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Compensation Anomalies and Contextual Performance: The Moderating Role of Public Service Motivation Among Part-Time Employees

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Abstract

This study aims to examine and analyze the effect of compensation anomalies on contextual performance, as well as to explore the role of public service motivation as a moderating variable among part-time government employees in Dompu Regency. Compensation anomalies in this study are conceptualized as systemic deviations of a structural nature, encompassing uncertainty regarding payment schedules, ambiguity in wage regulations, and discrepancies between actual workloads and administrative legalities frequently experienced by contract employees. The study population consisted of 5,387 part-time employees (honorary staff), with a sample of 373 respondents. Primary data were collected via a questionnaire and analyzed using the Partial Least Squares Structural Equation Modeling (PLS-SEM) method through SmartPLS 3.0 software. The results of the data analysis indicate that compensation anomalies have a positive and significant effect on both contextual performance and motivation in public service. Theoretically, this finding is counterintuitive because financial uncertainty, which typically reduces performance, actually fosters a sense of shared adversity among employees in this study. Furthermore, Public Service Motivation (PSM) was found to have a positive effect on contextual performance and acts as a moderating variable that mitigates the impact of this anomaly. PSM functions as a psychological anchor that neutralizes compensation distortions through the idealism of public service. However, these findings must be interpreted cautiously as a reflection of a specific local sociocultural context; thus, their practical implications cannot be generalized to justify anomalous compensation systems in other regions.

KEYWORDS

compensation anomaly, contextual performance, public service motivation.

Introduction

The dynamics of governance in the modern era demand improvements in the quality of services that are responsive and community-centered (Barbier, 2025). According to (Jarodi, O., Khafid, M., & Yulianto, 2024) human resources are the main backbone that determines the success of an agency in achieving its goals. Government employees are no longer expected to work only according to their formal job descriptions, but are also required to take extra initiative (Miarni & Ibrahim, 2025). This paradigm shift logically implies that the continuity of local government operations is highly dependent on the dedication and active contribution of all employees, whether they are civil servants or part-time or temporary employees. Performance that exceeds the standard of core tasks is often referred to in human resource management literature as contextual performance (Kim et al., 2021). According to research conducted by (Williams, 2020) on organizational evaluation metrics, contextual performance includes a series of voluntary behaviors that support the psychological and social environment in which core work is performed. These behaviors include mutual assistance among coworkers, willingness to take on extra

tasks, and loyalty to persevere in difficult institutional conditions (Advisor & Weissm, 2023). Unlike task performance, which is rigid and tied to technical indicators, contextual performance acts as a lubricant that keeps the bureaucratic machine running smoothly, especially when organizations face resource constraints or unexpected situations (Holmes, 2024).

In various local government agencies in Indonesia, daily operations are often heavily supported by the presence of part-time government employees or temporary workers. This group of employees, as identified by (Mubashir & Khan, 2022) in their research on employment structures in developing countries, plays a vital role in filling structural vacancies. They serve as technical personnel, administrators, and even the frontline of public services who deal directly with citizens. The dedication of this group of non-permanent workers is highly expected to produce high contextual performance, so that public services can be carried out optimally even though agencies face various administrative and bureaucratic challenges. However, high expectations for employee performance often clash with the reality of the rights and rewards they receive from the organization (Omoigberale, O., Nwogwugwu, N., Nwanazia, O., & Nwanakwe, 2025). According to (Mahimbo, 2025), reward or compensation systems are the most important instruments for driving productivity and organizational citizenship behavior. Fair compensation acts as a signal from the organization that employee contributions are valued proportionally. When a balance between contributions made and compensation received is achieved, employees will feel psychologically attached and motivated to give their best performance, including contextual performance (Rajãa & Mekkaoui, 2025).

The transition from performance-based idealism to the reality of compensation management for part-time government employees opens up a complex discussion rooted in the phenomenon of compensation anomalies. Conceptually, compensation anomalies are defined as systematic deviations from fair wage standards, where there is an extreme discrepancy between work contributions and the compensation received within a rigid bureaucratic system. Unlike established constructs such as wage dissatisfaction or distributional injustice, which tend to be subjective-psychological in nature, the term "anomaly" is used because it is more comprehensive in capturing structural failures that encompass the three main dimensions in this study: (1) nominal inadequacy (wages below the minimum living standard), (2) contractual uncertainty (lack of job security), and (3) payment discontinuity (delays or inconsistencies in the pay schedule). The use of this term offers an analytical advantage because it not only measures employees' perceptions of their wages but also objectively highlights systemic irregularities that violate general labor market norms. The phenomenon of compensation anomalies among contract workers in Indonesia characterized by substandard wages and a lack of welfare benefits ((Reinsberg et al., 2019), highlights a theoretical gap that has not yet been fully addressed in the public sector human resource management literature. Although social exchange theory conventionally predicts that distributive injustice will directly undermine employees' voluntary contributions, previous studies have remained trapped in the dichotomy between financial satisfaction and formal performance, yet failed to explain the loyalty paradox in which contextual performance persists or even increases amidst extreme compensation deprivation. This gap indicates a failure in the literature to identify specific psychological mechanisms or values of public service that can mitigate the destructive impact of such compensation anomalies. Therefore, this study aims to fill this gap by examining the role of public service motivation as a key variable that may reconcile the contradiction between

structural injustice and the persistence of prosocial behavior among employees in the field.

