



## Research Article

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# An Analysis of the Relationship between Compensation and Employees' Working Motivation Controlling for Proactive Behavior in Indonesian Hotel Industry

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Doi: 10.2478/mjss-2019-0043

### Abstract

*In companies engaged in hospitality services, where contact between employees and guests is relatively intensive, employee motivation will be a determining factor for the success of the company. Unsatisfied employees cause the quality of work to decrease and things can be felt directly by guests. Compensation is one of important variables that can affect employees' working motivation. Good compensation for employees will encourage them to work well and more productive. Working motivation is closely related to employees' perceptions of compensation and their proactive behavior. This study aims to determine the relationship between employee perceptions of compensation and working motivation controlling for proactive behavior in hotel companies with a research hypothesis: "There a significant relationship between perceptions of compensation and employees' working motivation controlling for proactive behavior." A total of 700 employees working in 37 stars and non-star hotels throughout Indonesia were sampled in this study. Statistical calculations showed that the partial correlation of compensation variables and working motivation controlling proactive behavior is significantly correlated  $r(698) = .617, p < .01$ , significant 2-tailed. The coefficient is reduced or slightly weakened whilst taking away the effects of proactive variable comparing to .814 with the proactive influence. However, the correlation of compensation and working motivation remains strong even without proactive attitude variable.*

**Keyword:** compensation, motivation, proactive behavior, hotel, Indonesia

## 1. Introduction

Managing human resources in the workplace is an important component in the management process. Employees have a very important role in the organization, and human elements and organizations must walk together to achieve organizational goals. It is important for companies to motivate their employees. In their work, Minner, Ebrahimi, and Watchel (1995) describe that, motivation consists of three interacting and interdependent elements, namely needs,

encouragement, and incentives. Compensation has been recognized as a key motivator for employees and an important instrument and expenditure for the organization.

In companies engaged in hospitality services, where contact between employees and guests is relatively intensive, employee motivation will be a determining factor for the success of the company. Unsatisfied employees cause the quality of work to decrease and things can be felt directly by guests. Disappointed guests are a threat to the hotel because they will move to competitors. For this reason, employee motivation must always be maintained so that the company's success in achieving its objectives can be achieved.

Today the growth of hotels in Indonesia is so fast, it is proven by the large number of hotel rooms. The current number of star hotels reaches 2,300 with 290,000 rooms (PHRI, 2017). While for non-stars the number reaches 16,000 with around 285,000 rooms throughout Indonesia. The development of the hotel industry is predicted to continue. Moreover, there were around 55,000 additional new rooms in 2018 (Soekamdani, 2017). However, the rapid development of the hospitality industry is not matched by adequate human resources. The lack of professional human resources in this sector is a problem.

The current labor absorption in the hotel and restaurant sector is considered good. However, it is not easy to find experts in this field. Rapid industrial growth is not offset by the readiness of human resources quality. According to the Jakarta Hotel Association (2017), HR quality contributes significantly in determining hotel rates and the amount of hotel guests' expenses. The better the HR, the better the prestige of the hotel. For this reason, HR quality and certification are important (Nayoan, 2017). However, the lack of required knowledge and skills can still be balanced with positive personalities and employees' right attitude so that they keep trying to do their best in carrying out their work and pursuing a career positively (Ling, 2017). The main factor in achieving career success is that employees must have positive qualities, such as proactive career behavior. In other words, the low quality of human resources, of course, can still be overcome if HR has high working motivation. For this reason, maintaining the motivation of hotel employees is an important factor for hotel managers and owners.

According to Kertonegoro (1997) motivation is the willingness to do a high level of effort towards organizational goals that are influenced by the ability to do and meet individual needs. The elements of effort include intensity (people try hard) and quality (efforts that are consistent with organizational goals). In addition to motivation from employees, attention from management is also needed to be able to maintain, grow, and direct the work motivation in order to achieve company goals.

Employees are called to have good work motivation if they have the enthusiasm and desire to complete their work well, have the will to succeed in the task and have the desire to progress and develop. Conversely, employees who are not motivated are those who are lazy, finish work at will, do not have the ambition to go forward and always blame the conditions and environment in the place where they work.

