
**THE MEDIATING ROLE OF WORK MOTIVATION ON THE INFLUENCE OF
PERFORMANCE REWARDS ON SOLDIER PERFORMANCE AT WORK UNIT
XYZ**



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Abstract

One of the major institutions or organizations in Indonesia is the Indonesian National Army (TNI). The TNI itself consists of three forces, namely the TNI of the Armed Forces, the Navy and the Air. In the conditions of carrying out his duties or responsibilities for a TNI, he must have a good performance is the result of optimum work in accordance with organizational standards and support the achievement of the goals of the organization. The purpose of the research is to analyse the impact of performance benefits on performance through the mediation of work motivation. The research method used is a type of survey method with a quantitative approach. With the SEM-PLS analysis tool which includes a sample of 51 respondents in the XYZ TNI AU Labour Unit. The research results show that performance benefits do not have a significant effect on employee performance, but performance benefits have a positive and significant impact on employment motivation. The study also found that work motivation has a positive impact as well as significant on performance. Furthermore, the motivation of work as a mediator shows the positive and significant impact of performance benefits on employees performance. The implications of the research show that the performance benefits are positive and not significantly influenced by soldiers performance. However, with the job motivation as the mediator is able to make performance benefits influence career performance, it is recommended that the TNI XYZ AU Labor Unit continue and improve the development of employee benefits system.

Keywords: Performance Allowance, Work Motivation, Employee Performance

INTRODUCTION

Performance is the responsibility of every individual in the organization (Mahendra et al., 2021). The Indonesian National Army (TNI) is one of the major organizations in Indonesia that consists of three matras: Land, Sea, and Air. TNI Air Force (TNI AU) is in charge of territorial construction to empower air defence areas. The research was carried out at one of the Working Units at TNI AU, which for secrecy is called “XYZ”. Working unit XYZ served at Mabasau in the fields of potential communications, including program planning, capacity building, territorial resilience, social communication, TNI intelligence, and construction of airspace boundaries (Source: TNI AU).

Good performance is essential to achieving the goals of the organization. Employee optimization is determined by well-being factors as well as performance support factors (Aditiya, 2022). Good performance is very closely related to reward or adequate salary (Kasman, 2021). However, in carrying out the duties of TNI AU there are obstacles such as lack of responsibility and high rates of violations of the law and discipline. This may be due to inadequate performance benefits, which are important to pay attention to for the well-being of soldiers and optimal performance. In the TNI AU organization, performance benefits are regulated in the Air Force Chief of Staff Regulations No. 36 of 2021. Performance remuneration is an additional reward of income to improve the work spirit and well-being of employees (Iryani et al., 2022). Optimal performance requires supporting factors of the organization and individual characteristics of the soldier (Mudhofar, 2021a).

Managing human resources well, giving opportunities to thrive, and giving motivation to soldiers is crucial to improving performance and achieving the goals of the unit (Nabela & Heriyanto, 2022). Motivation encourages the soldier to work better in meeting his needs (Ningsih et al., 2021). Understanding and dealing with motivational problems can result in optimal performance according to standards (Fadhlon et al., 2023).

Based on the above description, some previous research results mentioned that performance benefits influence employee performance (Candradewi & Dewi, 2019). However, different research results from Butarbutar & Nawangsari, (2022) that performance benefit does not influence employees performance. The results of Laras et al., (2021) and Rinaldi & Riyanto, (2021) mentioned that work motivation influence staff

performance. However, a different result from Maharani et al., (2023) stated that job motivation has no influence on employee performances. Further studies from Candradewi & Dewi, (2019) and Laras et al., (2021) mentioned that the motivation of work mediates the relationship between performance benefits and employees performance, but the results of Butarbutar & Nawangsari, (2022) and Rosalia et al., (2020) showed that work Motivation does not have an influence in mediating performance benefits to employees' performance.

This research is intended to analyze the relationship between the influence of performance benefits on soldiers' performance mediated by motivation for work on XYZ work unit. So the title of the study is "The role of motivation mediation on performance compensation on the performance of soldiers in XYZ work unit"

REVIEW OF LITERATURE

Equity Theory

John Stacey Adams, a work and behavioral psychologist, introduced the Equity Theory in 1963. This theory states that individuals inherently prefer fair and equal treatment, especially with regard to the perception of justice in the distribution of resources in interpersonal relationships (Irtanto, 2020). Unlike other motivation theories, Justice theory highlights the importance of compulsion and justice in individual judgment, presenting a more comprehensive perspective on justice. While many motivation theories state that behavior is driven by the need to maintain internal psychological balance - especially under pressure - Adams extends this concept by emphasizing the role of justice perceived between individuals within an organization (Kadir, 2023).

