

The Role of Work Motivation and Job Satisfaction in Creating Employee Performance (Study on Permanent Lecturers of STIE Indonesia Banking School)

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Abstract

This research aims to determine the role of work motivation (intrinsic and extrinsic factors) and job satisfaction as an employee performance maker on STIE Indonesia Banking School permanent lecturers. The population in this study were all STIE Indonesia Banking School permanent lecturers in 2015. We conducted a survey and the respondents was taken from STIE Indonesia Banking School permanent lecturers for 31 respondents. We used questionnaire method to collect information from the respondents. Data were analyzed using Partial Least Square (PLS) with Smart PLS 3.0 software. The results showed that intrinsic factors and extrinsic factors has a positive effect on job satisfaction, furthermore intrinsic factors has a positive effect on employee performance. Whereas extrinsic factors and job satisfaction has no effect on employee performance.

Keywords: intrinsic factors, ekstrinsic factors, job satisfaction, employee performance

Penelitian ini bertujuan untuk mengetahui peran motivasi kerja (faktor intrinsik dan ekstrinsik) dan kepuasan kerja sebagai pembentuk kinerja karyawan pada dosen tetap STIE Indonesia Banking School. Populasi dalam penelitian ini adalah semua dosen tetap STIE Indonesia Banking School pada tahun 2015. Kami melakukan survei dan responden

diambil dari dosen tetap STIE Indonesia Banking School sebanyak 31 responden. Kami menggunakan metode kuesioner untuk mengumpulkan informasi dari responden. Data dianalisis dengan menggunakan Partial Least Square (PLS) dengan perangkat lunak Smart PLS 3.0. Hasil penelitian menunjukkan bahwa faktor intrinsik dan faktor ekstrinsik memiliki efek positif pada kepuasan kerja, faktor selanjutnya intrinsik memiliki efek positif pada kinerja karyawan. Sedangkan faktor ekstrinsik dan kepuasan kerja tidak berpengaruh pada kinerja karyawan.

Kata kunci: faktor intrinsik, faktor ekstrinsik, kepuasan kerja, kinerja karyawan

Introduction

Human Resource is the biggest and the most essential asset in a company. The availability of good quality Human Resource, it will be primary factor that determines the success of an organization. Proper administration of Human Resources will be a factor that brings success for an organization and even a country. For example is Japan and Singapore in Asia, they are respected among countries in Asia due to their Human Resources. Even when it is compared to Natural Resources owned by our nations, development of both countries are rapid and taken into consideration by countries in the world. Success of a company basically depends on its human resource. With good quality Human Resource, it can be a capital for company to continuously advance and develop. If human resources are well and proper administered, it will result on high motivation that eventually create job satisfaction which ends on expected employee performance.

Nowadays, Talent War is a common human resources related phenomenon in Indonesia's industry. Talent War is in climax point. All industries in Indonesia are heating up in snatching and searching for potential employee with good quality. The most noticeable sector is financial service and oil and gas. However, talent demand occurs in all across industrial sector (Ario, 2011). Futhermore, it is believed that future trend will be big battles for some companies in searching and snatching potential talent. This condition is named as talent management that is how a company attract, develop, and retain potential talent in order to stay and not move to other companies (Ario, 2011).

According to previous research, motivation given to employee will result on better output and benefit for the sake of organization (Mangkunegara, 2000). Simon (1997) has explained in his research about why motivation is a must (Saleem, Mahmood and Mahmood, 2010). Agreement from all company is to motivate their employee to achieve organization's goal. Pfeffer (1998) has also stated result of his research, companies who have studied the strategy on how to use and administer their employee will win in the long

term, besides, knowing how to build important work and owning satisfied employed in their organization are ways to reach effective organization (Saleem, Mahmood and Mahmood, 2010).

Hisyam (2002) explained that work motivation can be meant as a drive and willingness to work according to determined standards or limitations. Furthermore, Mehboob, Bhutto, Azhar and Butt (2009) discussed Herzberg theory in which work motivation can be classified into two factors that is extrinsic factor and intrinsic factors. In this case, extrinsic factors comprises of salary, direct upline, relations with colleague, institutional policy, and work condition. Mehboob, Bhutto, Azhar and Butt (2009) then discussed intrinsic factors that consists of achievement, willingness, the work itself, recognition, and responsibility.

One of important avenue in human resource management in an organization is the fulfillment of job satisfaction among employee. Employee's job satisfaction can grow by giving proper motivation. If giving motivation is not paid attention, there will not be any enthusiasm and passion in working. Thus, it is going to affect employee performance.