According to Gibson (1997) compensation is one of important variables that can affect employees' working motivation so it is important for a company to implement a satisfactory compensation system considering organization viability. The term compensation itself can be interpreted as all forms of financial returns, tangible services, and benefits that employees receive as part of the relationship between employees and the company. In this case compensation is an extrinsic reward in the form of monetary rewards such as salary, status, promotion, profit sharing, and bonuses. While an intrinsic reward has a form of recognition, interesting work, participation in decision making, and more challenging job opportunities.

Currently many hotel companies were proactive in approaching their prospective guests. Of course not only the management who is proactive but also the employees. Proactive attitude is strongly suspected as a factor that influences employees to be motivated to work. In this case, the extent to which the employee feels he has the freedom to do the tasks and responsibilities for the task. Employee work effectiveness is closely related to work motivation, and working motivation is closely related to employee perceptions of compensation and proactive attitudes. This study aims to determine the relationship between employee perceptions of compensation and working motivation controlling for proactive behavior in companies engaged in hospitality services with

research questions: "Is there a relationship between perceptions of compensation and employees' working motivation controlling proactive behavior."

### 1.1 Working motivation

Gibson (1997) suggests that working motivation is an impulse that arises from within that drives and directs behavior. So motivation is someone's attitude towards their tasks that leads to job satisfaction. The process of the emergence of motivation generally begins with the emergence of a need that has not been fulfilled, and this causes an imbalance between physical and psychological dimensions. For this reason, motivation is also referred to as need, urge, desire, and drive. Skinner put forward a reinforcement theory which states that behavior is determined by (or is a function of) the consequences. If the consequences are fun, like getting praise, promotion, rewards, then a behavior will be repeated or strengthened. If the consequences are unpleasant, such as getting reproach, warning, punishment, then a behavior will not be repeated. If managers want to motivate their employees, they must strengthen the desired behavior through the consequences of rewards, and weaken unwanted behavior through punishment.

In addition, working motivation is also determined by the motivator which is the driving force of labor motivation that affects the behavior of the individual workforce concerned. Herzberg (1966, 1964) proposed motivational driving elements, namely: achievement, recognition, work itself and development. Those who has a desire for achievements as a "need" can utilize the desire to encourage themselves to achieve the goal. Mc Clelland stated that the level of "needs of achievement" which is the second nature (second nature), is the key to one's success. Recognition of employees' achievements will be a strong motivator to work. Recognition of an achievement will provide higher inner satisfaction than rewards in the form of material or gifts. Awards for recognition in the form of a charter or medal can be a stronger motivator compared to gifts in the form of goods or bonuses/money.

Every job has its own challenges which are often a powerful motivator for employees to overcome obstacles. A goal that is not challenging or easily achievable is usually unable to be a motivator, even tends to be a routine activity. Challenge after challenge will usually foster excitement to overcome it. Finally, the development of one's ability from work experience or opportunity to progress can be a powerful motivator for the workforce to work harder or more passionately. Especially if the development of a company is always associated with achievement or labor productivity.

### 1.2 Compensation

According to Martoyo (1994) compensation can be defined as the overall arrangement of remuneration for both the employer and employees either directly in the form of money or indirectly which is not in the form of money. According to Hasibuan (1990) compensation is all income in the form of money or goods, both directly and indirectly received by employees in return for services provided to the company. Whereas Saydam (1996) said compensation is a reward from the company for the sacrifice of time, energy and thought that have been given by the employees to the company. Based on some of these definitions it can be concluded that compensation includes the following elements: (1) The remuneration provided by employees and tends to be paid regularly; (2) The main impetus for a person to become an employee and it influences enthusiasm of work; (3) Compensation has a positive effect, so the minimum amount needed must be able to meet the minimum requirements; (4) Compensation must be able to increase working enthusiasm so that the effectiveness and efficiency of employees can be maintained and improved. The management must always be dynamic in determining the amount of compensation to be able to generate employees morale.

Compensation has the function to allocate human resources productively. Good compensation for outstanding employees will encourage them to work well and towards more productive work (Martoyo, 1994). High compensation to employees implies that the organization will use the employee's power as efficiently and effectively as possible, this is where employee

productivity is crucial. As a result of the efficient and effective allocation and use of human resources, it is hoped that it will assist organization stability and promote overall economic growth.

