

## Determinants of Job Satisfaction and Employee Performance of Informal Education Institution in Pare English Village

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### Abstract

This research aimed at making the efforts to collect data and information and to analyze the motivation, organizational commitment, financial compensation, internal communication, work satisfaction, and employee performance variables. The results of this research were expected to be useful for the development of theory and the practical benefits were useful for managing business organizations, especially for the course institution in Pare English Village - Kediri, Central Java, Indonesia. The multivariate analysis with descriptively and explanatorily-quantitative method was used for this research. The samples of the research were 60 persons. Data collection was carried out using questionnaire instrument was subsequently analyzed by using Structural Equation Modeling (SEM). The results of the research concluded that motivation affected the job satisfaction, but not significantly affected the performance, organizational commitment significantly affected the job satisfaction and performance, financial compensation significantly affected the performance, but not significantly affected the job satisfaction, internal communication significantly affected the job satisfaction, but not significantly affected the performance, job satisfaction significantly affected the performance, and the strength values of dependent variable shown by the calculation results of the multiple correlation squared ( $R^2$ ) value of both job satisfaction and employee performance were significant.

**Keywords:** motivation, commitment, compensation, communication, job satisfaction, performance)

### 1. Introduction

In the era of globalization and free trade, competent human resources are the main requirements to win the competition. In building superior human resources, the ability to understand culture, to carry out mutual communication, and to master English is a must-have requirement to win the competition. It is because English, as a global language, is used by various nations to communicate throughout the world (Crystal, 2003). The urgency of mastering English encourages the growth of informal educational institutions for English courses in various cities in Indonesia. It indicates the increasing need of the community to learn English in informal educational institutions. In addition to supporting formal education, such increasing need also improves professional skills and develops their careers. By joining informal education, the potentials of students can be explored and developed by emphasizing the mastery of functional knowledge and skills and the development of professional attitudes.

*Kampung Inggris* or English Village is the nickname of Tulungrejo and Palem villages (*desa*) in Pare Subdistrict, Kediri Regency - Central Java. The two villages are the largest English learning places in Indonesia. The course institute was founded for the first time by Mr. Kalend on June 15, 1977 in Tulungrejo village and named as Basic English Course (BEC). It did not only develop English language proficiency, but also religious knowledge. In 2019, there were no less than 100 course institutes with 5,000 students, and there were 12 best and most favorite institutes. The number of people interested in studying in the English village continue to increase both from within the country as well as from abroad.

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The achievements of the English village in successfully developing the English language skills and religious knowledge of the students, actually reflects the ability of the employees (teachers and education staffs) carrying out their respective tasks. In other words, the success of the English village in developing English language skills and religious knowledge shows the results of the employees' quality performance in managing the course institutes.

Performance is the result of work that is closely related to organizational and consumer goals, and contributes to the economy (Amstrong & Baron, 2009), showing a record on the results of function operations within a certain period of time (Bernardddin and Russel, 2003), which results can be measured (Subari, 2014), compared with the targets set and from what employees do and do not do (Cushway, 2002). In other words, performance shows the process of doing correctly a job needed and the results achieved from what is carried out, and how to do it within a certain period of time. An organization is founded with a specific purpose, which is something that is expected to achieve. Achieving goals shows the results of work obtained from a series of activities carried out. To ensure that the expected results can be achieved, the implementation of organizational activities should be carried out by applying good management and by employing good human resources. This research aimed at making the efforts to collect data and information and to analyze the motivation, organizational commitment, financial compensation, internal communication, work satisfaction, and employee performance variables.

## **2. Theoretical Review**

### **2.1 Motivation**

Motivation is a process encouraging someone for something they want, relevant to willingness, working hard for organizational goals that are stimulated by incentives, and something that is considered an incentive if it is deemed able to help them achieve their goals (Kumar et al., 2003), which also determines the intensity, direction, and perseverance of individuals in trying to achieve the goals (Robbins, 2003). Robinson and Judge (2011) defines work motivation as the willingness of employees to strive for achieving the organization's goals. McClelland (1978) has a certain viewpoint that achievement motivation is a product of two conflicting needs, viz. the need to achieve success and the need to avoid failure.