Performance Allowance

Performance benefits are additional benefits given to employees, such as access to corporate vehicles, free meals, health services, vacation assistance, and more (Wahyuni et al., 2019). These benefits serve as additional compensation designed to encourage employees to stay with the company. In this context, benefits are an element of the employment relationship related to the ability of employees to perform their duties, thus facilitating the achievement of the desired objectives (Elimanafe et al., 2023). Kang & Lee, (2021) notes that benefits are a component of compensation and are seen as part of the

remuneration system, which includes direct compensation related to work performance. For Mudhofar, (2021), there are four indicators of performance benefits, among others: 1) Values and Position classes, 2) Allowance, 4) Intentsive, 5) Amenities.

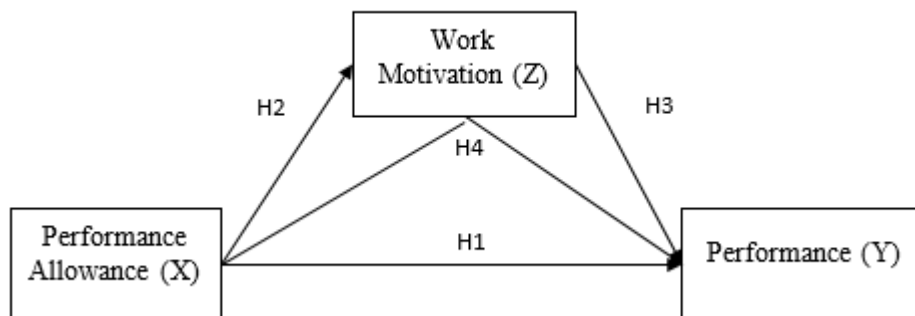
Work Motivation

Work motivation is the force that gives the individual energy and incentive to work. Nurasniar, (2021) states motivation as the primary impulse that drives a person to act according to their impulses. It can also be seen as a process aimed at influencing individuals to perform desired tasks based on a particular purpose. Wahyuni et al., (2019) states that motivation is the process that explains the intensity, direction, and perseverance of a person in achieving success. We can see that motivation affects various aspects of work-related behavior, including nature, direction, intensity, and duration. Behavioral characteristics relate to the kind of tasks the employee decides to perform during work. According to Abraham Maslow's hierarchical need theory, as quoted by Nurasniar, (2021), the indicator of work motivation is: 1) Physical Needs, 2) Safety and Security Needs, 3) Social Needs. 4) Appreciation Needs, 5) Self-Actualization Needs.

Performance

Performance is defined as the value obtained from a series of employee behaviors that have a positive or negative impact on the achievement of the organization's goals (Riwukore et al., 2021). Another perspective suggests that performance includes the outcome of work related to the organizational goals, such as quality, efficiency, and overall effectiveness, which determine the performance of activities that are usually associated with the individual's roles and responsibilities (Kamijan, 2021). According to Supratman et al., (2021), the performance indicator is: 1) Quality of work, 2) Quantity of work, 3) Timeliness and cost, 4) Effectiveness, 5) Efficiency.

Hypotheses



H1: Performance Allowance Has a Positive Effect on Performance

H2: Performance Allowance Positively Affect Work Motivation

H3: Work Motivation Has a Positive Effect on Performance

H4: Work Motivation Mediates Performance Allowance on Performance

RESEARCH METHOD

The method of research used in this research is descriptive. The population is XYZ work unit employees at TNI AU with a sample of research of 51 employees and data collection using a questionnaire distributed to each employee. Data analyzed using SmartPLS version 3 with the Partial Least Squares (PLS) method, which is a strategy for completing Structural Equation Modeling (SEM). SEM facilitates the connection of theoretical concepts with data and path analysis with hidden variables. PLS is often used by social scientists because it is strong and does not rely on complicated assumptions, does not require a normal multivariate distribution, and the sample size should not be large (Ghozali & Latan, 2017).

Test Validity and Reliability

Validity and reliability assessments ensure the accuracy and consistency of measurements. These assessments include:

First, Convergent Validity: Evaluates the relationship between item scores and construct scores using standard loading factors. High convergent validity is indicated by correlations exceeding 0.7.

Second, Discriminant Validity: Assesses the measurement model by examining cross-loadings and the Average Variance Extracted (AVE). A tool is valid if its AVE value is above 0.5.

Third, Composite Reliability: Measures the consistency of a construct using latent variable coefficients. A construct is considered reliable if its composite reliability is greater than 0.70.