Indonesia Banking School (IBS) is an Institute of Economic Science that has Accounting and Management department with concentration on banking and finance in Bachelor degree. IBS was established by Yayasan Pengembangan Perbankan Indonesia (YPPI), a foundation that was held and guided by Indonesia Central Bank. IBS has been officially in operation since 2004, according to the Minister of National Education Decree No. 37/D/O/2003. The establishment IBS is the development of the Indonesian Banking Development Institute (LPPI), a nonprofit institution that provides services to banks and the public in creating professional bankers. In 2008, BAN-PT as an official accreditation assessor gave "B" score and in 2013 IBS had the same accreditation score. Accounting and Management Undergraduate Program earn the accreditation score. Official permission for the two study programs on the peculiarities of the banking sector is granted. Source: <http://ibs.ac.id/sejarah.php> (2015)

Lecturer is an essential component in a university education system, including in IBS. Role, assignment, and responsibility of lecturer is important in achieving national education goal that is educating nation, improving quality of Indonesian people that include spiritual and mastery of science, technology, and arts, as well as creating advance, just, prosperous, and educated Indonesian society. To perform strategic function, role, and position, professional lecturers are needed (lecturer's workload guideline and Evaluation of University's Tridharma Implementation, 2010). As stated in UU No. 14 year 2005 on Lecturer and Indonesian Government Regulation No. 37 year 2009 on lecturer, it is

mentioned that lecturer is a professional educator and scientist with main job transforming, developing, and disseminating science, technology, and arts through education, research, and community service.

Referring to above explanation, the authors want to know the role of work motivation dan job satisfaction in driving employee performance (study on permanent lecturer of STIE Indonesia Banking School). Therefore, the objectives of the research are as follows :

1. Examine and analyze whether intrinsic factor has positive influence on job satisfaction in permanent lecturer of STIE Indonesia Banking School.
2. Examine and analyze whether extrinsic factor has positive influence on job satisfaction in permanent lecturer of STIE Indonesia Banking School.
3. Examine and analyze whether job satisfaction has positive influence on employee performance in permanent lecturer of STIE Indonesia Banking School.
4. Examine and analyze whether intrinsic factor has positive employee performance in permanent lecturer of STIE Indonesia Banking School.
5. Examine and analyze whether extrinsic factor has positive influence on employee performance in permanent lecturer of STIE Indonesia Banking School.

The result of this research is expected to give scientific contribution towards development of theories in human resources management especially related with work improvement with consideration on role of motivation and job satisfaction. For management of STIE Indonesia Banking School, this research can expand knowledge on the strategic practice of work improvement of permanent lecturer of STIE Indonesia Banking School through role of motivation and job satisfaction.

Theoretical Review

Work Motivation

Hisham (2002) explained that the work could be interpreted as the drive of willingness and desire to work according to the set measures or restrictions. Furthermore, Mehboob Bhutto, Azhar and Butt (2009) reviewed Herzberg theory, where work motivation can be classified into two factors, namely extrinsic factors and intrinsic factors. In this case, extrinsic factors consist of salary, the employer, and relations with colleagues, institution policies and working condition. Furthermore, things which belong to the Intrinsic Factors are as follows: achievement, progress, work itself, recognition, and responsibility.

Latham and Pinder (2005) suggested that work motivation is a series of energetic force that comes from within and outside the individual, which determines the shape, direction, intensity and duration of job-related behavior. Further, work motivation is a characteristic of the individual, but it can be pushed out either from within the individual or its surroundings (Azar and Shafighi, 2013).

There are wide ranges of benefits that can be accepted by the organization, which deals with work motivation. Work motivation can be provided through rewards which employee earns from working in the organization or by virtue of larger work through challenging tasks (Sohail, et al., 2014).

Job Satisfaction

Kim, Tavitiyaman, and Kim (2009) stated that research on job satisfaction has started since 1930 and it becomes one of main focus in organizational behaviour (Celik, et al., 2015).

Referring to Feinstein (2000), job satisfaction is an important element in organization's perspective. By having job satisfaction, employee will be more committed to development and success of organization (Ahmed, et al., 2010).

There are many definitions about Job Satisfaction. Locke (1976) stated that job satisfaction can be perceived as enjoyable emotional condition that comes from individual assessment on work as well as following work experience (Javed, Balouch and Hassan, 2014).

Furthermore, Luthan (1998) noted that there are three dimensions in job satisfaction, they are:

1. Job satisfaction is an emotional response towards work condition.
2. Job satisfaction often determines how result of work can be achieved.
3. Job satisfaction represents some attitude related to employee who has good response toward work. (Bako, 2011)

Robbins et all. (2010) stated that job satisfaction is overall attitude that is related to employee's attitude towards their work (Javed, Balouch and Hassan, 2014).

Furthermore Hulin and Judge (2003) noted that job satisfaction is included in multidimensional psychological responses towards work in which there are cognitive (evaluative), affective (emotional), and behavioral aspects on it (Bako, 2011). Ferguson (2005) completed that job satisfaction is an employee's construction and involvement

(Yucel, 2012). This is a combination of commitment towards organization and willingness to be loyal to organization.

Furthermore, employee job satisfaction is related with what people think, feel, and observe from their job (Javed, Balouch, and Hassan, 2014). In study about Human Resources, Spector (1997) stated that job satisfaction is related with what employee like and dislike from their job (Javed, Balouch, and Hassan, 2014).

In their research, Sohail, et al. (2014) stated that job satisfaction can be perceived as what employee feels when they do a job. Employee feels happy when they do a job that they do not want to leave the job. Job satisfaction eventually result on high job performance.