According to several definitions above and related to the need for achievement, there are three key elements in defining motivation, viz. intensity, direction, and long duration. Intensity relates to how hard a person tries to carry out the task, direction relates to channeling the efforts to produce performance beneficial to the individuals and organizations, and long duration shows perseverance and consistency in making efforts to achieve the organizational goals within a long duration.

Murray (1938) introduced the theory of Needs and Presses, stating that humans have twenty different types of needs, fulfilling one need will support the fulfillment of other needs. Herzberg (1968) introduced a two-factor theory illustrating motivational concepts that encourage interest and demotivational tending to be avoided by someone at work. The last generation was the theory of needs from McClelland (1975) categorizing human needs into three-Need for Power, Need for Achievement, and Need for Affiliation. The essence of Need for Achievement (N-ach) concerns issues of excellence, competition, challenging goals, persistence, and challenging difficulties.

### **2.2 Organizational Commitment**

In an organization, commitment encourages the growth of positive results such as high performance, low turnover, low absence, dynamic organizational climate, and it also encourages employees to be reliable team members (Luthans, 2008). Commitment contains the active relationship between employees and the employers to give something based on their own willingness in achieving the organization's goals.

Gibson et al. (2008) defined organizational commitment as feelings of identity, involvement, and loyalty expressed by employees towards the organization. While Reggio et al. (2008) defined organizational commitment as all employees' feelings and attitudes towards everything related to work in the organization where they work. Davis and Newtorn (2006) defined employee commitment as the nature of relationship between individuals and the organization that enables the individuals to be highly committed to remain as the members of the organization and to have a strong belief in the values and goals of the organization. Thus, organizational commitment is basically the loyal feeling and attitude of an employee to remain actively involved in achieving organizational goals based on values believed by the organization.

There are two types of organizational commitment, attitude commitment and behavior commitment. Attitude commitment focuses on the process of how a person thinks about his relationship with the organization leading to the growth of dedication and loyalty towards the organization. Behavioral commitment more emphasizes on the process of an individual not developing a commitment towards the organization, but developing behavior towards the organization.

### **2.3 Financial Compensation**

Compensation is a reward or repayment for the contributions of the employees with respect to the accomplishment of tasks assigned by the organization. Compensation must be planned fairly that consequently, the employees feel satisfied receiving compensation for their contributions in achieving the organization's goals. When employees think that the amount of compensation received is insufficient and unfair, the employees' productivity, satisfaction and performance will be low.

Compensation is an important factor in how and why people choose to work for one organization and not for another (Mathis et al., 2002). Mondy and Noe (2006) defined compensation as every kind of reward given to employees as an appreciation for their contribution to the organization. Organizations must be competitive enough with some types of compensation in employing, maintaining, and rewarding the performance of every individual in the organization. Compensations can be in internal (intrinsic) forms such as praises for successfully meeting some performance goals, or external compensation (extrinsic) which is measurable and in the form of monetary and non-monetary compensations. Therefore, compensation decisions should be considered strategically and in accordance with the goals and strategy of the organization.

In line with the global changes in goods and services, organizations have to change their business strategy, goals and philosophy. Consequently, the philosophy of compensation must also change. There are two compensation philosophies (Mathis et al., 2002)-the orientation of feasibility and performance orientation. In organizations applying the philosophy of feasibility, the salary increases refer to the increases in living costs, whether it is specifically related to economic indicators or not. As a consequence, every employee continues to work throughout his life and employer costs also increase, regardless of the employee performance or competitive pressure from other organizations.

### **2.4 Internal communication**

In the study of traditional literatures, it is shown that communication and organizational success are closely related. Improving organizational communication means improving the organization. The main purpose of studying communication is to improve the organization, which is usually interpreted as an effort to improve things in the course of achieving the organization's goals. Therefore, people learn about organizational communication to be better managers. Some writers argue that management is communication (D'Aprix, 1982).

Organizational communication is more than what people do, but at the same time it is a discipline of study that can take a number of legitimate and beneficial directions. According to Pace and Faules (2000), communication is the creation of messages or displays and the interpretation of messages or performances. The only important message in communication is the message that comes from the interpretation process (Subari, 2014).

