

Side Wage Model of State University Lecturers (Case Study at Mulawarman University)

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ABSTRACT

This study aims to determine the effect of the working period of civil servant lecturers and education on work wages in side jobs (jobs outside the duties as civil servants) both directly, and through work productivity. The sample of 100 respondents was selected purposively from the population of PTN lecturers at Mulawarman University who have a minimum education of S2 and group IIIc, by using regression analysis (Structural Model), the results showed that: (1) The working period of civil servants and formal education each had a positive and significant effect on the work productivity of lecturers. The implication is that the competence of lecturers is largely determined by educational factors and work experience. (2) However, only formal education has a significant effect on side job wages, while work experience and work productivity have no significant effect. Indicate that there is no other way to improve the additional employment income of lecturers, except by improving competence through further education.

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1. INTRODUCTION

Lecturers as educative staff in higher education institutions, are groups of workers who occupy positions carrying out certain missions in the world of human resource development, anywhere in the world including in Indonesia and Samarinda City in particular. In this regard, they (lecturers) are sometimes flattered with praise that may be different from what they actually need as one of a specific group of workers.

Indeed, the world of lecturer workers is at a crossroads. As if standing in a position of tug-of-war between intellectual idealism as an educator and as a commercial

worker, as befits other forms of profession that always wriggle in the midst of capitalism in the era of neo-liberalism today.

The phenomenon mentioned above is hypothesized to be a driver for lecturers at state universities (PTN) to allocate the remaining free time from their main duties as civil servants to work outside the working hours of civil servants (PNS).

The average salary of lecturers is Rp. 2.03 million per month or Rp. 507.500, - per week (Bendaharawan, Unmul, 2020). This figure is relatively low compared to the average income for other professional workers, such as consultants, researchers, lawyers, medical experts, politicians and others. The duties and responsibilities of

lecturers as professionals are quite heavy, namely not only educating and teaching, but also required to conduct research and community service. While the provision of services by the state in the form of basic salaries and allowance salaries, is relatively no different from other professions (jobs) in civil servants and far below the salary standards of state and regional company employees, especially national and foreign private companies and other professionals.

The aspect of education and training as part of *human capital* over the past few decades has been an interesting issue by economists including [1], [2], [3], [4]. They talk a lot about *investment in human capital*, its relevance to national income per capita, aggregate productivity and wage structure. However, research on the relationship between education and training and work experience and individual wage levels in the last decade can be found, such as [5], [6], [7], [8].

The tendency that the level of education completed by PTN lecturers is relatively disproportionate to the provision of remuneration by the state, theoretically and empirically proves that the quality of human capital (knowledge and skills) is very important in increasing one's work productivity. The provision of labor is based on the additional value of marginal *product of factors of production* [4],[1]. Then [9], explained that work experience will lead to increased income receipts in the future.

Based on neoclassical theory and the results of previous studies and the tendency to vary the level of lecturer wages outside the main job as a civil servant, the problem is; The extent of the influence of education level and length of service both directly and through the marginal productivity of lecturers on side job wages.

2. RESEARCH OBJECTIVES

This study aims to determine the influence, tenure of lecturers as civil servants and education on lecturer wages outside the main job as civil servants, both directly and through lecturer work productivity.

3. RESEARCH METHODS

This research is explanatory, which explains the influence of education and individual lecturers' working period on lecturer wages outside of their main job as civil servants. Data collection was carried out by survey method, namely by selecting a sample purposively among the existing population based on the characteristics of education and tenure of lecturers with a sample of 100 respondents in 2020. The survey data is cross-section data. The unit of analysis in this study is educative staff (lecturers) who have master's education and above and have work experience with the last rank of lector and above and serve in PTN as the main job.