Factors that affect compensation include truth and justice. This means that giving compensation to each employee must be in accordance with the capabilities, skills, education and services that have been shown to the organization. The ability of the organization to carry out compensation both financially and non-financially is very dependent on the funds collected for these purposes. Trade unions also affect the implementation or determination of compensation in the organization and are a "symbol of strength" of employees in demanding a rise. Other factors include the following: Work productivity; Productivity factors affect the assessment of employee performance; Cost of living. Adjustment of the amount of compensation is a must, especially in the form of salary or wages, with the cost of living of employees and their families; Government. The government also contributes in determining the minimum wage or the number of employees working hours (Martoyo, 1994).

### 1.3 ProActive Behavior

Bateman and Crant (1993) describe proactive behavior as individuals who show a stable tendency to take their own initiatives that seek to influence and change their work environment. Proactive individuals begin to change rather than passively accept and adapt to changes made. They challenge the difficulties faced and find ways to turn these barriers into useful opportunities that can prepare them to become more successful in their careers. Previous research conducted by Barnett and Bradley (2007) shows that proactive behavior mediates the relationship between organizational support and career success. Thus, proactive behavior can contribute significantly in mediating the relationship between the quality of work life and career success.

According to Pedler (1997), being proactive is the tendency to respond to events with a specific purpose. Proactive employees have several goals and objectives to be achieved, not just responding to goals. They can't plan everything carefully from the start, but when making some sort of response, proactive employees can consider it in the long run. Successful employees are able to provide immediate responses associated with overall and long-term goals or objectives, while employees who are less successful respond to sudden pressure in a relatively uncritical or under-considered manner. This category of abilities encompasses qualities such as seeing work in more depth, being dedicated and responsible, having a "sense" of mission, and taking responsibility for something that happens rather than avoid giving up responsibility to others.

According to Covey (1998), proactive humans mean being responsible for themselves because individual behavior is a function of individual decisions. Individuals have the responsibility to make things happen. Humans as proactive individuals always try hard precisely and the direction of the goal is the conception that unites the lives of individuals. The main requirement is that individuals must have a goal set that must be fought for. The basic proactive assumption lies in the nature of humanity which moves towards the union of relative life. Humans live in the world for future purposes, ambitions of life, and hard work produced from within themselves.

Victor Frankl is one of the many people who are able to develop personal freedom in difficult circumstances to lift and inspire others. In discovering the basic principles of human nature, Frankl (in Covey, 1998) describes an accurate self-map and from which he begins to develop the most basic first habits of humans that are most effective in any environment. Although the word proactive is commonly found in the management literature, the meaning of this word is more than just taking the initiative. This word means that employees are responsible for their own lives. Employee behavior is a function of its decision, and not an existing condition. Individuals can subordinate feelings and have initiatives and responsibilities. Thus it can be concluded that proactive employees are still influenced by external stimuli, whether physically, socially or psychologically. However, their response to the stimulus, consciously or unconsciously, based on choices or responses based on certain values adopted such as dedication and responsibility, initiative - creative, principles that are believed, having long-term goals and quality of work.

Proactive behavior is a type of work behavior that is motivated by open thinking (Bateman & Crant, 1993). Although the concept of proactive behavior is defined differently, a general consensus

arises among researchers on proactive behavior such as open mindedness and initiative to solve problems (Crant, 2000; Grant & Ashford, 2008). People with proactive behavior are more likely to seek information and bring ideas spontaneously toward the big changes around them (Crant, 2000). Furthermore, with their own initiative, proactive employees come forward to propose ideas for organizational problem solving and make efforts to prevent the re-emergence of similar problems (Parker et al., 2006).

Grant & Ashford (2008) describe the difference between proactive behavior and motivated behavior and reactive behavior in two aspects, such as acting first and being able to estimate the consequences. Being a proactive employee means acting first with more anticipation and attention. On the other hand, by maintaining a strong intention to change the environment, employees want to bring more tangible results. Proactive behavior is needed to change themselves, their peers, or the environment (Grant & Ashford, 2008). In addition, proactive behavior includes anticipatory behavior, full planning, problem solving and finding ways to change the current situation (Parker & Collins, 2010; Parker et al., 2006).