Internal communication is all forms of formal and informal communication carried out internally at all levels of the organization (Kalla, 2006). Internal communication is the exchange of information and ideas carried out in an organization (Bovee and Thill, 2000). Informal communication basically makes all internal stakeholders of the company as customers, meaning that internal communication is internal marketing (Rogusa, 2010). According to While Riel (1997), internal communication is a group responsible for communicating with employees, who often interact with human resources within the company.

### **2.5 Job satisfaction**

Job satisfaction is basically a positive attitude towards works and it is individual. Someone will feel satisfied with the work being completed or has been completed if what is completed is considered to meet expectations in accordance with the goals of work. If that expectation is fulfilled, satisfaction will be felt. If someone craves something, it means he has an expectation that as a consequence, he is motivated to take an action for achieving the expectation (Colquitt et al., 2012). In Dessler's (2013) point of view, job satisfaction does not necessarily affect work performance, although there is often a relationship between high job satisfaction and high work performance.

In developing countries, there are many employees whose job satisfaction is high, but their productivity is average, so job satisfaction is not a strong motivation.

According to Robbinson and Judge (2011), job satisfaction is an individual's general attitude towards work in which a person is required to interact with colleagues and superiors in accordance with the rules, organizational policies, and performance standards. In contrast to Wexley and Yulki (2010), job satisfaction is individual in nature that can affect such as employee attendance, employee turnover, morale, and complaints. Therefore, job satisfaction is a person's feelings towards his work(s). In line with Hasibuan (2007) who stated that job satisfaction is the emotional attitude of employees who are pleasant and love their work which is reflected by working morals, discipline, and work performance. From the three definitions it can be understood, that job satisfaction is reflected in attitudes and behavior. Employees who have a high level of job satisfaction will carry out their duties with enthusiasm, discipline, pleasure and love for their work.

There are two types of satisfaction in work organizations (Luthan and Farlin, 2008): i.e., functional satisfaction, which is the satisfaction obtained from the completion of the tasks which are under his responsibility; and psychological satisfaction, which is the satisfaction obtained from other things other than duties and obligations fulfillment. According to Kreitner and Kinicki (2000), job satisfaction obtained by employees is determined by some factors: (1) Employee opportunity to advance and develop a career in the organization; (2) physical and mental security in daily work; (3) Salaries and wages received; (4) Management's ability to manage the company well and sustainably; (5) Oversight by superiors and management; (6) Intrinsic factors of the work, viz. the work relatively in accordance with the abilities and expectations of employees; (7) Environment and work facilities; (8) Work has positive social impacts; and (8) Communication between individuals, groups and outsiders goes well.

## 2.6 Performance

Performance is the result of work that is closely related to organizational and consumer goals, and contributes to the economy (Armstrong & Baron, 2009), showing a record of the results on the functions operating for a certain time (Bernarddin and Russel, 2003), which results can be measured (Subari, 2014), compared with the targets set (Cushway, 2002), from what employees do and do not do (Mathis and Jackson, 2004). In other words, performance shows the process of doing correctly a job needed and the results achieved from what is carried out, and how to do it within a certain period of time.

Good performance management will benefit employees and organizations (Rucky, 2009) in the form of improved achievements, productivity encouragement, personality development, basis of development and training programs, basis for determining compensation, and employees able to express their feelings. For performance management to be beneficial, the preparation should be based on the principles of management, by paying attention to the supporting factors, and carrying out measuring process periodically. In managing performance, there are three influencing dimensions; i.e., ability, motivation, and opportunity (Robbins, 2003).

According to Kreitner (2009), performance measurement at the department and work center level includes the quality of the work, quantity of results achieved, time to reach the target, and cost efficiency in achieving results. Referring to some formulations of performance dimensions above, the performance dimensions of this study are: (1) Standards, work results are in line with standards set by the organization; (2) Involvement, directly involved in the completion of individual and group work; (3) Quality, work results are in accordance with established quality standards; (4) Job target, the amount of work that can be completed according to the target; (5) Time, duration required for completing equivalent work and or earlier schedule; (6) Creativity, the efforts of employees in improving work results; (7) Discipline, using time and completing works in a disciplined manner; and (8) Capability, the ability of employees to complete work in accordance with the leader's instructions.