Fourth, Cronbach's Alpha: Supports composite reliability by measuring consistency, with a value above 0.7 indicating dependable variables..

Inner Model

Abdillah & Hartono, (2015) A structural model, often referred to as an inner model, illustrates the cause-and-effect relationships between latent variables based on a theoretical framework.

R-Square

The R-square is used to measure the accuracy of structural models based on endogenous variable values. The change in R² values shows the significant impact of exogenous latent variables on endogenic latente variables and the extent of their influence. A model is classified as strong, moderate, or weak if its R-square value is 0.75, 0.50, or 0.25 (Hair et al., 2019).

Hypotheses Test

When assessing hypotheses, the t-statistic value is typically presented alongside the probability value. For hypothesis testing, a t-statistic of 1.97 is used for a 5% alpha level. Additionally, the beta value indicates the direction of the relationship between variables. Criteria for accepting or rejecting a hypothesis can be determined based on these test results.

$H_a = t\text{-statistic} > 1.97 \text{ with } p\text{-values} < 0.05$

$H_0 = t\text{-statistic} < 1.97 \text{ with } p\text{-values} > 0.05$

RESULTS AND DISCUSSION

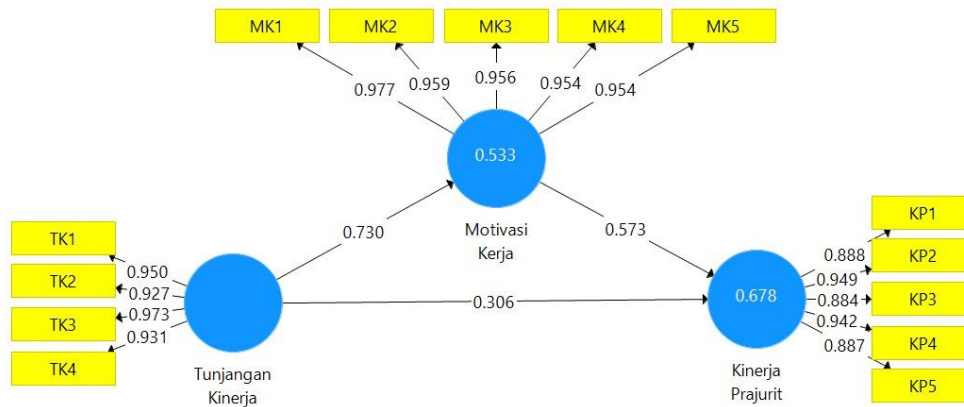


Figure 1
Outer Model

Source: Primary Data Processed (2024)

Validity Test

A validity assessment is conducted to evaluate the reliability of a questionnaire. In this study, validity was measured by examining convergent validity and Average Variance Extracted (AVE). A questionnaire is deemed valid if the AVE value exceeds 0.5 and the outer loading value surpasses 0.7.

Table 1.
Average Variant Extracted (AVE)

	Average Variance Extracted (AVE)
Performance	0,829
Work Motivation	0,922
Performance Allowance	0,894

Source: Primary Data Processed (2024)

The table indicates that all research variables have achieved an AVE value that exceeds the standard threshold of 0.5 (AVE > 0.5).

Reliability Test

Researchers used two reliability test methods: Cronbach's Alpha (CA) and Composite Reliability. CA evaluates the minimum reliability of a variable, with values

above 0.7 considered good. Composite Reliability assesses the true reliability of a variable, with values above 0.7 considered highly reliable.

Table 2.
Composite Reliability and Cronbach Alpha

	Composite Reliability	Cronbach's Alpha
Performance	0,960	0,948
Work Motivation	0,983	0,979
Performance Allowance	0,971	0,960

Source: Primary Data Processed (2024)

R-Square Test

The following is the R-Square value in this study:

Table 3. R-Square Value

	R Square	R Square Adjusted
Performance	0,678	0,665
Work Motivation	0,533	0,523

Source: Primary Data Processed (2024)

Table 3 reveals that the R-Square value for the performance variable is 0.678, indicating that work motivation and performance benefits account for 67.8% of the variance in performance. Additionally, the R-squared value for the work motivation variable is 0.533, meaning that the performance allowance model explains 53.3% of the variance in work motivation.