#### 1.4 Previous Studies

In the study of the relationship between job satisfaction and compensation and work motivation, Ghazanfar et.al. (2011) found that satisfaction with compensation can be a work motivation factor, while flexible pay is not a motivating factor in work and benefits do not have a significant impact on work motivation. Mensah and Tawiah (2016) in their study of employee motivation and work performance by conducting comparative studies of several mining companies in Ghana found that management must ensure that employees are well motivated so they do not organize a strike and industrial unrest that affects their performance. In addition, employees must comply with health and safety regulations because the mining industry contributes greatly to the country's Gross Domestic Product (GDP).

Study by Ghafari et. al. (2017) shows that the most significant motivation factor to support employee job performance is responsibility, while income allowance is the second significant factor. Jehanzeb et.al (2012) found that employees' levels of reward, motivation and job satisfaction have a strong relationship in Saudi Arabia's banking sector. The findings show that employees in the banking sector are more concerned with economic or financial rewards. So, if the rewards are increased, then the work motivation of employees working in public and private banks also increases. Peretomode (1991) recommends that the greater the prestige of a job, the higher the job satisfaction. Bakan & Buyukbese (2013) shows a significant relationship between employee income levels and employee job satisfaction. However, the data obtained does not provide any description of the direction of causality that occurs. Arefin et.al. (2015) found that organizations that implement high-performance work systems can stimulate employee motivation by empowering them. Their study revealed that psychological empowerment mediates the relationship between employee perceptions of high-performance work systems and employee proactive behavior.

Ling et.al. (2017) shows the partial mediation effect on proactive behavior in the relationship between quality of work life and career success. Ling found that the quality of work can positively influence career success in academia. If they have proactive behavior, they will be eager to achieve a higher level of career success.

## 2. Methods

In this study, the sampling method used was purposive sampling with the criteria of permanent employees with a minimum work period of one year and a minimum educational background of high school. A total of 700 employees working in 37 stars and non-star hotels throughout Indonesia were sampled in this study. They come from all departments such as: front office, housekeeping, man power, food & beverage, accounting, and marketing. In this study primary data was obtained by distributing questionnaires via e-mail to employees based on the assumption that the respondent is the person who knows best about his situation, what is stated by the respondent is true and trustworthy and the respondent's interpretation of the question or statement submitted is the same

as what meant by the researcher. Secondary data is obtained from data about the history of the company, its objectives, geographical location, human resources, organizational structure, duties and authority, compensation system, available facilities, and a strategic description of the company.

In this study there are three kinds of data collected: data about perceptions of compensation, data on proactive attitudes and data on work motivation. The measurement used is a simple ranking scale of 1 - 10 on the grounds that the scale has more points so it has better ability to show the degree of difference. In general, people used to understand the value of 10 indicates the best or perfect value (Strongly agree) while value 1 shows the worst value (Strongly disagree). Perceptions of compensation scores, proactive attitudes, and work motivation are sought by calculating the mean value after summing up the total answers of each question item in each variable. In this study, the perception of compensation variables is measured based on the respondents' assessment of the nine statements on the questionnaire regarding basic salary, benefits, guarantees, promotions and facilities provided by the company. Examples of these statements include: "The compensation I received (money, promotions, bonuses, leave etc.) was in accordance with my work" and "The company provides opportunities for employees to develop careers."

Proactive attitude variables are measured based on personal dedication, responsibility, creative initiatives, self-owned principles, quality of work and knowledge of the tasks carried out through nine statements in the questionnaire which are: "I know what I do to improve my abilities and knowledge" and "I have never hesitated to make a decision correctly." While the variables of work motivation are measured based on the employee's assessment of security and safety, good leadership, suitable colleagues and working conditions, decent wages, appreciation for work performance and the opportunity to progress through 10 statements, among others, as follows: "The company provides security guarantees and work safety" and "My leader has appreciated subordinates as human beings".