## 3. Research methodology

### 3.1 Research design

The multivariate analysis with descriptively and explanatorily-quantitative method was used for this research. The samples of this study consisted of 160 respondents selected by using random sampling method. Data collection was carried out using questionnaire instrument and subsequently analyzed by Structural Equation Modeling (SEM) and *Partial Least Square* (PLS) approaches. This model was used on limited samples and non-strict data assumptions (Hair, et al., 1998).

### 3.2 Hypotheses

One of the factors influencing job satisfaction and employee performance was motivation as stated by Kumar et al. (2003), Robinsons and Judge (2011), and Lussier and Achua (2010). The influence is also supported by the results of study carried out by Sutawa (2015), Mubarak (2019), Idris 2013, Shohail et al. (2014). Based on the thoughts and results of the studies above, the first and second hypotheses can be formulated as follows:

Hypothesis 1 & 2: Motivation significantly affects job satisfaction and employee performance.

Organizational commitment is one of the factors that influence job satisfaction and employee performance as stated by Gibson et al. (2008), Davis and Newstrom(2006), and Neatle and Notheraft (1991). This effect is also supported by the results of the studies carried out by Shohai et al. (2014). Based on the thoughts and results of the studies above, the third and fourth hypotheses can be formulated as follows:

Hypothesis 3 & 4: Organizational commitment significantly influences job satisfaction and employee performance.

Financial compensation is one of the factors influencing job satisfaction and employee performance as stated by Mathis et al. (2002), Mondy and Noe (2006), and Wibowo (2007). This influence is also supported by the results of study carried out by Gragne and Forest (2011) and Untung and Haryanto (2010). Based on the thoughts and results of the study above, the fifth and sixth hypotheses can be formulated as follows:

Hypotheses 5 & 6: Financial compensation significantly influences job satisfaction and employee performance.

Internal communication is one of the factors influencing job satisfaction and employee performance as stated by Pace and Faulles (2000), Kalla 2006, and Bavee and Thill (2000). This effect is also supported by the results of the studies carried out by Pettit (2007), Ming et al. (2010), and Mubarak and Juwiko (2019). Based on the thoughts and results of the studies above, the seventh and eighth hypotheses can be formulated as follows:

Hypotheses 7 & 8: Internal communication significantly influences job satisfaction and employee performance.

Job satisfaction is one of the factors that influence employee performance, as stated by Calquit et al. (2012), Dessler (2013), and Hampton et al. (2008). This influence is also supported by the results of studies by Ming et al. (2010), and Pettit et al. (2007). Based on the thoughts and results of the studies above, the ninth hypothesis can be formulated as follows:

Hypothesis 9: Job satisfaction significantly affects employee performance.

## 4. Results and Discussion

### 4.1. Measurement Model

#### Convergent Validity

Indicators that need to be predicted in convergent validity were indicator reliability and construct reliability (Peter, 1981). The reliability indicator was examined by using the construct loading value. The results indicated that seven items of organizational commitment, six items of financial compensation, five items of internal communication, two items of job satisfaction, and one item of performance were needed to be dropped from the analysis since they had a loading factor value below 0.7. Therefore, it was reprocessed without including all the items that had been dropped. Figure 1 and Table 1 depicts the results of this purification.