These findings confirm a sharp empirical gap between social exchange theory and reality in Dompu Regency, where dissatisfaction with compensation which typically triggers withdrawal from voluntary behavior, as found by (Ingsih et al., 2022) is instead accompanied by persistently high performance. Based on preliminary observational data from several government agencies in Dompu Regency, the attendance rate of part-time employees remains stable at over 90%, and the practice of voluntary overtime without additional compensation is still common to address the accumulation of public administrative workload. This paradoxical phenomenon is reinforced by low turnover rates despite frequent complaints regarding disparities in incentives and administrative workloads, which technically supports (Mangago, 2021) findings regarding anomalous work commitment at the local government level. This gap indicates that compensation mechanisms are no longer the sole predictor of contextual performance in the region; there are internal or situational drivers that transcend the logic of standard financial incentives, thereby creating a gap in the literature regarding how public service dedication persists amid chronic economic pressures resulting from anomalies in the wage system.

The root of this compensation anomaly cannot be separated from various structural and policy issues that shackle local governments. One of the main causes critically examined by (Anzia, 2020) regarding local budget management is the limitation of the Regional Revenue and Expenditure Budget (APBD), which is unable to accommodate minimum wage standards for all non-permanent workers. Local governments are often faced with the dilemma of the urgent need to recruit additional personnel to maximize public services and the inability of local coffers to pay them professionally. As a result, a part-time recruitment policy with meager compensation becomes a necessary shortcut to keep the wheels of bureaucracy turning. In addition to budgetary factors, psychologically, the anomaly between low compensation and consistently high contextual performance raises academic questions regarding other intervening variables (Abun, D., Basilio, G. J. Q., Magallanes, T., Encarnacion, M. J., & Sallong, 2021). This is in line with (Ma & Lassleben, 2019) analysis of psychological contract violations, in which they found that financial factors are not the only drivers of human behavior in organizations. There is a strong internal drive that can withstand the decline in performance even though the organization fails to provide fair compensation. This internal drive is the key to answering why part-time employees in the public sector are still willing to go above and beyond expectations (Kroll & Porumbescu, 2015).

In the context of government service, this internal drive is specifically identified as Public Service Motivation (PSM), which is theoretically influenced by the dynamics of rewards through the lens of Motivation Crowding Theory and Self-Determination Theory (SDT). Based on crowding theory, there is a paradoxical argument that anomalies or reductions in extrinsic rewards (compensation) do not necessarily undermine performance; rather, they can trigger a crowding-in effect that strengthens employees' intrinsic motivation to serve the public interest. This phenomenon is explained by SDT through the fulfillment of the needs for autonomy and social significance; when financial incentives face anomalies, employees with a high service orientation tend to shift their sources of motivation toward altruistic values and moral identity as public servants to maintain self-efficacy. Thus, PSM emerges as a crucial explanatory variable because it mediates how pressure on extrinsic aspects can actually activate a deeper intrinsic commitment to continue providing excellent service despite the limitations of the compensation structure. This concept, which was explored in depth by (Corduneanu & Dudau, 2023),

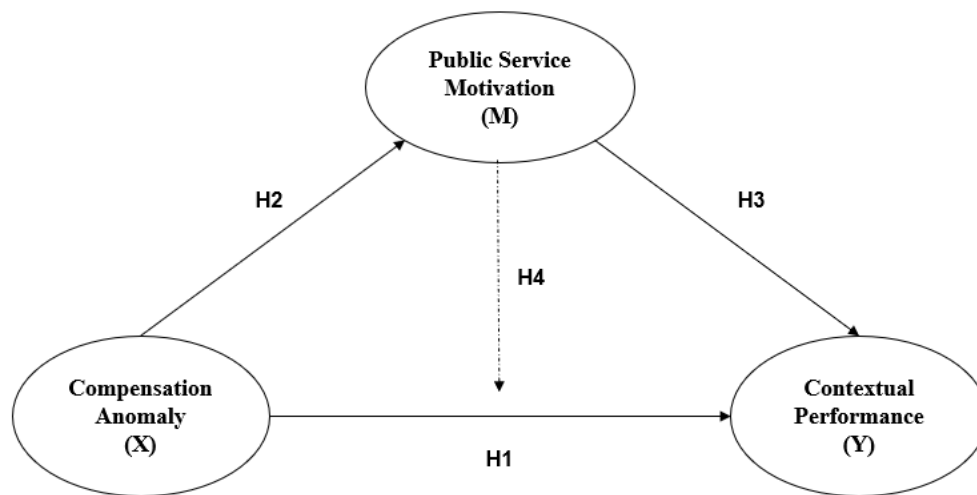


Figure 1. Research Framework

Note:

- > = Direct effect
 - - - - -> = Indirect influence (Moderating)

focuses on the tendency of individuals to respond to motives that are uniquely rooted in public institutions and social missions. People with high PSM have a calling to serve the country, help the community, and fight for the public interest, regardless of how much material gain they receive. The presence of public service motivation is strongly believed to be a mitigating factor or the reason why compensation anomalies do not always lead to the collapse of contextual performance. Unraveling the complexity of this relationship requires strong empirical evidence through a measurable quantitative approach. As emphasized by (Suhidin et al., 2024) regarding the mathematical approach to human resource anomalies, quantitative measurements are essential to determine the extent of the precise effects of poor compensation on performance, as well as the extent to which moderating variables can change the direction or strength of these relationships. Without accurate quantitative analysis, the phenomenon of part-time employee dedication amid salary constraints will remain a narrative assumption without a solid policy basis. Collecting numerical data directly from respondents will provide indisputable statistical validity regarding the real conditions in the field.