There are three variables in this study namely perception of compensation ( $X$ ), working motivation ( $Y$ ), and proactive attitude ( $Z$ ). This study has a general hypothesis that there is a relationship between perception of compensation and work motivation. The more positive employee perceptions of compensation, the higher the work motivation, but this study also wants to check whether this relationship is controlled by a proactive attitude. In this case, if two variables,  $X$  &  $Y$ , correlate with the third variable,  $Z$ , then the variables  $X$  and  $Y$  are likely to correlate with each other just because they are related to the third variable. It is interesting to know whether there is a correlation between  $X$  and  $Y$  which is not because both are correlated with  $Z$ . Partial correlation statistics are needed to do this. This study assumes that the relationship between perception of compensation and work motivation will become stronger when employees have a proactive attitude that is also strong. Working motivation based only on compensation tends to not last long, especially if there is a better offer, while proactive attitudes tend to be more permanent. For this reason, the statistics of this study use partial correlation to check whether there is a linear relationship between perceptions of compensation and working motivation controlling proactive attitudes. This study has one dependent variable of 'working motivation' and one independent variable 'perception of compensation' while 'proactive attitude' functions as a control variable. The partial correlation coefficient can be written in the form of a simple correlation coefficient as follows

$r_{XY.Z} = \frac{r_{XY} - r_{XZ}r_{YZ}}{\sqrt{(1 - r_{XZ}^2)(1 - r_{YZ}^2)}}$  In this study, the correlation coefficient between variables  $X$  and  $Y$  and also

the correlation coefficient between  $X$  or  $Y$  with  $Z$  is calculated with Pearson product moment formula  $r_{xy} = \frac{N\sum XY - \sum X\sum Y}{\sqrt{[N\sum X^2 - (\sum X)^2][N\sum Y^2 - (\sum Y)^2]}}$ .

Both formulas are used because the data is continuous. Pearson's correlation assumes that the variables used to calculate the correlation coefficient must come from the normal population while the normal distribution is continuous data. The following is the null and alternative hypothesis:

Nul hypothesis: There is no significant correlation between perceptions of compensation and work motivation controlling employees' proactive attitude  $H_0: \rho = 0$

Alternative hypothesis: There is a significant correlation between perceptions of compensation and work motivation controlling employees proactive attitude  $H_1: \rho \neq 0$

### 3. Research Findings

This study investigates whether there is a significant correlation between the independent variables, the perception of compensation and the proactive attitude of employees, with the dependent variable, working motivation. The results of descriptive data collection on 700 employees working in 37 hotels throughout Indonesia which were sampled in this study are presented in a frequency distribution table consisting of three variables: perceptions of compensation, proactive attitudes and working motivation (See Table 1). Based on the data in Table 1 it is known that as many as 70.7% of respondents stated that they have very good (very positive) to good (positive) views towards the compensation they received from the company (Scale 7-10); some 7% have a very negative to negative views of the compensation they receive (Scale 1-4) and; as many as 22.3% expressed doubt (Scale 3 - 3.9).

As many as 85.6% of respondents showed a very proactive to proactive attitude when they work (Scale 7-10); As many as 5% showed a very non-proactive attitude to not being proactive (Scale 1-4) and; as much as 9.3% showed doubt (Scale 5-6). In the working motivation variable, as many as 70.6% of respondents stated that they have very strong to strong motivation (Scale 7-10) in doing their work; 6.7% said they did not have or were highly unmotivated (Scale 1 - 4) and; as many as 22.7% expressed doubt (Scale 5-6). Cronbach's alphas value for the nine statements regarding perception for compensation, nine statements for proactive attitudes and 10 statements on working motivation are respectively .80, .78, and .72.

**Table 1:** Percentage and scale of respondents' answers to compensation, proactive attitudes and work motivation (%)

Scale	Compensation perception	Proactive attitude	Working motivation
9 – 10	12	37,3	19,3
7 – 8	58,7	48,3	51,3
5 – 6	22,3	9,3	22,7
3 – 4	3,3	0,7	4
1 – 2	3,7	4,3	2,7
Total	100	100	100

The mean value of respondents' responses to nine items of compensation variable using a simple rating scale (1-10) is 7.2 with a standard deviation of 2.33 and as many as 700 respondents (N = 700) responded to the statements; The mean value of respondents' responses to 10 items of working motivation variable using simple rating scale (1-10) is 7.19 with standard deviation 2.2 and as many as 700 respondents (N = 700) responded; The mean value of respondents' responses to the nine items of proactive variable using a simple rating scale is 6.75 with a standard deviation of 2.39 and as many as 700 respondents responded (See Table 2: Descriptive Statistics).