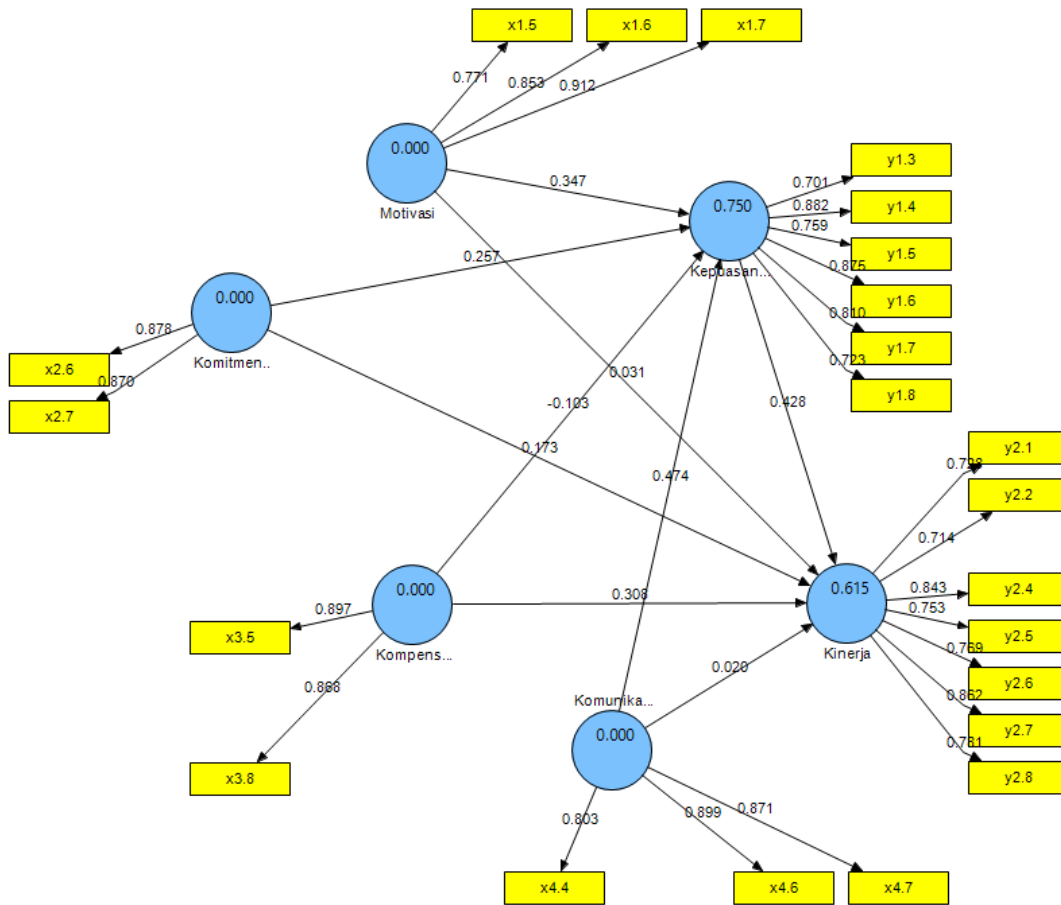


Figure 1: PLS Item Algorithm and Latent Variables

Table 1: Loading Factor Value of All Items

Variables	Indicators	Loading	Variables	Indicators	Loading
Motivation	x1.5	0.772	Job Satisfaction	y1.3	0.701
	x1.6	0.853		y1.4	0.882
	x1.7	0.912		y1.5	0.759
Organizational Commitment	x2.6	0.878		y1.6	0.875
	x2.7	0.870		y1.7	0.810
Financial Compensation	x3.5	0.897		y1.8	0.723
	x3.8	0.868	Performance	y2.1	0.728
Internal communication	x4.4	0.803		y2.2	0.714
	x4.6	0.899		y2.4	0.843
	x4.7	0.871		y2.5	0.753
				y2.6	0.769
				y2.7	0.862
				y2.8	0.781

The construct reliability was examined by using two measures, i.e., Composite Reliability (CR) and Average Variance Extracted (AVE). The threshold of a good CR was above 0.6 and above 0.5 for AVE (Bagozzi and Yi, 1998). Table 2 shows all construct values for both CR and AVE that are above the threshold values, namely 0.6 and 0.5 that as a consequence, the conclusion is that the constructs are sufficient. Based on the results obtained, it could be concluded that there was no convergent validity problem in the model being tested. Therefore, the next test was carried out, viz. the discriminant validity test.

Table 2: Composite Reliability Value and AVE

Constructs	AVE	Composite Reliability	Cronbachs Alpha
Motivation	0.718	0.884	0.802
Organizational Commitment	0.763	0.866	0.690
Financial Compensation	0.779	0.876	0.718
Internal communication	0.737	0.894	0.820
Job Satisfaction	0.632	0.911	0.882
Performance	0.609	0.916	0.892

### Discriminant Validity

Discriminant validity of construct items was examined by using the cross-loadings (Vinzi et al., 2010). The cross-loading value was obtained by calculating the correlation between the score components of every latent variable with each indicator block and all items in the model. Cross-loading value was the correlation between each construct and the items of each construct. The correlation between constructs and items was compared to the correlation between items and other constructs. If the construct indicator correlation has a higher value than the indicator correlation with other constructs, it is said that the construct has a high discriminant validity. The output of SmartPLS for the construct of cross-loading and the items are depicted in Table 3.