The urgency of this research is all the more pressing given the high reliance of the Dompu Regency government on part-time or contract workers. A public policy study by (Rahmatulloh et al., 2022) indicates that without data-driven interventions, this compensation anomaly is a ticking time bomb that risks triggering mass strikes or a decline in service quality. If the local government continues to rely on employee sacrifices moderated by PSM without improving compensation governance, the sustainability of excellent public services in Dompu Regency faces a serious threat. Although previous literature, such as (Jia et al., 2022), has discussed the moderating role of PSM, a significant research gap remains. The majority of studies to date have focused on Civil Servants (PNS) who possess financial stability (Otiende & Makokha, 2020). The uniqueness of this study lies in testing a paradoxical model that positions compensation anomalies as the primary predictor of work behavior among vulnerable (non-permanent) workers, to uncover whether PSM functions as a psychological buffer or, conversely, becomes an emotional burden under conditions of structural inequality. Thus, this quantitative study not only fills a gap in the literature on public sector HRM at the regional level but also offers a new perspective on the resilience of motivation among workers who are unprotected in terms of status and

finances.

Based on an in-depth description of the general condition of the bureaucracy, the anomalies occurring in the field, and the academic and practical urgency of the issue, a comprehensive investigation into this issue cannot be delayed any longer. This study is specifically designed to empirically prove how problematic compensation affects the extra behavior of employees, and whether the calling to serve can save the performance of the bureaucracy. Based on this line of thinking, the researcher was encouraged to conduct a study entitled "Compensation Anomalies and Contextual Performance: The Moderating Role of Part-Time Employees' Public Service Motivation."

Conceptual Framework

The conceptual framework of this study illustrates a structural model that examines the influence of Compensation Anomaly on Contextual Performance, with Public Service Motivation (PSM) serving as a moderating variable. Contrary to conventional wisdom, this study hypothesizes that compensation anomalies can trigger an increase in contextual performance through psychological compensation mechanisms. Based on public service motivation theory, employees with a high service orientation tend to respond to inconsistencies in the reward system not by withdrawing, but by increasing extra-role behavior to ensure that public service is not disrupted. Visually, the direct path from Compensation Anomaly to Contextual Performance tests the extent to which such anomalies serve as a stimulus for employees to make 'self-sacrifices' for the sake of the organization. (see Figure 1) The presence of PSM is depicted via a dashed line moderating this path; where PSM is predicted to strengthen this positive influence. This means that the higher an employee's service motivation, the greater their tendency to enhance their contextual performance as a form of resilience against the compensation anomaly. The Partial Least Squares Structural Equation Modeling (PLS-SEM) approach was used to analyze the complexity of these interactions simultaneously, to ensure the precision of predictions between variables in the model (Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, 2019).

Research Hypothesis Development:

The negative direction of this hypothesis is based on Equity Theory, according to which individuals who perceive anomalies or inconsistencies in the compensation system will feel they are being treated unfairly, which then triggers a reduction in

voluntary contributions as a means of restoring psychological balance (Chen et al., 2023). This aligns with Social Exchange Theory, which states that the relationship between employees and the organization is based on the principle of reciprocity; when the organization provides anomalous or unpredictable compensation, employees tend to respond by lowering their contextual performance such as reducing helpful behavior toward coworkers or engagement in organizational activities because they feel their moral obligation to the institution has diminished (Cropanzano et al., 2005). Conversely, although the incentive contrast theory sometimes argues that changes in pay can trigger a temporary surge in performance, the consensus in the latest human resource management literature confirms that anomalies that create perceptions of procedural uncertainty are actually more dominant in eroding intrinsic motivation and organizational citizenship behavior (Safira, M., Sari, R., Muda, I., & Kesuma, 2023) (Farooq et al., 2020) (Litzky et al., 2006).

H1: Compensation anomalies have a negative effect on contextual performance.

This negative relationship is explained by Cognitive Evaluation Theory, which states that when a compensation system is perceived as anomalous or inconsistent, it shifts individuals' focus away from the intrinsic values of public service toward confusing external controls, thereby creating a crowding-out effect on internal motivation (Corduneanu & Dudau, 2023). From the perspective of Self-Determination Theory (SDT), compensation anomalies undermine the basic needs for competence and relatedness; the sense of injustice resulting from these anomalies makes civil servants feel that their social contributions are not sincerely valued by the system, which ultimately lowers their level of Public Service Motivation (PSM) (Kjeldsen, A. M., & Hansen, 2018). Although there are counterarguments from a classical economic perspective that financial incentives, regardless of anomalies, should still increase work effort, recent research indicates that in the public sector, irregularities in the reward system actually weaken employees' altruistic identity and reduce their commitment to the public interest (Wangechi et al., 2018; Dharmanegara et al., 2021; Potipiroon, 2026).

H2: Compensation anomalies have a negative effect on motivation for public service.

The link between PSM and contextual performance is driven by individuals' internal desire to contribute to society and their organization. Employees with high PSM possess a strong sense of altruism and civic compliance, leading them to exhibit behaviors that go beyond standard duties, such as helping colleagues, working overtime selflessly, and maintaining organizational harmony. In the context of temporary employees in Dompu Regency, PSM serves as the primary driving force behind contextual performance; they work not only for wages but also because of a sense of ownership regarding public service. Therefore, the higher an individual's public service motivation, the more significantly their engagement in contextual performance in the field will increase.

H3: Public service motivation has a positive effect on contextual performance.