Hypothesis Test

Table 4.
Hypothesis Value

Hypothesis	Variable Impact	T Statistics	P Values
H1	Performance Allowance -> Performance	1.837	0,067
H2	Performance Allowance -> Work Motivation	5.826	0,000
H3	Work Motivation -> Performance	3,538	0,000
H4	Performance Allowance -> Work Motivation -> Performance	2,867	0,004

Source: Primary data processed (2024)

H1: The Effect of Performance Allowance on Performance

The test hypothesis showed that the influence of performance benefits (X) on performance (Y) had a statistical T value smaller than the T table ($1,837 > 2,009$) and a P value of 0.067 or greater than the 5% alpha standard ($0.067 > 0,05$) showed no significant effect of the performance benefits on employee performance. This does not prove that the performance remuneration is the result of the effective implementation of the budget and the expected existence of funds from the efficiency/optimization (Suwanda, 2019). This study was not supported by Candradewi & Dewi, (2019) and Laras et al., (2021) stating that performance benefits have an impact on employee performance. However, the research was backed by Rosalia et al., (2020) as well as Butarbutar & Nawangsari, (2022), where the research stated that performance benefit has no significant impact on employees performance.

H2: The Effect of Performance Allowance on Work Motivation

The test hypothesis shows the effect of performance allowance (X) on work motivation (Y) has a statistical T value greater than the T table ($5.826 > 2.009$) and a P value of 0.000 or less than the 5% alpha standard ($0.000 < 0.05$) showing a significant effect of performance allowance on work motivation. This means that a better performance allowance can increase work motivation or the second hypothesis (H2) is accepted. This shows that performance benefits have a significant influence on employee work motivation. Performance allowances function as additional financial rewards that can increase employee motivation. Employees feel valued and recognized for their contributions when they receive performance allowances, which in turn increases their enthusiasm and dedication in carrying out their duties. Based on the above statement, research results, supported from Candradewi & Dewi, (2019) states that performance allowances affect work motivation.

H3: Effect of Work Motivation on Performance

The test hypothesis shows the effect of work motivation (X) on performance (Y) has a statistical T value greater than the T table ($3.538 > 2.009$) and a P value of 0.000 or less than the 5% alpha standard ($0.000 < 0.05$) showing a significant effect of work motivation on employee performance. This means that better work motivation can

improve employee performance or the third hypothesis (H3) is accepted. Based on research conducted in the XYZ work unit, it was found that work motivation has a significant influence on employee performance. Motivated employees show higher levels of discipline. In the context of the military, discipline is the key to performing duties and responsibilities. Highly motivated employees tend to be more compliant with regulations and standard operating procedures (SOPs), which has a positive impact on their performance. The results of this research are supported by research by Jufrizen, (2021) and Laras et al., (2021) showing that high work motivation is positively correlated with improved employee performance.

H4: The Mediating Effect of Work Motivation on Performance Allowance on Performance

The hypothesis shows the mediating effect of work motivation (Z) on performance benefits (X) on employee performance (Y) has a T statistic value greater than the T table ($2.867 > 2.009$) and a P value of 0.004 or less than the 5% alpha standard ($0.004 < 0.05$) showing the mediating effect of work motivation on performance benefits on performance. This means that good work motivation can support performance allowances to improve performance. Soldiers' work motivation is an important mediating factor in the relationship between performance allowances and soldier performance. High motivation encourages soldiers to be more committed to their tasks, improve their work ethic, and strive to achieve higher performance standards (Kurniawan & Wijayanti, 2021). The results of the study, supported by several studies from Candradewi & Dewi, (2019) and Laras et al., (2021), state that work motivation mediates the relationship between performance allowances and employee performance.

According to research showing that performance allowances have a positive but insignificant effect on soldier performance, but with work motivation as a mediator performance allowances have an impact on employee performance. It is recommended that the XYZ Work Unit of the Air Force continue to improve and develop their performance allowance system with clear and transparent policies. Periodic evaluations are needed to ensure the allowances remain relevant and meet the needs of soldiers thus increasing their work motivation. In addition, continuous implementation of programs to increase work

motivation, such as training and skills development, as well as creating a supportive work environment, rewarding achievements, and building good communication between leaders and soldiers is highly recommended. The integration of performance allowance policies with work motivation improvement programs is expected to overall improve the performance of soldiers in the XYZ Work Unit of the Indonesian Air Force.

CONCLUSION

Research shows that performance allowances have a positive but insignificant effect on employee performance, meaning that high performance allowances alone are not enough to improve employee performance. However, performance allowances have a positive and significant effect on work motivation, which means that better allowances can increase employee motivation. In addition, work motivation itself has a positive and significant effect on employee performance, showing that the higher the work motivation, the better the employee performance. Finally, work motivation acts as a significant mediator between performance benefits and employee performance, meaning that work motivation can strengthen the effect of performance benefits on employee performance. Thus, it is important to pay attention to and improve work motivation through performance allowances to overall improve the performance of the XYZ Air Force work unit.

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