Table 3: Cross Loading

	Motivation	Organizational Commitment	Financial Compensation	Internal communication	Job Satisfaction	Performance
x1.5	0.771	0.294	0.414	0.485	0.540	0.475
x1.6	0.853	0.306	0.508	0.743	0.624	0.491
x1.7	0.912	0.461	0.443	0.719	0.763	0.582
x2.6	0.390	0.878	0.270	0.436	0.508	0.515
x2.7	0.353	0.870	0.368	0.394	0.527	0.463
x3.5	0.471	0.333	0.897	0.552	0.394	0.580
x3.8	0.474	0.309	0.868	0.502	0.418	0.465
x4.4	0.569	0.396	0.487	0.803	0.656	0.534
x4.6	0.760	0.372	0.522	0.899	0.709	0.561
x4.7	0.656	0.455	0.530	0.871	0.699	0.584
y1.3	0.547	0.345	0.232	0.523	0.701	0.341
y1.4	0.673	0.568	0.469	0.671	0.882	0.682
y1.5	0.595	0.388	0.301	0.646	0.759	0.505
y1.6	0.670	0.494	0.353	0.704	0.875	0.609
y1.7	0.730	0.398	0.348	0.690	0.810	0.572
y1.8	0.423	0.603	0.452	0.571	0.723	0.621
y2.1	0.400	0.503	0.431	0.405	0.498	0.728
y2.2	0.388	0.445	0.428	0.388	0.489	0.714

y2.4	0.468	0.367	0.500	0.524	0.551	0.843
y2.5	0.505	0.308	0.342	0.509	0.560	0.753
y2.6	0.512	0.406	0.515	0.538	0.514	0.769
y2.7	0.545	0.513	0.533	0.573	0.639	0.862
y2.8	0.510	0.496	0.478	0.601	0.610	0.781

Table 3 shows that the loading value of every item for its construct is higher than the value of cross-loading with other constructs. Based on the results of the cross-loading analysis, it appeared that there is no discriminant validity problem. According to Ghozali (2008), discriminant validity can be tested by comparing the AVE square root value to the correlation value between constructs. The calculation results are as follows.

Table 4: Correlation Between Latent Variables and AVE Square Root

	Motivation	Organizational Commitment	Financial Compensation	Internal communication	Job Satisfaction	Performance
Motivation	0.84732					
Organizational Commitment	0.4255	0.8737				
Financial Compensation	0.5346	0.3642	0.8828			
Internal communication	0.7727	0.4751	0.5977	0.8586		
Job Satisfaction	0.7668	0.5918	0.4589	0.8019	0.7949	
Performance	0.6118	0.5602	0.5952	0.6524	0.7104	0.7802

Table 4 indicates that the square root value of AVE (main diagonal) is higher than the correlation of every constructs so that it can be said there is no problem regarding the discriminant validity.

#### 4.2 Structural Model Evaluation

After obtaining confidence that there was no problem with respect to the measurement model, the next step that needed to be taken was to evaluate the structural model. One of the evaluations of structural model was to observe the strength of the independent variables of the whole model. The strength of the independent variable was examined by observing the square of the multiple correlation ( $R^2$ ) of the existing dependent variable. Based on the results of processing, the  $R^2$  value for job satisfaction variable was 0.7503, meaning that the value indicated that variations in job satisfaction could be explained by construct variables (motivation, organizational commitment, financial compensation and internal communication) by 75.03 percent, while the remaining 24.97 percent was influenced by other variables not included in this research model. At the same time, the  $R^2$  value for the performance variable was 0.6153, meaning that the value indicated that variations in performance could be explained by construct variables (motivation, organizational commitment, financial compensation, internal communication, and job satisfaction) by 61.53 percent, while the remaining 38.47 percent was influenced by other variables not included in the research model.