Public service motivation is hypothesized to act as a moderator variable that mitigates the detrimental impact of compensation anomalies on performance. Based on the Job Demands-Resources (JD-R) framework, public service motivation functions as a personal resource that provides psychological resilience to employees when facing adverse job demands, including compensation issues. Employees with very strong PSM will maintain their contextual performance despite experiencing compensation anomalies, as their satisfaction stems from fulfilling a social mission, not merely material incentives. Thus, high levels of PSM can act as a "buffer" that minimizes declines in contextual performance

when injustices or anomalies occur within the compensation system.

H4: Public service motivation moderates (weakens) the negative influence of compensation anomalies on contextual performance.

Methods

Research Type

This study uses a quantitative approach with an explanatory design to test and analyze the influence of compensation anomalies on contextual performance, as well as explore the role of public service motivation as a moderating variable in part-time government employees in Dompu Regency.

Population and Sample/Informants

The study population included all part-time government employees (honorary workers) in various Dompu Regency Government agencies, totaling 5,387 people. The sample size was determined using the Slovin formula with a significance level of 5%, resulting in a final sample of 373 respondents, with certain criteria: (1) having a minimum of one year of service to ensure an understanding of the work environment, (2) being officially registered in the agency's non-ASN personnel database, and (3) having active employment status when data collection was conducted. This number was declared very adequate for PLS-SEM analysis because it exceeded the rule of thumb criteria of ten times the number of paths and the sample determination table (Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, 2019).

Research Location

The research population includes all part-time government employees (honorary workers) in various government agencies in Dompu Regency, West Nusa Tenggara.

Instrumentation or Tools

The research instrument or tool is adapted from a validated measurement scale, consisting of compensation anomaly variables adapted from (Antón, M., Ederer, F., Giné, M., & Schmalz, 2022) with indicators namely: (1) Pay-workload misalignment, (2) Internal equity disparity, (3) Incentive uncertainty, and (4) Low pay transparency. Public Service Motivation with measurement indicators (1) Attraction to public policy making, (2) Commitment to the public interest, (3) Compassion, (4) Self-sacrifice, and (5) Commitment to public values (Tang et al., 2024). Contextual Performance with measurement indicators (1) Enthusiasm, (2) Volunteering/Interpersonal facilitation, (3) Compliance with rules, (4) Cooperation, and (5) Job dedication (Cardenas, 2022).

Data Collection Procedures

Data were obtained through direct distribution of questionnaires to respondents who met predetermined criteria. Data collection took place from October 11, 2025, to January 11, 2026. Before completing the questionnaire, respondents were given an explanation of the research objectives and instructions for completing the instrument.

Data Analysis

Data analysis in this study used the Partial Least Squares Structural Equation Modeling (PLS-SEM) method with SmartPLS software, which began with an evaluation of the outer model to test convergent validity through the Average Variance Extracted (AVE > 0.5), discriminant validity through the Fornell-Larcker or HTMT criteria, and construct reliability using Composite Reliability (> 0.7). Furthermore, the inner model (structural model) was tested using the bootstrapping

technique with 5,000 subsamples to assess the significance of the relationship between variables, the path coefficient value α , the effect size (f^2), and the coefficient of determination (R^2) to measure the extent to which compensation anomalies affect contextual performance. Specifically to explore the role of public service motivation as a moderating variable, this study applies the Product Indicator or Two-Stage Approach approach in SmartPLS to estimate the interaction term between the independent and moderator variables, so that it can be concluded whether public service motivation significantly strengthens or weakens the influence of compensation anomalies on respondents' contextual performance.

Result and Discussion

Based on this data, all indicators in the three variables, namely Compensation Anomaly, Public Service Motivation, and Contextual Performance, have outer loading values ranging from 0.730 to 0.907 (see Figure 2). These figures meet the eligibility standard because they are above the minimum threshold required, which is 0.70 (Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, 2019). In addition, the Average Variance Extracted (AVE) values for all variables also show satisfactory results, namely 0.765, 0.685, and 0.740, respectively. This confirms that each research variable is convincingly valid because it is able to explain more than 50% of the variance or diversity of its constituent indicators (Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, 2019).

After validity was confirmed, the table also proved the reliability of the instrument through Cronbach's Alpha and Composite Reliability (CR) testing (see Table 1). The data analysis results show that the three variables obtained Cronbach's Alpha values (0.892, 0.885, and 0.911) and CR values (0.925, 0.916, and 0.934), which far exceeded the recommended lower limit criterion of 0.70 (Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, 2019). Achieving this high reliability score indicates that all questionnaire indicators have excellent internal consistency. In other words, this measurement tool has proven to be very robust, accurate, and reliable for collecting data from employees related to the three variables under study.

Table 2 presents the results of the discriminant validity test using the Fornell-Larcker criterion, where the square root value of the Average Variance Extracted (AVE) located on the diagonal position (in bold) shows a higher number compared to the correlation values between other variables below it. The diagonal values for the variables Contextual Performance (0.892), Compensation Anomaly (0.864), and Public Service Motivation (0.878) all exceed the highest correlation coefficient between constructs, which is 0.702, so it can be concluded that each variable in this study has a clear empirical difference and meets the strict discriminant validity requirements.

Based on Table 3, the results of the discriminant validity test using the Heterotrait-Monotrait Ratio (HTMT) criteria show that all correlation values between constructs are below the conservative threshold of 0.85, with the highest value recorded in the relationship between Public Service Motivation and Contextual Performance at 0.785. This indicates that each variable in this study, namely Contextual Performance, Compensation Anomaly, and Public Service Motivation, is empirically truly different from each other and is able to measure unique phenomena, thus fulfilling the strict discriminant validity requirements in the research model (see Figure 3).