At the end, Berghe (2011) stated some indicators that can be used to measure job satisfaction: I am happy to work in my institution; I know what my institution expects from me; I am satisfied with feedbacks that I receive on my job; I obtain sufficient training to handle my assignments; I understand what Human Resources is trying to do to enhance my career; I see good opportunity offered to me; and I planned to work in the long term in my institution.

Employee Performance

One of definition on Employee Performance, stated by Saeed, et al. (2014) is employee capabilities to do many job variety according to requirement in that job.

Motowidlo (2003) stated that employee performance is defined as overall value done by individual in certain periods of time that feature certain behaviour based on organization's expectation (Azar and Shafiqhi, 2013).

Rothmann (2002) defined employee performance as multi dimensional structure that shows employee work quality level, their innovation level, problem solving technique, and energy as well time used to complete their assignments in their job (Azar and Shafiqhi, 2013).

Musriha (2011) revealed that employee performance can be sensed as employee work result in completing job in a particular period of time. Gomes (2001) then found some elements that exist in employee performance, they are work quantity, work quality, creativity or ability to give idea to solve problems; capability to collaborate with organization's member; accuracy to complete the assignments on time; Initiative; and Integrity (Musriha, 2011).

Furthermore, Janssen and Yperen (2004) suggested that employee performance can be measure by using other indicators: I did job based on my job requirement; I do job based on my company working standard; I am responsible towards job that I do; I never ignore job given by my institutions; and I have time accuracy in working.

Framework of Thinking

Influence of Work Motivation towards Job Satisfaction

Allen & Meyer (1990) have tried to answer question: How can organization investigate whether they have made their employees satisfied, loyal to organizations? Furthermore, he argued that there was no fixed answer on job motivation and satisfaction is influenced by many factors related to employee; How many they feel attached with the organization and feel responsible to their organization. Job motivation can be evaluated with level of attachment feeling, responsibility, and rewards in working for organizations (Saleem, Mahmood and Mahmood, 2010).

Prefeer (1994) also explained that job satisfaction can be achieved if employee has motivation to work without any external forces. The effectiveness of work motivation to work with please from within or outside employee will result on job satisfaction. It can be inferred that work motivation will create job satisfaction that will push employee happier, more committed to their job, and eventually getting more maximum in achieving goal and target of organization (Sohail, et al., 2014).

Herzberg, et al.'s (1959) had described job satisfaction as result of 2 factors, intrinsic factors and ekstrinsic factor; Intrinsic factor pushes job satisfaction and extrinsic factor can reduce job satisfaction level if it causes dissatisfaction. Extrinsic factors are also called as hygiene factors. According to Herzberg, hygiene factors result on the form of dissatisfaction and it is external or product of environment such as company administrative policy, supervisory, work condition, salary and support. Intrinsic factor is also called satsifiers and motivators. It includes creativity and work challenge, responsibility, opportunity to grow (Sohail, et al., 2014)

H1 : Intrinsic Factors has a positive influence on Job Satisfaction, and

H2: Extrinsic Factors has a positive influence on Job Satisfaction

Job Satisfaction influence on Employee Performance

Research by Christen, Cryler and Soberman (2005) explained that job satisfaction has positive influence on Employee Performance. The implication of this research is that

if a company wants increasing employee performance, they must increase job satisfaction first. Furthermore, an employee benefits from increasing employee performance by reducing turnover level (Bako, 2011).

Referring to research by Hersey and Blanchard (1993), it was found that job satisfaction positively affects employee performance. This research explains that an employee's productivity and an employee's performance are influenced by a particular work satisfaction level (Javed, Balouch, and Hassan, 2014).

In their research, Sohail, et al. (2014) expressed that job satisfaction can be perceived as what an employee feels when they do a certain job. An employee feels happy when they do a job that they do not want to leave. Job satisfaction eventually results in high job performance.

Spektor (2009) also expressed that people tend to put maximum effort on their career path when they have motivation to achieve excellent work results (Azhar and Shafiqi, 2013).

According to the above explanation, the proposed hypothesis in this research is:

H3 : Job Satisfaction has positive influence on Employee Performance

Work Motivation Influence on Employee Performance

Work motivation is a factor that acts as a driver of willingness and desire to work according to the determined measures or restrictions. Among the characteristics of an employee who has a high motivation is happy to work hard, love the challenge, the courage to face difficulties and take risks. Work situation with mutual trust, mutual support, appreciation on the work of employees, provide the opportunity to work in a creative and innovative, will lead to employee performance, because employees feel treated and recognized for having contributed to their working unit. From the previous explanation, it can be presumed that an employee with high work motivation will improve their performance (Hisham, 2002).

Herzberg, et al's (1959) stated that work motivation can be classified as intrinsic and extrinsic factors (Sohail, et al., 2014). Furthermore, Deci (2005) suggested that work motivation is a process to sustain performance. Motivation encourages employees to achieve a goal or complete various tasks assigned to them. The effectiveness of work of employees can generate more commitment to their work (Sohail, et al., 2014).