This study uses a structural equation model (*Structural Equation Model, SEM*) with functional relationships as follows:

$$(1) Y1 = f(X1, X2)$$

$$(2) Y2 = f(Y1, X1, X2)$$

Where:

X1= The length of service of a civil servant is measured by the length of time raised as a civil servant (years)

X2= Lecturer education is measured by the length of study period (years), each S2 (20 years), S2 plus (22.5 years) and S3 (25 years)

Y1= Lecturer work productivity is measured by total credit unit increase rank/class of lecturers in the last one year (two semesters).

Y2= Side job wages measured by the average wage outside of work principal as a Civil Servant (PNS) per working hour

Based on the functional model above, the regression equation is formed as follows:

$$(1) Y1= \lambda_0 + \lambda_1 X1 + \lambda_2 X2 + \mu_1$$

$$(2) Y2= y_0 + y_1 X1 + y_2 X2 + y_3 Y1 + \mu_2$$

In such a way that it gets:

$$Y_2 = (y_0 + y_3 \lambda_0) + y_1 X_1 + y_3 \lambda_1 X_1 + y_2 X_2 + y_3 \lambda_2 X_2 + (\mu_1 + y_3 \mu_2)$$

Where:

(1) Direct influence

λ_1 = The effect of lecturers' working period on lecturer work productivity

λ_2 = The effect of education on lecturer work productivity

y_1 = The effect of the lecturer's tenure on side job wages

y_2 = The effect of education on side job wages

y_3 = The effect of education (X_2) on side job wages

(2) Indirect influence

$y_3 \lambda_1$ = The effect of tenure through lecturer work productivity against side job wages

$y_3 \lambda_2$ = The effect of tenure through lecturer work productivity against side job wages

Based on the results of the study, it appears that there are five direct functional relationships and two indirect relationships. The variables of length of work and education are exogenous variables, while the variables of work productivity and side work wages are endogenous variables. Based on the results of the study in Table 1, it can be identified the shape, magnitude and significance of the influence of each independent variable on the dependent variable. In this study, varying levels of significance were used, namely probability (p) = 0.01; 0.05 or 0.10 (probability of 1 percent, 5 percent or 10 percent).

[10] suggests that wage differences (*wage*) Individually it can be traced to innate differences in mental and physical abilities, level of education, training, experience, natural inheritance and social environment in addition to other factors outside the workforce. Similarly, [6], [7], [11], [12] state that differences in a person's wages can be Motivated by various factors including education level, work experience, economic position, power position and other positions.

4. RESULTS OF ANALYSIS AND DISCUSSION

Table 1. Results of Parameter Estimation of Direct Influence Between Variables Based on Structural Model

N0	Functional Relationships Free Variable	Functional Relationships Bound Variables	Parameter Estimation Symbol	Parameter Estimation Value	CR	P
1	Period of Service PNS (X_1)	Productivity Civil Service Work (Y_1)	$\lambda_1 y_1$	0.201**	2.223	0.010
		Upah side job (Y_2)		0.001*	0.071	0.960
2	Education (X_2)	Productivity Civil Service Work (Y_1)	$\lambda_2 y_2$	2.844***	3.932	0.000
		Side job winnings (Y_2)		0.565***	4.724	0.000
3	Civil servant work productivity (Y_1)	Side job wages (Y_2)	y_3	0.002*	0.412	0.828

Source: Regression Analysis Results, Primary Data, 2020.

Description (Table 1):

*) Insignificant

**) Significance at a significance level of 5%

***) Significance at a significance level of 1%

The opinions of the experts mentioned above are summarized and

grouped into three variables, namely the working period of civil servants (work

experience), education and lecturer work productivity. These three variables are hypothesized to have a positive and significant influence on side job wages.

2.1 *Length of service of civil servants, work activity and wages of side jobs*

Based on the results of the SEM analysis (Table 1), it appears that the tenure of civil servants has a positive and significant effect on lecturer performance at a significance level of 5 percent (hypothesis accepted). The effect of civil servants' tenure on civil servants' performance is 0.312. This shows that work experience can encourage an increase in lecturer work performance by 0.31%.