The structural model evaluation was conducted through the assessment of the R-Square (R^2) value to measure the extent to which the variance of the dependent variable can be

explained in the research model. The analysis results show that the Contextual Performance variable has an R^2 value of 0.768, which indicates that the combination of the Compensation Anomaly and Public Service Motivation variables is able to explain 76.8% of the variance in the performance, while the rest is influenced by other external factors. In addition, the Public Service Motivation variable has an R^2 value of 0.734, which means that Compensation Anomaly contributes to explaining 73.4% of the variability in employee motivation. Considering that both values are above the threshold of 0.67, this model is categorized as having a substantial level of predictive relevance and explanatory power in mapping the relationships between the variables studied.

The model feasibility test was continued by reviewing the Q-Square (Q^2) value to validate its predictive relevance. Data analysis produced a Q^2 value of 0.547 for Contextual Performance and 0.495 for Public Service Motivation. The achievement of both values, which are significantly above the zero threshold (> 0), provides strong statistical confirmation that the model has excellent observational accuracy. The arrangement of variables and paths between constructs constructed in this study is not only conceptually sound, but also highly relevant and powerful.

Table 4 presents the results of the effect size (f^2) test, which measures the practical contribution of exogenous variables to endogenous variables in the structural model, using the thresholds established by (Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, 2019): 0.02 (small), 0.15 (medium), and 0.35 (large). Based on these criteria, the f^2 value of 0.123 is classified as a small effect because it falls below the 0.15 threshold; therefore, the previous interpretation has been revised to ensure technical consistency. The most significant finding is observed in the relationship between Compensation Anomalies and Public Service Motivation, which recorded an f^2 value of 3.580; this figure, far exceeding 0.35, indicates an effect in the very large (large effect) category. This indicates that compensation anomalies or inadequacies have a massive and dominant impact on the public service motivation of field staff, while the variable with a value of 0.123 makes a more limited contribution to explaining the variance of the endogenous variable.

On the other hand, the remaining two structural paths show an influence strength that falls into the small effect category. The influence of Compensation Anomaly on Contextual Performance only has an f^2 value of 0.123 (close to medium but still below 0.15), while the relationship between Public Service Motivation and Contextual Performance recorded an even lower value, namely 0.063 (see Table 5). These results imply that although statistically there may be a significant directional relationship, the actual driving force of these two paths on the formation of contextual performance is relatively weak. This finding also provides guidance for further research on the relationship between compensation anomalies and contextual performance.

Testing Direct Effects and Indirect Effects (Moderating)

Based on the results of the path test, the Public Service Motivation variable is proven to have a positive and significant influence on Contextual Performance with a coefficient of 0.277 and a P-Value of 0.000, so that the H3 hypothesis is accepted (see Table 6). However, there is a unique finding in the Compensation Anomaly variable, where its influence on Contextual Performance (0.348) and Public Service Motivation (0.857) shows a statistical value that is highly mathematically significant (P-Value < 0.05), but the status of the H1 and H2 hypotheses is declared rejected. This indicates that although statistically there is a strong relationship, the direction of the positive influence found is most likely contrary to the theoretical arguments proposed in the initial hypothesis, which may predict a negative impact from the existence of compensation

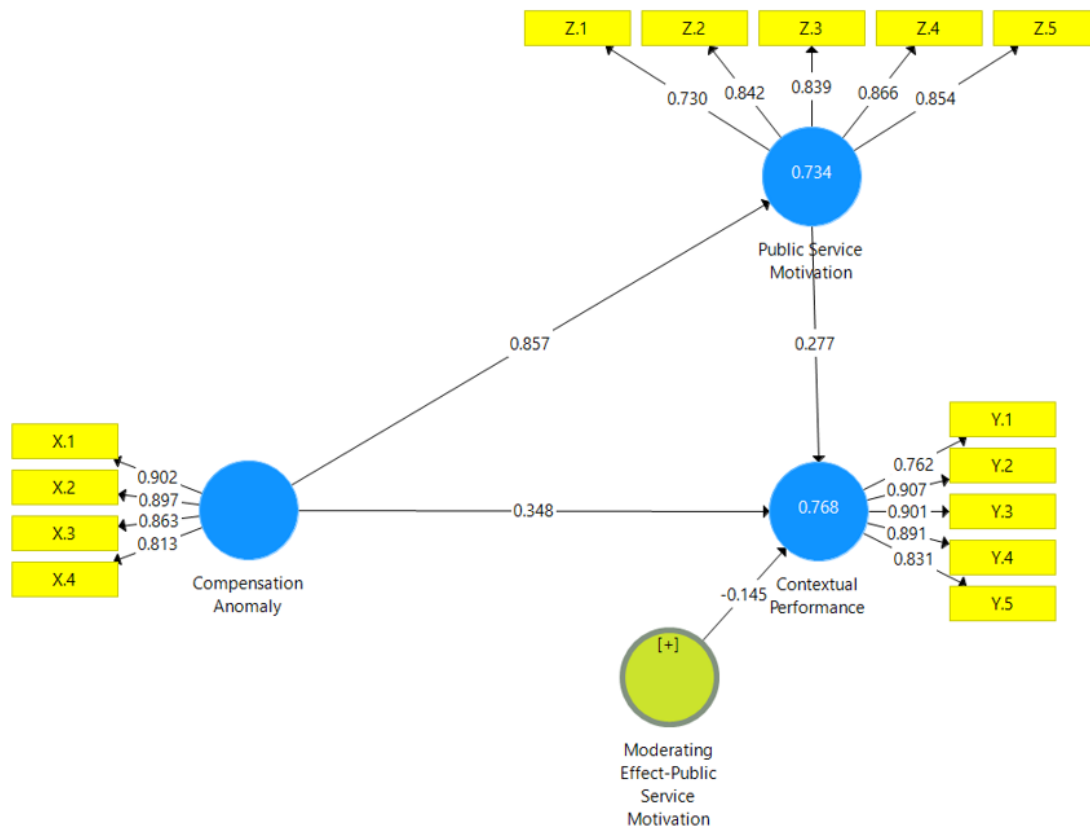


Figure 2. Measurement Model (Outer Model)