According to the above explanation, the proposed hypothesis in this research is:

H4 : Intrinsic Factor has positive influence on Employee Performance, and

H5 : Ekstrinsic Factor has positive influence on Employee Performance

Framework of thinking and Research Hypothesis

Framework of thinking is as follow

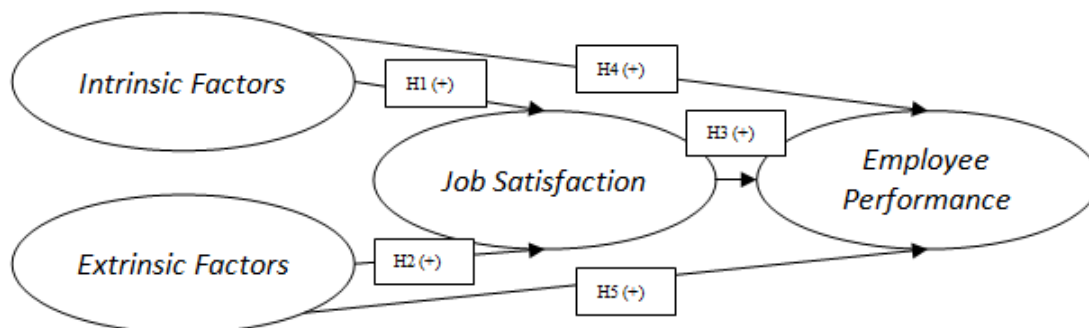


Figure 1. Framework of Thinking

Source: adopted from Mehboob, Bhutto, Azhar and Butt (2009), Azar and Shafighi (2013) and Javed, Balouch and Hassan (2014)

Research Methodology

This research is a descriptive research. It is a research that has main purpose to describe something commonly characteristic or market function (Malhotra, 2010). In this research, researcher is using quantitative method done in a period of time (cross sectional design). Quantitative research method itself is aimed to measure the data and it is usually in the form of statistic analysis (Malhotra, 2010). Data collection in this research is done through survey method by distributing questionnaire to permanent lecturer of STIE Indonesia Banking School. Result of this questionnaire is then processed by using Partial Least Square (PLS) method of analysis.

Population is an aggregate of all the elements that have the same characteristics for research purposes (Malhotra, 2010). Population is overall subject of a research (Arikunto & Suharsimi, 2010). The population in this study are all permanent lecturers of STIE Indonesia Banking School.

Sampling technique used by researchers is Convenience Sampling. According to (Santoso & Tjiptono, 2001) Accidental Sampling (Convenience Sampling) is a sampling procedure that selects a sample of people or units that is most easily found or accessed. To obtain a sample which can describe a population, the determination of the sample must use Slovin formula (Umar, 2004). Based on information from the Head of HR STIE Indonesia Banking School, the number of permanent lecturers per December 2015

amounted to 43 people. Calculation by Slovin formula result in 31 sample which need to be obtain for the research.

Table 1. Operational Variable

No.	Variables	Definitions	Indicators	Scale
1.	Intrinsic Factors	Drive force arising from within each person. (Hezberg, 1959 in Curry, 2005)	<ol style="list-style-type: none"> 1. I feel what I do give good performance in this institution. 2. I earn significant progress by working in this institution 3. I earn recognition for work that I do. 4. I feel my job as a lecturer very pleasant . 5. I ensure that my work result is proper. (Mehboob, Bhutto, Azhar and Butt, 2009)	Interval 1 - 7
2	Extrinsic Factors	Drive force coming from outside individual especially organization where they are working. (Hezberg, 1959 in Curry, 2005)	<ol style="list-style-type: none"> 1. I earn salary as I expected from this institution. 2. Everything that I do is supported by my boss. 3. I have good intrapersonal relations in this institution. 4. My career is supported by regulations in the institution. 5. I feel comfortable in my working environment. (Mehboob, Bhutto, Azhar and Butt, 2009)	Interval 1 - 7
3.	Job Satisfaction	Pleasant emotional state that comes from individu assessment about the work as well as working experiences. Locke (1976) in Javed,	<ol style="list-style-type: none"> 1. I am proud of working in my institution. 2. I understand what my institution is expecting from me. 3. I am satisfied with feedbacks that I receive related to my work. 4. I receive enough training to handle my task. 	Interval 1 – 7

No.	Variables	Definitions	Indicators	Scale
		Balouch and Hassan (2014).	5. I understand what HR Department is thriving to develop my career 6. I see many good opportunities offered to me. 7. I plan to work for long terms in my institution. Berghe (2011)	
4.	Employee Performance	The ability of employee to do variation of work according to assignment. (Saeed, et al., 2014)	1.I work in accordance with what is required by my job. 2.I work based on company working standard. 3.I am responsible for work that I have done. 4.I never ignore job given by my institution. 5.I work punctually Janssen dan Yperen, 2004)	Interval 1 - 7

Sources: Adopted from various sources (2015)

Data Analysis Method

This study uses Partial Least Square (PLS) method of data analysis. As stated by Wold (1985) in Ghozali (2014) Partial Least Square (PLS) is a powerful method of analysis because it is not based on many assumptions. Analysis model of all latent variable in PLS consist of 3 set of relations (Ghozali, 2014): Inner model, Outer model and the weight relations in the case of the value of latent variable can be estimated. The evaluation criteria of PLS used in this research can be summarized in table 2.