#### 4.3 Hypothesis testing

In this research, four hypotheses were tested as previously written. The following Table 5 provides the results of the correlation among the constructs of the intended hypothesis. In making a decision whether the hypothesis is statistically significant or not, the t-statistics value will be compared with the t-value from the table. If the t-statistic value was higher than the t-table value, the hypothesis was statistically significant. By conducting a one-way test and with a significance level of 5 percent, the t-table value was 1.96. From the t-statistic value in Table 6, it could be seen that from nine relationships, there were six t-statistic values that are more than 1.96 or there are six significant relationships.



Table 5: Estimated Model Coefficient Value

	Coefficient	Error Standard	T-Statistics	Conclusion
Motivation -> Job Satisfaction	0.347	0.085	4.091	Significant $\alpha=0.05$
Organization Commitment -> Job Satisfaction	0.257	0.066	3.921	Significant $\alpha=0.05$
Financial Compensation -> Job Satisfaction	-0.103	0.066	1.574	Not significant
Internal Communication -> Job Satisfaction	0.474	0.087	5.427	Significant $\alpha=0.05$
Motivation -> Performance	0.031	0.104	0.295	Not significant
Organizational Commitment -> Performance	0.173	0.086	2.003	Significant $\alpha=0.05$
Financial Compensation -> Performance	0.308	0.087	3.525	Significant $\alpha=0.05$
Internal communication -> Performance	0.020	0.155	0.127	Not significant
Job Satisfaction -> Performance	0.428	0.149	2.875	Significant $\alpha=0.05$

From the estimation results of significant correlation at 5 percent significance level, it could be seen that variables influencing job satisfaction were motivation, organizational commitment, and internal communication. At the same time, financial compensation variable did not significantly affect job satisfaction. The influence of motivation on employee job satisfaction had a path coefficient of 0.3467, meaning, there was a positive correlation between motivation and job satisfaction. The higher the motivation, the higher the job satisfaction of the employees. It was also the same for organizational commitment and internal communication variables. For performance variable, the variables influencing it were organizational commitment, financial compensation and job satisfaction. While motivation and internal communication variables did not affect the performance. With respect to the correlations between the effect of job satisfaction on employee performance, the estimated parameter value was 0.4275, meaning, there was a positive correlation between job satisfaction on employee performance. The higher the job satisfaction, the higher the employee performance. It was also the same for organizational commitment and financial communication variables.

#### 4.4 Discussion

The result indicated that motivation had a significant effect on employee job satisfaction with an estimated parameter of 0.347. It means that the stronger the motivation of the employees of the educational institution, the more job satisfaction felt by the employees. Therefore, motivation was an important factor affecting significantly the job satisfaction. In an educational institution, the employees' motivation did not only result in job satisfaction for the employees, but also affected the students in that institution. It was in line with the statement of Kumar & Rosse (2010) that motivation could stimulate someone to something they wanted so that they feel satisfied at work, and motivation could help them to achieve their goals. The result of this study emphasized the importance of motivation, especially in creating satisfaction for employees and other stakeholders. Furthermore, the result indicated that organizational commitment had a significant effect on employee job satisfaction. Meaning, the organizational commitment of employees of the English course institution could foster job satisfaction with an estimated parameter of 0.257. The stronger the organizational commitment of the employees of the educational institution, the more job satisfaction felt by the employees. Therefore, organizational commitment was an important factor affecting significantly the employee job satisfaction. In an educational institution, the employees' organizational commitment did not only result in job satisfaction for the employees, but it also affected achievements of all organizational goals. Therefore, the effort of empowering the employees in the course of strengthening the organizational commitment (Gibson et al., 2008), could be carried out according to: the office term, trust, confidence, credibility, and accountability of employees. The result of this study emphasized the importance of organizational commitment, especially in making the employees and other stakeholders felt satisfied.

Furthermore, the result indicated that financial compensation had a significant effect on employee job satisfaction were proven. It means, the financial compensation for the employees of the English course institution could foster job satisfaction significantly with an estimated parameter of 0.103. Therefore, it was necessary to look for financial compensation formulation that match the demands of the employees' life needs and in accordance with the financial capability of the institution. As a consequence, financial compensation was a factor, which formulation needed to be found based on the feasibility for the employees and in accordance with the financial capability of the institution. Therefore, the institution should be competitive enough with some kind of compensation to maintain and reward each individual in the organization. The compensations could be in internals (intrinsic) forms such as praises for successfully meeting some performance goals, or external (extrinsic) compensation which was measurable and in the form of monetary and non-monetary compensations. Therefore, compensation decisions should be considered strategically and in accordance with the goals and strategy of the organization.