Source: Data Analysis Results, (2026)

Table 1. Measurement Model Testing Results (Outer Model)

Variable Construct	Indicator	Outer Loadings	Cronbach's Alpha	Composite Reliability (CR)	Average Variance Extracted (AVE)
Compensation Anomaly	X.1	0.902	0,892	0,925	0.765
	X.2	0.897			
	X.3	0.863			
	X.4	0.813			
Public Service Motivation	Z.1	0.730	0,885	0,916	0.685
	Z.2	0.842			
	Z.3	0.839			
	Z.4	0.866			
	Z.5	0.854			
Contextual Performance	Y.1	0.762	0,911	0,934	0.740
	Y.2	0.907			
	Y.3	0.901			
	Y.4	0.891			
	Y.5	0.831			

Source: Data analysis results, (2026)

Table 2. Fornell-Larcker Criterion

Variable	Contextual Performance	Compensation Anomaly	Public Service Motivation
Contextual Performance	0,892		
Compensation Anomaly	0,645	0,864	
Public Service Motivation	0,702	0,589	0,878

Source: Data analysis results, (2026)

anomalies.

In testing the moderation effect, it was found that Public Service Motivation significantly moderates the relationship between Compensation Anomaly and Contextual Performance with a coefficient value of -0.145 and a P-Value of 0.000, so that the H4 hypothesis is declared accepted. The negative coefficient value indicates a buffering effect, which means that a high level of public service motivation is able to

suppress or mitigate the negative impact caused by compensation anomalies on employee contextual performance. In other words, this moderating variable functions as a "protector" that maintains the stability of employee voluntary work behavior even though they face uncertainty or unfairness in the compensation system.

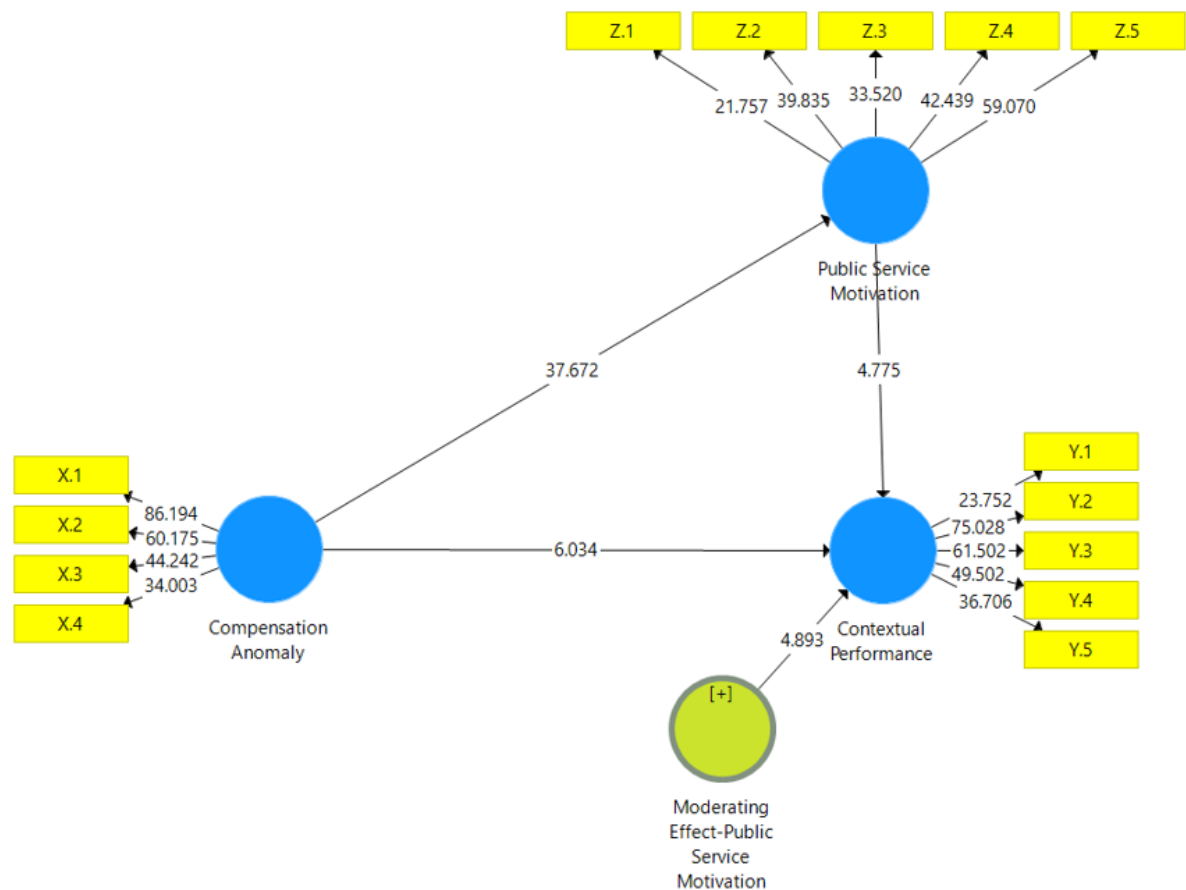


Figure 3. Structural Model (Inner Model)
Source: Data Analysis Results, (2026)