Table 2. Evaluation Criteria of Least Square Partial Model

Criteria	Explanation
Structural Model Evaluation	
R ² for endogen latent variable	R ² result of 0,67, 0,33 and 0,19 for endogen latent variable in structural model indicates that the model is "good", "moderate", and "weak".

Criteria	Explanation
Estimated path coefficients	Estimated value for path coefficients in structural model must be significant. This significant value can be obtained through bootstrapping procedure.
f ² for effect size	The value of 0,03, 0,15 and 0,35 can be interpreted as whether latent variables predictor will have weak, medium, or big influence on structural level.
Relevansi Predikdi (Q ² dan q ²)	<p>If the value of Q² is above zero, it proves that the model has predictive relevance. If the value of Q² is below zero, it indicates that the model does not have predictive relevance.</p> <p>In the correlation with f², relative impact of structural model to latent dependent variables measurement can be measured with</p> $q^2 = \frac{Q^2_{\text{included}} - Q^2_{\text{excluded}}}{1 - Q^2_{\text{included}}}$
Evaluation of Reflexive Measurement Model	
Convergent Validity	The value of loading factor must be above 0,70. However, for initial research, from development scale of measurement, loading value of 0,5 to 0,6 is sufficient.
Discriminant Validity	The root square value of AVE must be bigger than correlation value among latent variables.
Average Variance Extracted (AVE)	The value of AVE must be above 0,5
Cross Loading	Is another measurement from discriminant validity. It is expected for each indicators block to have higher loading value for each latent variables measured and compared with indicators of other latent variables.
Composite Reliability	Composite reliability mengukur internal consistency dan nilainya harus di atas 0,60.

Proposed by Chin(1998) in Ghozali (2014)

Result

Respondents' Profile

Respondents' Characteristics consist of length of working in IBS, sex of respondents, respondents' education, respondents' position, JJA of respondents, lecturer certification and respondents' spending per month.

Table 3. Respondent's Characteristic

Variables	Category	Percentage
Length of working in IBS	< 1 Year	22.6%
	1 - 3 Years	38.7%
	4 – 6 years	3.2%
	>6 Years	35.5%
Sex	Male	64.5%
	Female	35.5%
Education	Master	71%
	Doctoral	29%
Position	Permanent Lecturer	80.6%
	Lecturer with additional duties	19.4%
JJA	Educator (TP)	29%
	Expert Assistant (AA)	3.3%
	Lector (L)	25.8%
	Head of Lectors (LK)	12.9%
Lecturer certification	Uncertified	25.8%
	Certified	74.2%
Spending per month	Rp.1.000.000 – Rp.3.000.000	6.5%
	Rp.3.000.000 – Rp.5.000.000	22.6%
	>Rp. 5.000.000	71%

Source: Processed by author (2015)

Analysis of Research Data

Measurement Model Analysis or Outer Model

Outer model is a model that specifies the relationship between the latent variables with indicators or other manifested variables (measurement model). Outer model that is also often called the outer relations or measurement model defines how each block indicator associated with latent variables. Outer measurement model or models with reflexive indicators is evaluated by convergent validity and discriminant validity of the indicators and composite reliability for the block indicators.

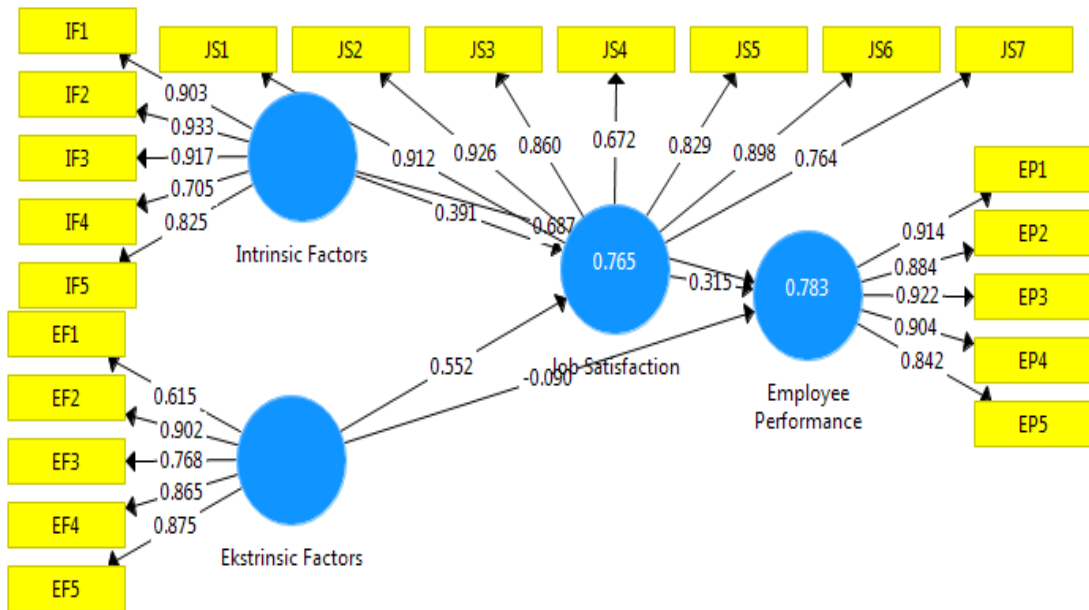


Figure 4. Result of Output Outer Model

Convergent Validity

Convergent validity of the measurement model with a reflexive indicators is assessed based on the correlation between the item score/component score to construct score calculated by PLS.