Next, the result indicated that internal communication had a significant effect on employee job satisfaction. Meaning, the internal communication of the employees of the English course institution could foster job satisfaction with an estimated parameter of 0.474. it means that the better and more effective the internal communication in the educational institution, the more increasing the job satisfaction felt by the employees. Effective communication is basically how a message could be received and understood that consequently, the recipients of the message supported the message delivered. Internal communication leads to how employees are involved, and provides total support for organizational goals based on their motivation (Argenti and Forman, 2002). This is a condition that is intended in terms of employee engagement (Rucky, 2009). Therefore, the result of this study emphasized the importance of internal communication, especially in putting satisfaction for employees and other stakeholders into reality.

The result indicated that organizational commitment had a significant effect on employee performance. Meaning, the organizational commitment of the employees of the English course institution could improve the employee performance with an estimated parameter of 0.257. The stronger the organizational commitment of the employees of the educational institution, the better the performance of the employees. In an educational institution, the employees' organizational commitment did not only improve the performance of the employees, but it also affected the achievement of all organizational goals. Therefore, the effort of empowering the employees in the course of strengthening the organizational commitment (Gibson et al., 2008), could be carried out according to: the office term, trust, confidence, credibility, and accountability of employees.

The result indicated that financial compensation had a significant effect on employee job satisfaction. Meaning, the financial compensation for the employees of the English course institution could improve performance significantly with an estimated parameter of 0.308. The stronger the financial compensation of the employees of the educational institution, the better the performance of the employees was. As previously discussed, the educational institution should be competitive enough with some kind of compensation to maintain and to give each individual in the organization rewards. The compensations could be in internals (intrinsic) forms such as praises for successfully meeting some performance goals, or external (extrinsic) compensation which was measurable and in the form of monetary and non-monetary compensations. Compensation decisions should be considered strategically and in accordance with the goals and strategy of the organization. The result of this study emphasized the importance of appropriate financial compensation and it should be in line with the financial capability of the organization in improving the employees' performances.

The result indicated that financial compensation had a significant effect on employee job satisfaction. Meaning, the job satisfaction of the employees of the English course institution could improve performance significantly with an estimated parameter of 0.428. The higher the job satisfaction of the employees of the educational institution, the better the performance of the employees. Job satisfaction is basically a positive attitude towards works and it is individual. Therefore, job satisfaction was an important factor affecting significantly the employee performance. Nevertheless, according to Dessler (2013), job satisfaction does not necessarily affect work performance/achievement. However, there is often a positive correlation between high job satisfaction and high work performance. In developing countries, there are many employees whose job satisfaction is high, but their productivity is average, so job satisfaction is not a strong motivation. Meaning, there are still other factors that have a stronger effect on performance.

## 5. Conclusion

In accordance with the purpose of this research, which was to test the effect of job motivation, organizational commitment, financial compensation, internal communication, and job satisfaction on employee performance, the results of this research were formulated into the following conclusions. First, motivation had a significant effect on job satisfaction. The higher the motivation, the higher the job satisfaction. However, motivation did not have a significant effect on employee performance. Second, organizational commitment had a significant effect on job satisfaction and employee performance. The stronger organizational commitment, the higher job satisfaction and the better the employee performance. Third, financial compensation had a significant effect on employee performance. The better the financial compensation received by the employees, the better the performance of the employees. However, financial compensation did not have a significant effect on job satisfaction.

Forth, internal communication had a significant effect on job satisfaction. The better and more effective internal communication, the higher the employee satisfaction. However, internal communication did not have a significant effect on employee performance. Fifth, job satisfaction had a significant effect on performance. The higher the job satisfaction felt by the employees, the better the employee performance. Sixth, the strength values of dependent variable shown by the calculation results of the multiple correlation squared ( $R^2$ ) value of both job satisfaction and employee performance were significant.

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