Table 3. Heterotrait-Monotrait Ratio (HTMT)

Variabel	Contextual Performance	Compensation Anomaly	Public Service Motivation
Contextual Performance			
Compensation Anomaly	0,724		
Public Service Motivation	0,785	0,698	

Source: Data analysis results, (2026)

Table 4. R-Square (R2) and Q-Square (Q2) Values

Endogenous Variables	R-Square	Q ² (=1-SSE/SSO)
Contextual Performance	0,768	0,547
Public Service Motivation	0,734	0,495

Source: Data analysis results, (2026)

Table 5. Effect Size Test Results (f2)

Variable Relationships	Value f ²	Description
Compensation Anomaly -> Contextual Performance	0,123	Medium effect
Compensation Anomaly -> Public Service Motivation	3,580	Large effect
Public Service Motivation -> Contextual Performance	0,063	Small effect

Source: Data analysis results, (2026)

The Effect of Compensation Anomalies on Contextual Performance

The results of the first hypothesis test confirm that compensation anomalies have a positive and significant effect on contextual performance (O = 0.348; P-Value = 0.000). These statistical findings present a paradox that fundamentally challenges the premise of traditional

Social Exchange Theory, whereby the compensation anomalies experienced by contract workers in Dompu Regency do not necessarily cripple their voluntary contributions. This phenomenon needs to be interpreted cautiously, not as a direct causal process, but rather as a possible adaptive strategy for employees amidst uncertain job structures. The high reported contextual performance scores may reflect respondents' efforts to maintain a positive impression (impression management) or a form of self-protection against contractual vulnerabilities, which aligns with the measurement item regarding willingness to take on additional tasks for career continuity. Furthermore, in the local context of Dompu Regency, collective survival mechanisms through solidarity among colleagues may provide an alternative explanation for why helping behavior persists despite payment discontinuities. Therefore, high performance under these anomalous conditions should be viewed as a manifestation of the complexity of survival motivations and normative bureaucratic demands.

This counterintuitive phenomenon can be explained through the lens of shared adversity theory, which triggers strong group solidarity (Franken et al., 2019). Based on research conducted by (Vonhm, 2025) on the dynamics of non-permanent workers in the public sector, anomalous conditions that collectively pressure financial well-being often stimulate the emergence of closer social cohesion among employees. They realize that the formal system fails to provide adequate support, so the only way to survive in a high-pressure bureaucratic environment is to provide each other with

Table 6. Path Coefficient (Hypothesis Testing):

Relationships Between Variables				Original Sample (O)	T-Statistics	P-Values	Hypothesis information
Compensation Anomaly	->	Contextual Performance		0,348	6,034	0,000	Rejected
Compensation Anomaly	->	Public Service Motivation		0,857	37,672	0,000	Rejected
Public Service Motivation	->	Contextual Performance		0,277	4,775	0,000	Accepted
Moderating Effect - Compensation Anomaly	->	Public Service Motivation -> Contextual Performance		-0,145	4,893	0,000	Accepted

Source: Data analysis results, (2026)

emotional and instrumental support (Agarwal, B., Brooks, S. K., & Greenberg, 2019). As a result, this compensation injustice is not responded to with strikes or decreased productivity, but rather transformed into mutual aid behavior, which is the main essence of contextual performance.

In addition, the existence of contextual performance amid this compensation anomaly is closely related to the "survival mechanism" strategy of vulnerable workers in the public sector.

As highlighted by (Rahmanto et al., 2022) in their research on local government officials in developing countries, temporary employees often maximize organizational citizenship behavior (OCB) or extra performance as a form of impression management. By showing dedication, absolute obedience, and willingness to sacrifice unpaid time, they hope that these actions can secure their positions from the threat of termination of employment contracts, or even further, become social capital for priority appointment as civil servants in the future (Nikolova, 2026).

The Effect of Compensation Anomaly on Public Service Motivation

Testing the second hypothesis revealed a very striking finding, whereby compensation anomaly had a very large and significant positive effect on public service motivation ($O = 0.857$; $P\text{-Value} = 0.000$). The positive relationship between compensation anomalies and Public Service Motivation (PSM) can be explained through the crowding-in mechanism in Motivation Crowding Theory, where the failure of extrinsic incentives triggers a shift in employee focus toward more autonomous intrinsic values as advocated by Self-Determination Theory (SDT). This phenomenon is not merely a rationalization effort for survival, but rather a process of value identification in which individuals consciously strengthen their service orientation as a form of psychological integrity defense amidst systemic pressures. In conditions of financial deprivation, elements of self-sacrifice and social commitment are strengthened not because of the natural selection of remaining employees, but because of the urge to reconstruct the meaning of work from mere material exchange to a noble mission of service. Thus, altruistic values in PSM emerge as a proactive coping mechanism that replaces the role of extrinsic controls, enabling employees to continue carrying out public service functions despite being in an inadequate compensation structure.

The academic view on this matter is strongly supported by contemporary literature on civil service psychology. According to comprehensive research by (Tummers, L., Brunetto, Y., & Teo, 2016) on the resilience of public sector workers, pressure in the form of a lack of resources and incentives in the government agency environment has been proven to filter and crystallize individuals' intrinsic motives. When extrinsic rewards (salaries) are eliminated or reduced unreasonably, individuals who choose to remain tend to engage in psychological rationalization by reinforcing their belief that

they are working for the benefit of the wider community, not for money (Nyatepe, 2020). This compensation anomaly acts as a crucible that tests and ultimately brings out pure dedication to public service (Tanesab, 2020).