Outer Loadings

Matrix	Ekstrinsic Fact...	Employee Perf...	Intrinsic Factors	Job Satisfaction
EF1	0.615			
EF2	0.902			
EF3	0.768			
EF4	0.865			
EF5	0.875			
EP1		0.914		
EP2		0.884		
EP3		0.922		
EP4		0.904		
EP5		0.842		
IF1			0.903	
IF2			0.933	
IF3			0.917	
IF4			0.705	
IF5			0.825	
JS1				0.912
JS2				0.926
JS3				0.860
JS4				0.672
JS5				0.829
JS6				0.898
JS7				0.764

Figure 5. Outer Loading
Source: Smartpls 3.0 (2015)

The size of reflexive individual is said to be high if it is more than 0.70 correlated with the construct to be measured. However, to study the early stages of development scale of measurement, loading value of 0.5 to 0.6 is considered sufficient (Ghozali, 2014).

Referring to the table of outer loading above, all indicators of model have factor loading above 0,50. Therefore, the result has met convergent validity.

Discriminant Validity

Discriminant validity of the measurement model with reflexive indicators is assessed based on cross loading measurements with the construct. If the construct correlation with the measurement item is larger than the other constructs, it indicates that the latent constructs is predicting that the size of their block are better than the size of the other blocks. Another method to assess the discriminant validity is to compare the value of the square root of average variance extracted (AVE) of each construct with the correlation between the constructs with other constructs in the model. If the value of the square root of AVE of each construct is greater than the value of the correlation between the construct with other constructs in the model, then it is said to have good discriminant validity (Ghozali, 2014). Recommended AVE value must be greater than 0.5

Discriminant Validity

	Ekstrinsic Fact...	Employee Perf...	Intrinsic Factors	Job Satisfaction
EF1	0.615	0.359	0.436	0.602
EF2	0.902	0.650	0.648	0.840
EF3	0.768	0.545	0.527	0.565
EF4	0.865	0.509	0.625	0.687
EF5	0.875	0.583	0.635	0.639
EP1	0.734	0.914	0.835	0.784
EP2	0.515	0.884	0.818	0.669
EP3	0.730	0.922	0.790	0.789
EP4	0.625	0.904	0.720	0.698
EP5	0.313	0.842	0.708	0.514
IF1	0.516	0.764	0.903	0.643
IF2	0.653	0.792	0.933	0.657
IF3	0.738	0.713	0.917	0.813
IF4	0.762	0.702	0.705	0.625
IF5	0.394	0.765	0.825	0.621
JS1	0.752	0.766	0.733	0.912
JS2	0.739	0.752	0.672	0.926
JS3	0.795	0.750	0.734	0.860
JS4	0.528	0.400	0.436	0.672
JS5	0.628	0.584	0.658	0.829
JS6	0.739	0.639	0.671	0.898
JS7	0.665	0.608	0.662	0.764

Figure 6. Discriminant Validity

Source: Smartpls 3.0 (2015)

In figure 6, it can be seen that correlation of particular construct and the indicators are higher than particular construct indicators with other constructs.

From above discriminant validity, it appears that the correlation of extrinsic factors constructs and indicators are higher than the indicator of extrinsic factors correlation with other constructs (employee performance, intrinsic factors, and job satisfaction). This is also true for the correlation of constructs in employee performance and the indicator is higher

than the employee performance indicators correlation with other constructs (ekstrinsic factors, intrinsic factors and job satisfaction). The remaining correlation of constructs, such as intrinsic factors and job satisfaction can also be interpreted as well as constructs and extrinsic factors constructs and employee performance constructs.

Another test is assessing the validity of the construct by looking at the value of AVE. A good model is a model with AVE of each construct having value greater than 0.50. The results of AVE output shows that AVE is good for intrinsic factors, ekstrinsic factors, job satisfaction and employee performance constructs as shown by below table.

Table 4. Average Variance Extracted (AVE)

Construct	Average Variance Extracted (AVE)
Intrinsic Factors	0.741
Ekstrinsic Factors	0.659
Job Satisfaction	0.708
Employee Performance	0.799

Source: Smartpls 3.0 (2015)

Reliability Construct

In addition to the construct validity test, reliability test is also performed by measuring two criteria: composite reliability and Cronbach alpha of block of indicators that measure the constructs. Constructs are declared reliable if the value of composite reliability and Cronbach alpha are above 0.70. In Table 5, Composite reliability and Cronbach alpha construct are worth above 0.70, so that the entire construct is declared reliable.