**Table 2:** Descriptive Statistics

	Mean	Std. Deviation	N
Compensation	72.043	233.460	700
Motivation	71.986	221.756	700
Proactive	67.557	239.851	700

Calculation using Pearson correlation show a significant relationship between variables of compensation perception and proactive attitude with working motivation (Table 3). Perception of compensation shows a significant relationship with working motivation  $r(698) = .814, p < .01$ , significant 2-tailed; Perception of compensation shows a significant relationship with the proactive attitude variable  $r(698) = .718, p < .01$ , significant 2-tailed; Proactive attitude variable show a significant relationship with working motivation  $r(699) = .715, p < .01$ , significant 2-tailed;

The next step is to do a partial correlation between variables X, Y and Z. In this case, when

the control variable Z has a significant relationship with Y (dependent variable) and X (independent variable), the use of partial correlation becomes more appropriate. Under these conditions, the relative pure correlation between X and Y can be obtained, but with the Z effect was controlled (fixed). However, even if Z does not have a significant correlation with X and Y, the partial correlation coefficient will also change but the change in value is small and meaningless (Researchgate, 2014).

In this study, statistical calculations showed that the partial correlation of compensation variables and working motivation controlling proactive behavior  $r(698) = .617, p < .01$ , significant 2-tailed. This shows that there is a slightly weakened relationship between variables of compensation and working motivation controlling proactive attitudes. While the direction of the relationship is positive because the value of  $r$  is positive, meaning that the higher the value of compensation, the more working motivation. This also means that the correlation between compensation and working motivation is reduced or slightly weakened if it is not accompanied by the influence of proactive attitude variable. However, the correlation of compensation and working motivation remains strong even without proactive attitude variable.

Based on the calculation, it can be said that there is a significant correlation between perceptions of compensation and working motivation if the value of the employee's proactive attitude is controlled so that  $H_1: \rho \neq 0$ . Then based on this data the null hypothesis ( $H_0$ ) states that there is no significant relationship between perceptions of compensation and working motivation with control of proactive attitudes can be rejected. Likewise the hypothesis which states that there is no significant relationship between proactive attitudes and working motivation can be rejected because in fact there is a significant relationship between proactive attitudes and working motivation.

**Table 3:** Correlation

Control Variables			Compensation	Motivation	Proactive
Compensation	Correlation		1.000	.814	.718
	Significance (2-tailed)		.	.000	.000
	df		0	698	698
-none- Motivation	Correlation		.814	1.000	.715
	Significance (2-tailed)		.000	.	.000
	df		698	0	698
Proactive	Correlation		.718	.715	1.000
	Significance (2-tailed)		.000	.000	.
	df		698	698	0
Compensation	Correlation		1.000	.617	
	Significance (2-tailed)		.	.000	
	df		0	697	
Proactive	Correlation		.617	1.000	
	Significance (2-tailed)		.000		
	df		697	0	

Image 1 shows a graph of the scatter plot of direct correlation between independent variable perception on compensation (the X variable) and the dependent variable of working motivation (the Y variable ) controlling proactive attitude (the Z variable) and producing a linear  $R^2$  value of 0.662 or 66.2%. This means that 66.2% of the variation in the dependent Y variable is explained by the independent X variable in this model. The linear regression equation shown in this model is  $Y = 1.63 + 0.77x$ . This means that the level of employee motivation is determined by the amount of compensation received multiplied by 0.77 plus the constant value of 1.63. Image 2 shows a scatter plot graph of the correlation between the two estimated values of the independent variable (unstandardized predicted value), perception of compensation ( $X_1$ ) and proactive attitude variable ( $X_2$ ) with the dependent variable of working motivation (the Y variable) which produces  $R^2$  linear is 0.698 or 69.8%. This means that 69.8% of the variation in the dependent Y variable is explained by the independent X variable in this model. This shows that the relationship between perception

variables on compensation and proactive attitudes together give a greater influence on work motivation variables. Again, the strength of compensation correlation and working motivation is reduced or slightly weakened if it is not accompanied by the influence of proactive attitude variable. However, the correlation of compensation and work motivation remains strong even without proactive attitude variables.