The results of this study, supporting the opinion of [13], suggest that tenure will have a positive impact on performance. A person who has high job and organizational commitments will show a record of attendance and longer working life and better performance.

[14], that if the working period is proxied as work experience, then the working period will have an impact on work ability (*skill*) and work ability will have a positive impact on better work productivity.

The implications of the results of this study will have an impact on the remuneration of lecturers by the state will differ based on the lecturer's work experience (periodic increase in civil servant rewards), in addition to the rank group.

The theoretical view of the relationship between work experience and wages has been put forward by experts such as [15], then reinforced by [16], that work experience will lead to an increase in income / wages in the future. The results of this study contradict the results of previous studies [7], [11], [17], finding that labor experience has a positive and significant influence on the wages of both female and male workers. [8], [18] use age as a proxy for work experience.

However, based on the results of SEM analysis (Table 1), it appears that the length of service of civil servants has an insignificant influence on side work wages at a significance level of 10 percent, although it has a positive influence in accordance with theoretical foundations and some previous research results.

This insignificant influence is possible because the provision of wages outside civil servants is not differentiated based on the work experience of lecturers, namely there is no difference in wages per work unit between senior lecturers and junior lecturers, except for the provision of salary / honor based on the level of position and type of work.

If referring to *human capital* theory that work experience (*experience*) has a positive influence on annual income, *annual earnings* [1], [19], [20], so the results of this study do not support the theory of *human capital*. This shows that the job market outside the main duties of lecturers has not considered the issue of skills. The problem of individual professionalism and the problem of competence in determining remuneration to lecturers are still ignored. It is impressed that the issue of emotional relationships, kinship and work relationships is more put forward.

The implications of the results of this study will encourage lecturers to work less professionally and not optimally. Competency issues are relatively neglected and will encourage dissatisfaction of educative workers over the wages received, especially for lecturers who have good careers and high enough competencies. In turn, apathetic and unprofessional lecturers will be created in their fields, because these ranks/functional groups are only valued in the duties of lecturers as civil servants, but less appreciated in economic activities outside the duties of civil servants.

On the other hand, if the working period of civil servants is measured by the work experience of civil servants where work experience is a form of *human capital* that can improve one's skills, then the higher skills are believed to be able to produce a person's level of recompense both directly and indirectly. The effect of work experience (length of work) on side work wages through work productivity is 0.009.

2.2 Formal Education, Work Activity and Side Work Wages

Education is a form of human capital which is expected to be the main capital in the development of human resources in order to increase the work productivity of lecturers. Related to this, the results of this study show (Table 1) that education has a positive and significant effect on lecturer work productivity at a significance level of 1 percent, amounting to 2.63630. This indicates that the development of lecturer human resources is mainly in formal education in order to increase the productivity of lecturer work.

This research strengthens the theory of human resource development (*Development in Human Resources*) which has been put forward theoretically by experts including [8], [15], [19], [21].

The implication of the results of this study is that if you want to improve lecturer performance both in the context of teaching, research, community service and other activities, the improvement of lecturers' formal education needs more serious attention. PTN rules to limit lecturers from teaching at the S1 strata by lecturers who graduated from Bachelor-S1, as well as S2 strata by Master-S2 graduates is one form of strategic policy to encourage lecturers to continue their formal higher education. In addition, the provision of appreciation in the form of promotion credits for a certificate or diploma of Master or Doctorate needs to be further improved.

On the other hand, [1] illustrates through a graph the relationship of education to annual income. Then [15] defines that *human capital* from the knowledge possessed by a person will encourage work productivity and in turn will receive remuneration in the form of wages that are assumed to be equal to the value of marginal productivity (*VMPPI*).