Table 5. Composite Reliability dan Cronbach Alpha

Konstruk	Composite Reliability	Cronbach Alpha
Intrinsic Factors	0.934	0.909
Ekstrinsic Factors	0.905	0.865
Job Satisfaction	0.944	0.930
Employee Performance	0.952	0.937

Source: Smartpls 3.0 (2015)

Evaluation of Structural Model or Inner Model

Tests on the structural model is done by looking at the value of R-Square which is a test for goodness-fit model. Model influencing intrinsic factors, and job satisfaction factors extrinsic gives r-square value of 0.783 which can be interpreted that the variable

employee performance constructs can be explained by the variable constructs intrinsic factors, extrinsic factors and job satisfaction of 78.30%, while 21.70% is explained by other researched variables researched. Furthermore, job satisfaction construct variables can be explained by the intrinsic factors variable construct and extrinsic factors by 76.5%, while 23.5% is explained by other researched variables.

Table 6. R Square

Konstruk	R Square
Employee Performance	0.783
Job Satisfaction	0.765

Source: Smartpls 3.0 (2015)

Hypothesis Test

The significance of the estimated parameters provides very useful information about the influence of construct variables. The basis used in testing the hypothesis is the value in the output path coefficients presented in below table:

Table 7. Path Coefficients

Path	Path Coefficient	Standard Error (STERR)	T Statistics (O/STERR)	P Values
Ekstrinsic Factors -> Employee Performance	-0.090	0.167	0.539	0.590
Ekstrinsic F actors -> Job Satisfaction	0.552	0.109	5.046	0.000
Intrinsic Factors -> Employee Performance	0.687	0.137	5.015	0.000
Intrinsic Factors -> Job Satisfaction	0.391	0.101	3.862	0.000
Job Satisfaction -> Employee Performance	0.315	0.185	1.701	0.090

Source: Smartpls 3.0 (2015)

Influence of Intrinsic Factors on Job Satisfaction

In Table 7. it can be seen that the P value is 0.000 <0.05 and the value of T Statistics is 3862 > 1.96 (T Table significance 5%). Therefore, it can be inferred that H0 is rejected. It means that there is influence between Intrinsic Factors and Job Satisfaction. Positive path coefficient of 0.391 indicates positive influence of Intrinsic Factors to Job Satisfaction. Hence, in this research, hypothesis in this research, which says Intrinsic Factors have positive influence can be accepted.

Furthermore, the better the Intrinsic Factors perceived by permanent lecturers in Indonesia Banking School, the more Job Satisfaction will increase. This means that if intrinsic factors, (i.e. Work achievement, meaningful progress, work recognition, enjoyable work as lecturer, and assured work result) perceived by Fulltime getting better performance is correct then it would ultimately increase the Job Satisfaction.

The result of this study is also consistent with Herzberg et al. (1959) in Sohail, et al. (2014) that has described job satisfaction as the result of the Intrinsic Factors. Intrinsic Factors will drive job satisfaction.

Influence of Extrinsic Factors on Job Satisfaction

In Table 4.7. of Path Coefficients, it can be seen that the P value is $0.000 < 0.05$ and the T Statistics value is $5406 > 1.96$ (significance of T Table is 5%), it can be inferred that H_0 is rejected, this means that there is influence of Ekstrinsic Factors on Job Satisfaction. Path coefficient value is positive for 0.552 that shows positive influence of Extrinsic Factors on Job Satisfaction. Thus the hypothesis in this study that states Extrinsic Factors positive effect on Job Satisfaction is accepted.

It approves that the better Extrinsic Factors perceived by lecturers remained Indonesia Banking School, the more Job Satisfaction will increase. The results of this research is also supported by Herzberg et al.'s (1959) in Sohail, et al. (2014) that described the job satisfaction as the result of extrinsic factors. If extrinsic factors cause dissatisfaction, it can reduce the level of job satisfaction. Extrinsic factors are also called hygiene factors.

This result affirms Ekstrinsic Factors (i.e. appropriate salary, supports from supervisor, good intrapersonal relations, career support, and good working environment) that is perceived well as increasing factor of Job Satisfaction.

Influence of Intrinsic Factors on Employee Performance

In Table 4.7 of Path Coefficients, it can be seen that the P value is $0.000 < 0.05$ and T Statistics value is $5015 > 1.96$ (significance of T-table 5%), so it can be concluded that H_0 is rejected. This means that there is influence of Intrinsic Factors on Employee Performance. Path coefficient value is positive for 0.687, which shows that the influence of Intrinsic Factors on Employee Performance is positive. Thus the hypothesis in this study that states Extrinsic Factors has positive influence on Employee Performance is accepted.

In Table 4.7 of Path Coefficient, it can be seen that the P value is $0.000 < 0.05$ and T Statistics value $5.015 > 1.96$ (significance of T Table is 5%). It can be concluded that H_0 is rejected, which means that there is influence of Intrinsic Factors on Employee Performance. Path coefficient value is positive in 0.687, which shows that the influence of Intrinsic Factors on Employee Performance is positive. Thus, the hypothesis in this study that states Extrinsic Factors give positive effect on Employee Performance accepted.

Path coefficient value of 0687 is the largest value of path coefficient compared with the value of the path coefficient on the other track, this suggests that to create better employee performance the most influential factor is the Intrinsic Factors.