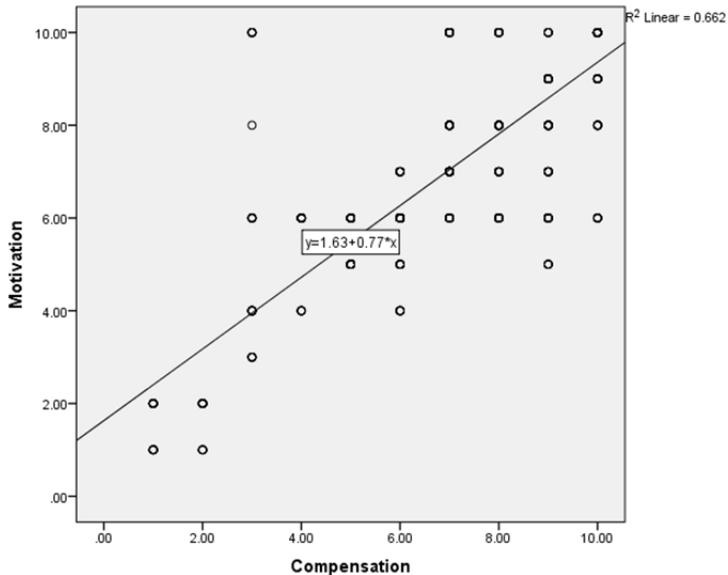


Image 1: The scatter plot of direct correlation

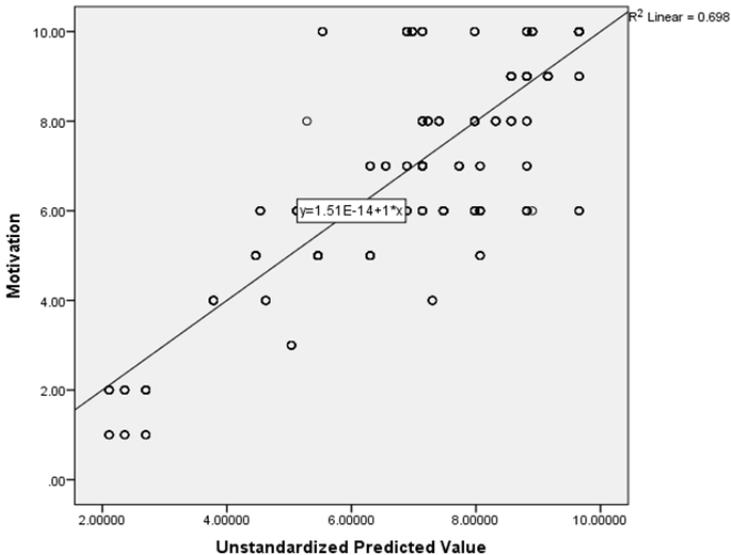


Image 2: The scatter plot graph of the correlation between the two estimated values of the independent variable

#### 4. Discussions and Conclusions

The purpose of this study is to improve understanding of perceptions of compensation for working motivation controlling proactive behavior. More specifically, to test whether a positive relationship between perceptions of compensation still plays an important role in employee motivation in terms of the absence of proactive working behavior. The results of the study show that this is indeed the case, that compensation still plays an important role in encouraging working motivation. Compensation has a positive effect on motivation. Humans work to be able to meet their daily needs. If the company wants its employees to be motivated in carrying out their work, then the company must strive to meet the needs of its employees. Compensation given to employees greatly influences work motivation because various forms of compensation function to motivate employees to have higher productivity. Compensation also has a positive influence on performance, and with the implementation of a good and fair compensation system, it is expected to encourage employees to improve their performance. Thus employees will try to improve their performance because the better the performance, the employee will get better compensation.