In practical terms of government operations, these findings provide a clear picture of the characteristics of part-time workers. In regions facing fiscal constraints, these employees often deal directly with people who need basic services, such as population administration and other public services. Direct interaction with these vulnerable people, as described by (Dlamini, 2023) creates a high level of emotional resonance. The poor state of their own compensation actually strengthens their empathy for the difficulties faced by the communities they serve, triggering a surge in public service motivation to give their best despite their personal suffering (Edri-peer & Cohen, 2026).

The Effect of Public Service Motivation on Contextual Performance

The third hypothesis proves that public service motivation contributes positively and significantly to improving contextual performance ($O = 0.277$; $P\text{-Value} = 0.000$). These results affirm the basic theoretical construct of public sector human resource management, which states that an intrinsic drive to serve the public interest will automatically manifest itself in positive behavior in the workplace. Part-time employees who have a strong internalized motivation for public service will not limit their contributions to a rigid job description. Instead, they will proactively and voluntarily take on additional roles necessary to ensure that the wheels of bureaucracy and public service do not get stuck.

The linear correlation between these two variables is very much in line with global empirical findings (Ritz et al., 2020). A recent meta-analysis study published by (Fan et al., 2022) emphasizes that Public Service Motivation (PSM) is the most robust predictor of organizational citizenship behavior in government agencies. Individuals with high levels of PSM view helping overburdened coworkers, taking the initiative to improve administrative systems, and being loyal to the institution as direct manifestations of their moral commitment to the country (Schott et al., 2016). For them, contextual performance is not an additional burden, but rather an outlet for channeling their desire to serve.

The implications of these findings are very important for the sustainability of regional operational services. With a solid coefficient of influence, it can be understood that public service motivation functions as an autonomous driving force that produces performance without the need for strict supervision or additional material incentives (Guo, W., Jiang, Y., & Unsworth, 2016). As analyzed by (Draai, E., & Zazi, 2021) on responsive governance, instilling and maintaining public service values is the most efficient investment for bureaucratic organizations. This has been proven to ensure that employees will always come forward with extra initiative and full dedication, which ultimately becomes the foundation that

maintains the quality of excellent service to the community.

The Role of Public Service Motivation Moderation

In the moderation path, statistical testing results show a negative coefficient value (-0.145) with a high significance level ($P\text{-Value} = 0.000$). The results of the interaction test indicate that public service motivation (PSM) plays a significant moderating role with a negative coefficient, effectively functioning as a mediating or moderating variable in the relationship between compensation anomalies and contextual performance. Based on conditional effect analysis and a simple slope plot, it was found that at low levels of PSM, the relationship between compensation anomalies and contextual performance tends to be stronger because employees are more reactive to shared adversity. Conversely, at high levels of PSM, the slope flattens, indicating that the influence of compensation anomalies on performance weakens; this demonstrates that for employees with a strong sense of calling, their internal motivation has come to dominate behavioral drives, so they no longer rely on the pressure of the compensation situation to maintain optimal contextual performance. Thus, PSM acts as a stabilizing suppressor of employee work behavior regardless of the presence or absence of compensation anomalies within the organizational environment.

This phenomenon of negative interaction or buffering/substituting effect is very interesting and is supported by leadership substitution and motivation theories in organizational behavior literature (Potipiroon, W., & Ford, 2017). Based on a study by (Guo, W., Jiang, Y., & Unsworth, 2026) on psychological moderation mechanisms in the public sector, strong intrinsic motivation (such as PSM) can act as a substitute for environmental stimuli (such as compensation conditions). When PSM is at its maximum level, employees will perform contextually optimally regardless of how severe the compensation anomaly is. Their extra performance has reached the ceiling effect because it is driven by the idealism of service, so that the pressure from compensation anomalies loses its driving force to stimulate further contextual performance (Giauque, D., & Varone, 2019).

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Conversely, these findings also imply that for part-time employees with low levels of public service motivation, their contextual performance will be highly volatile and reactive to the extent of compensation anomalies they experience. These important findings highlight the complexity of emotional and managerial management in the local bureaucracy studied by (Rohr, 2025). This confirms that fostering public service motivation is an absolute urgency. Such motivation acts as an anchor of psychological stability; it not only directly encourages service behavior, but also neutralizes the dependence of employees' extra performance behavior on uncertain external conditions and a local compensation system that is still far from ideal (Tavares & Story, 2025).

Conclusion

This study shows that, in the context of part-time government employees in Dompu Regency, there is a tendency for a positive relationship between perceptions of compensation anomalies and contextual performance as well as public service motivation. The results of the data analysis on this sample indicate that financial constraints do not necessarily reduce employees' voluntary contributions, which is likely driven by a sense of shared adversity in facing workplace challenges. Public service motivation was also identified as playing a role in mitigating the impact of perceived compensation anomalies on their extra performance, suggesting that for individuals with a strong service orientation, contextual performance tends to remain intact even under the pressure of an imperfect compensation system. These findings suggest that, within the scope of this study, intrinsic motivation serves as an anchor for bureaucratic stability. However, in practical terms, local governments are advised not to rely on employee sacrifice as a long-term strategy; rather, they need to begin balancing the maintenance of public service motivation with gradual improvements in compensation governance to ensure the sustainability of service quality for the public.

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