It states that the better Intrinsic Factors perceived by permanent lecturers of Indonesia Banking School, the more Employee Performance will increase. The results of this study is aligned with research of Deci (2005) in Sohail, Safdar Saleem, Ansar and Azeem (2014) that suggested work motivation as process to sustain performance. Motivation encourage employees to achieve a goal or complete various tasks assigned to him. The effectiveness of employees can generate more commitment to their work.

Furthermore, it is stated that the better Intrinsic Factors perceived by fulltime lecturers of Indonesia Banking School, the more Employee Performance would increase. It means that if intrinsic factors (i.e. work achievement, meaningful progress, work recognition, enjoyable work as a lecture, and guarantee of work result) perceived by Fulltime were correct, it would ultimately increase the Employee Performance.

Influence of Extrinsic Factors on Employee Performance

In Table 4.7 of Path Coefficients, it can be seen that the P Values is $0.590 < 0.05$ and T Statistics value is $0.539 < 1.96$ (significance of T Table is 5%). It can be concluded that H_0 is accepted, which means there is no influence between Extrinsic Factors on Employee Performance. Thus, the hypothesis in this study that states Extrinsic Factors positive effect on Employee Performance is rejected.

Influence of Job Satisfaction on Employee Performance

In Table 4.7 of Path Coefficients, it can be seen that the P values is $0.090 > 0.05$ and the value of T Statistics is $1701 < 1.96$ (T Table significance 5%). It can be concluded that H_0 is accepted, which means there is no influence between Job Satisfaction on Employee Performance. Thus the hypothesis in this study that expresses positive influence on the Job Satisfaction Employee Performance is rejected.

Managerial Implication

Path coefficient value of 0687 is the largest value of the path coefficient compared to the value of the path coefficient on the other track. It suggests that to establish better Employee Performance, the most influential factor is Intrinsic Factors (work performance, feel progress, recognition of a job, enjoyable work as a lecture, and guarantee that the work is true. Intrinsic Factors also create job satisfaction on a permanent lecturer Indonesia Banking School. Hence, the authors recommend Intrinsic Factors variables need to get more attention to build job satisfaction, which in turn will increase the Employee Performance.

Based on the loading value on the Intrinsic Factors variables, the greatest loading value is on the indicator IF2 (I obtained a significant progress by working in this institution), indicator IF3 (I get recognition for the work I do), and indicators IF1 (I feel what I do give a good performance at this institution) that is equal to 0933, 0.917 and 0.903. The author suggests the institution to ensure working standards in institutions applying the same standards. The institution continues to do an evaluation of the work that has been done by the faculty and the institution continues to develop competencies of lecturers to engage in related training, and encourage lecturers to be involved with activities outside the institution in order to develop a network and knowledge of lecturers.

Furthermore, to create job satisfaction on permanent lecturers of Indonesia Banking School, path coefficient value of 0552 at extrinsic factors is greater than the value of intrinsic factors. This means that in order to build job satisfaction, management should pay more attention on extrinsic factors variables such as expected salary, employer support, well established interpersonal relationships, institutional policies that support career, and comfort in the work environment.

Based on the loading value on the Extrinsic Factors variables, the greatest loading value is the greatest in the indicator EF2 (What I did was supported by my employer), indicator EF5 (I ensure that all my work is correct (as appropriate) and indicators EF4 (I find a job I am a lecturer very pleasant). The authors suggest that leaders always give full support for the work performed by the lecturers and they are backed up by using the policy of the institution. In addition, maintaining a good academic atmosphere by restoring the campus as a melting pot for the entire academic community is also necessary.

The results also show that job satisfaction has no effect on employee performance. From these results, the authors suspect that the work assessment has not been in accordance with the workload of lecturer and existing career path that is not appropriate.

Finally, the results show that Extrinsic Factor does not have influence on employee performance. The authors suspect that numeracy and facilities not a major factor in building employee performance.

Conclusion and Recommendation

Conclusion

This study is conducted to analyze the role of Work Motivation (Intrinsic Factors and Extrinsic Factors) and job satisfactions in forming Employee Job Performance on permanent lecturers of Indonesia Banking School. The results of data analysis using SmartPLS analysis show the following conclusions:

1. Intrinsic Factors has positive influence on Job Satisfaction.
2. Ekstrinsic Factors has positive influence on Job Satisfaction.
3. Intrinsic Factors has positive influence on Employee Performance.
4. Ekstrinsic Factors does not have influence on Employee Performance.
5. Job Satisfaction does not have influence on Employee Performance.

Recommendation

From this study, the author recommends several things, For STIE Indonesia Banking School:

1. Institution ensure the same work standard in it
2. Institution continuously evaluates work performed by the lecturers.
3. Institution continuously develop lecturer's competency by involving lecturers in related trainings.
4. Encourage lecturers to get involved in activity outside the institution to expand network and knowledge of lecturers.
5. Employers always give full support on work performed by the lecturers and it is supported by institution's policy.
6. Keeping good academic atmosphere by restoring campus as a melting pot for all academicians.

Researchers in the future can expand the objects of research. Similar research can be conducted in top-5 Institute of Economic Science in Indonesia to gain more comprehensive description on the role of work motivation and work satisfaction in creating lecture's performance.

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