The results of this study generally show results that are more or less the same as previous studies. For example, a study by Ghazanfar et.al. (2011) who found that satisfaction with compensation could be a work motivation factor. Likewise, the study conducted by Mensah and Tawiah (2016) on employee motivation and work performance found that management must ensure that employees are well motivated so that they do not strike and commit industry riots that affect their performance. Another study by Ghafari et. Al. (2017) shows that the most significant proactive attitude to support employee job performance is a sense of responsibility. Jehanzeb et.al (2012) found that employees in the banking sector were more concerned with economic or financial rewards. So, if the rewards are increased, then the work motivation of employees working in public and private banks also increases. The results of this study are also in line with the study conducted by Bakan & Buyukbese (2013) which shows a significant relationship between employee income levels and employee job satisfaction. Ling et.al. (2017) also shows the partial mediation effect on proactive behavior in the relationship between quality of work life and career success. Ling found that the quality of work can positively influence career success (motivation) among academics if they have proactive and passionate behavior to achieve a higher level of career success.

Compensation has a close relationship with human needs which is one of the reasons for individuals to be more active in working, and to achieve this requires motivation in doing work. In addition, motivation has a positive influence on performance. Motivation can encourage someone to work harder and always want to continue their business. Therefore, employees who have high work motivation usually have high performance. Proactive individuals involve behaviors that are self-initiated, future-oriented, and change-oriented (Frese & Fay, 2001; Parker et al., 2006). Proactive individuals are able to design and implement new work methods or actively seek feedback from supervisors. The results of this study confirm that proactive behavior is a positive behavior that can lead to an increase in the performance and effectiveness of individuals and organizations, especially when employees are asked to respond to changes in working conditions and demands (Griffin et al., 2007).

In this study it is also necessary to put forward some limitations and also recommendations for further research. The main limitation of this research is the use of self-assessment or self-report (self-rating measures) to measure the three research variables. This technique could be the best way to measure perceptual variables for compensation but it could be less reliable for work motivation, moreover proactive behavior. This raises the potential for overestimating the relationship between variables because of the bias that comes from the respondents in measuring themselves (Podsakoff et al., 2003). If self-measurement seems to be the best way to measure perceptions of compensation, future studies may need to include other measurement techniques to assess the variables of proactive attitudes and work motivation using more objective data, such as measurements by coworkers. However, as recommended by Podsakoff et al. (2003), the answers given by the respondents in this study are anonymous so that employees feel free to express their judgments without the burden of knowing their superiors and also this research uses statement items that describe proactive attitudes and motivation to work in a very concrete way. Therefore,

bias is expected to be minimized.

The conceptual model used in this study implicitly holds that compensation functions as a predictor of work motivation mediated by proactive behavior. This assumption is built on a previous proactive behavior model based on longitudinal data (Parker et al., 2006; Grant & Ashford, 2008). In addition, the literature on job characteristics models also supports several other variables, such as the work environment, as predictors for work-related behavior (Humphrey et al., 2007). However, we can also imagine an inverse causal path: Employees become proactive, take on more tasks and create more pressure for themselves, which is influenced by their work motivation and high income. Fay et al. (1998) have examined the interrelationships between time pressure and proactive behavior and found a positive effect of time pressure on proactive behavior but no effect of proactive behavior on time pressure. Subsequent research should also consider longitudinal research designs (for example, for several days, weeks, or years) that focus on intra-individual processes between work motivation and proactive behavior.

The results of this study also support previous research that shows the importance of goals and emotions to improve employees' function and performance (Ashforth, et al., 2007; Ryan & Deci, 2000). From this perspective, it is recommended to strengthen research on the relationship between personality and proactive behavior because studies in the past have almost exclusively focused on proactive personality (Bateman & Crant, 1993; Fuller & Marler, 2009). Recent studies, for example by (Wu & Parker, 2012a) highlight that proactive personality is no longer sufficient to explain why some people, but not others, are involved in proactive behavior. This also does not explain why someone is involved in proactive behavior on one occasion but not another. Thus, it is also recommended to encourage future studies that focus on dispositional factors outside of proactive personality, including studies that describe the mechanism by which personality has an impact, and also studies that consider the effects of interaction with situational factors. It is also recommended to bring a multilevel perspective to study how dispositional factors will influence proactive behavior in inter and intra-individual contexts.

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