on job satisfaction. Also in accordance with the results of research from Taba (2010) which found that the effect of the reward system on job satisfaction is significant. Extrinsic and intrinsic rewards have a direct, positive, and significant effect on job satisfaction.

Job satisfaction is people's perception of various aspects of their job. The notion of perception can be in the form of feelings and attitudes towards their work. Feelings and attitudes can be positive or negative. If people feel and have a positive attitude towards their work, they will be satisfied with their work. If they feel and have a negative attitude towards their work, then they will not be satisfied with their work (Wirawan, 2017). One aspect that is relevant in the measurement of job satisfaction is a fair return by Robbins and Judge (2008), which said that it is obviously clear and reasonable if financial compensation ultimately have the effect of creating employees’ satisfaction.

The Effect of Work Pressure on Job Satisfaction

Based on the results of testing the fifth hypothesis, work pressure has a significant positive effect on job satisfaction with a t value of 3.950 and a coefficient value of 2,457. This means that the higher the perceived work pressure, the better the level of employees’ job satisfaction (based on a positive number on the coefficient value). Conversely, the worse the work pressure, the lower the level of job satisfaction.

Work pressure has positive and significant influence on job satisfaction due to the value of beta (regression coefficient) of 0.741 (74.1 percent). Therefore, it can be understood that each unit increase in work pressure conditions will have an effect on an increase in job satisfaction by 74,1 percent.

The results of this study confirm the results of previous research by Subekti & Setyadi (2016) which state that work pressure in the form of a performance appraisal system has an effect on job satisfaction. Abraham Maslow (Wirawan, 2017) explained the theory of hierarchy of needs where
the sequence begins at the basic: physical and safety needs. These two main needs, of course, will be obtained by ensuring fair remuneration and supportive working conditions, both of which are indicators of job satisfaction according to Robbins and Judge (2008).

**Indirect Effect of Financial Compensation on Employee Performance through Job Satisfaction**

Based on the results of testing the sixth hypothesis, financial compensation has an indirect positive effect on employees’ performance through job satisfaction of 30 percent. The value of the effect of financial compensation on employees’ performance through job satisfaction is quite large.

The results of this study are in line with the results of previous studies by Darma & Supriyanto (2017) which show that compensation affects employees’ satisfaction and employees’ performance at PT. Telekomunikasi Indonesia with employees’ satisfaction can mediate the effect of compensation on employees’ performance. These results are also consistent with previous research by Taba (2010) who conducted research on the effect of the reward system on job performance and job satisfaction. The results say that the direct and positive effect of the reward system on work performance is not significant, but the relationship is in fact indirect and positive.

Companies that are able to meet employees’ job satisfaction will not experience obstacles in managing human resources. Job satisfaction is briefly a person's satisfaction with his job (Lie & Siagian, 2018). If a person is satisfied with his working conditions and environment, he will feel comfortable and can improve his performance at work.

Furthermore, Greene et al. (1985) argued that when people express satisfaction related to the compensation they received, those whose rewards depend on their performance would be motivated to perform. Employees’ satisfaction is clearly vital to organizational effectiveness. One of the common criteria used by researchers to test organizational effectiveness is job satisfaction. Studies have shown that satisfied employees enjoy their work activities, learn new tasks and jobs easily, and are less likely to complain, than dissatisfied employees (Greene et al., 1985).

**Indirect Effect of Work Pressure on Employee Performance through Job Satisfaction**

Based on the results of testing the seventh hypothesis, work pressure has an indirect positive effect on employees’ performance through job satisfaction of 14.7 per cent. The value of the indirect effects of the pressure of work on the employees’ performance through job satisfaction relatively smaller than the value of the indirect effect which is owned by the financial compensation.

The results of this study are consistent with previous research by Amelia (2013) who conducted research on permanent employees of Bank Madiri Branch of Padang City. The result of work pressure significantly influence the employees’ performance and job satisfaction as an intervening variable.

This illustrates that improving job performance is not directly affected by a surge in financial compensation or work pressure, but there are job satisfaction variables that mediate. If the financial compensation and better work pressure have been able to influence the rise in employees’ job satisfaction, then an increase in employees’ job performance will be realized sooner rather.

**CONCLUSION**

Financial compensation and work pressure to the employees’ performance shows the effect which is not significant. This result indicates whether the good or bad financial compensation and existing work pressure will not directly affect employees’ performance. However, financial compensation and work pressure has a significant positive effect on job satisfaction and job satisfaction has a significant positive effect on employees’ performance. Financial compensation and work pressure has an indirect positive effect on employees’ performance through job satisfaction with a significant effect.

**Implications**
This research has implications both theoretically and practically for the development of science and policy in human resource management in the DGT organization as a whole. The implications of this research are: (1) Organizations get new references as material for consideration in making policies that will apply to Civil Servants at DGT; (2) The results of this study support various theories that financial compensation and work pressure are two important aspects in supporting human resource management applications, so that organizational performance can run effectively; (3) The results of this research can be used as a reference for the development of knowledge in the field of human resource management, especially those related to employees’ performance and job satisfaction.

Research Limitations

This study has limitations that further research must anticipate, which are: (1) The expected sampling target was almost not achieved, especially for cluster II. This happened because the questionnaire was not distributed in one office, namely KPP Pratama Makassar Selatan, so the expected sample size in Cluster II was only 124 or the same as the target sample. It could have impact on the level of data accuracy when trying to generalize; (2) The tendency of respondents to choose the same answer on most indicators, so this study was unable to ascertain the seriousness of the respondent in providing a response to each indicator of the questions that had been made; (3) The sample of this research is limited only to offices in the DGT Regional Office of South, West, and South-East Sulawesi, with the consideration that the researcher is an employee of one of the offices in the region, so that it is easier to accumulate data needed to complete this research.

REFERENCE


Mottaz, C. J. (1985). The relative importance of intrinsic and extrinsic rewards as determinants of
work satisfaction. The sociological quarterly, 26(3), 365-385.