Based on the results of SEM analysis (Table 1), it appears that the results of this study support the theory of *human capital*, where education has a positive and significant effect on side job wages at a significant level of 1 percent, amounting to 0.62597. The results of this study support the results of previous studies, including [7] using data "The data base for market research, [22] using data The countries and metropolitan areas, USA, 1999, [11] using data Current population areas 1988, [17] using data Metropolitan statistical areas, [21] using data Current population areas, 1984, [8] using data from the Census of population, USA, 1990, and [23] using Socio-economic panel data (SEP, 1987-1990). They found that education and work experience had a positive and significant influence on wage levels.

This shows that the results of this research also enrich the knowledge of scientific science, especially in the theory of human capital. Thus, education is increasingly indisputable as the primary human capital, after work experience and the innate natural and social environment.

The implications of the results of this study will have an impact on the more motivated educative staff to continue formal education to a higher level, even though before this research was carried out there were no formal rules enforced by state universities (Mendiknas), where Bachelor-S1 could not teach at undergraduate programs (S1) just as Master-S2 graduates could not teach master program students (S2).

The results of this study indicate that the job market has paid attention to the quality of human resources, especially in terms of formal education aspects in the remuneration system.

2.3 *Job Productivity and Side Work Wages*

[19] suggests that two individuals have the same level of education and work experience, but if one has better individual performance and organizational management, then marginal productivity may be better than that of others. If this is associated with [4] opinion that labor productivity is a measure of remuneration (wages) against labor (Neoclassical), then labor productivity will have a positive effect on the level of wages.

Although the results of this study do not seem to support the above theory, where the work productivity of lecturers does not significantly affect the wages of side jobs at a significant level of 10 percent, but the form of influence (positive) in accordance with the theoretical basis (Table 1).

Lecturer work productivity as measured by lecturer work performance in teaching, research, and community service activities found that 33.19% of the total lecturer work productivity came from modules, textbooks, adapting and editing books, translating and writing scientific books. The lecturers' performance group sourced from this scientific work has relatively small financial rewards, including creating scientific journals, where the value of work productivity (credit units for promotion) is quite large but the financial value is relatively small. Thus, it is possible that the effect of lecturer performance on side job wages is very small, even insignificant.

Ideally, to encourage the productivity of lecturers' work, scientific work or scientific activities that are relatively difficult to make and require relatively long work time receive higher financial appreciation, both directly and

indirectly, such as through credit figures for civil servant promotion.

5. CONCLUSION

5.1 *Conclusion*

1. Based on the analysis of the side work wage function, only further education factors have a significant effect on the analysis of the additional work wage function (side work wages). The variables of working time and work productivity appear insignificant. It reveals that there is no other way to improve the lecturers' additional employment income, except by improving competence through further education.
2. From the analysis of the function of lecturer work productivity, the working period of civil servants and formal education each have a positive and significant effect on the work productivity of lecturers, indicating that lecturers have relatively high work competence over their human capital. The implication is that increasing the knowledge and skills of lecturers will still have a positive impact on the work productivity of lecturers.

5.2 *Recommendations*

From some of the findings above, several recommendations can be applied to stakeholders, including lecturers, university managers and government, and users of lecturer labor services as follows:

1. For lecturers in order to improve the level of welfare through increasing the level of additional work wages, it is not expected to always rely on work experience and rank through the acquisition of credit points, but must improve self-competence through further education.
2. For users of lecturer services as additional workers, it is expected that the provision of rewards for lecturers who are S2 educated and class IIIc and above uses the minimum standard of additional lecturer work wages, both

- based on teaching credit units and based on working hour units.
3. For university managers and the government, in order to increase the work productivity of lecturers, it is recommended not to always increase the main duties of lecturers without being accompanied by efforts to improve the level of lecturer welfare through increasing salaries/functional benefits. Because indeed the increase in the main

duties of lecturers will directly increase the rank (performance) of lecturers but there is no guarantee that lecturers will be loyal to the PTN where they work. But if done simultaneously with the increase in lecturer welfare, lecturers will tend to be loyal and through improving welfare, further education will produce high lecturer work productivity.

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