

Employee Performance Affects the Compensation Provided by the Company

Calvin Adam Koljaana^{1*}, Dedi Rianto Rahadi²

¹²President University, West Java 17530, Indonesia

ABSTRACT

This research aims to understand the effect of compensation given by the company to employees for work motivation. Motivation on employee performance and to determine the effect of job satisfaction on employee performance at PT. Takagi Sari Multi. This research uses online questions to employees of PT. takagi sari multi. The research method used is quantitative and qualitative research methods. According to the research results, it is found that compensation has a very positive effect on employee job satisfaction, motivation has a positive and significant effect on job satisfaction, which is one of the compensation factors in the company. Based on the research results, the company PT. It is recommended that Takagi Sari Multi Utama balance fairly with their respective performance, all research subjects who are the results of qualitative and quantitative measurements or calculations regarding certain characteristics of all complete and clear group members whose benefits will be studied.

ARTICLE INFO

Article History:

Received : 22-02-2021

Revised : 01-02-2022

Accepted : 22-02-2022

Published : 28-02-2022

Keywords:

Compensation

Employee Performance

Motivation

JEL: M52, M10, O30

*Corresponding Author E-mail:

calvin.koljaan@student.president.ac.id



Copyright © 2022 Authors. This is an open access article distributed under the Creative Commons Attribution License (CC-BY-SA 4.0) which permits use, distribution and reproduction in any medium, provided the original work is properly cited & ShareAlike terms followed.

INTRODUCTION

Employee performance really affects the company. Good employee performance will be directly proportional to good results in the progress of the company's business. conversely, poor performance adversely affects the company. The results of employee performance are able to know in terms of company, quantity, working

time, and cooperation in achieving the intention that has been set by. Everything depends on the quantity and time performing the task. The employee performance aspect can also monitor work time, total absences, and work attendance. Job satisfaction is an important condition that every working employee needs to have, where these humans can work with

the work environment and they will work with full enthusiasm and earnestly working. So that the acquisition of diplomas will increase (Kunartinah, 2012). Dermawan, et al (2012: 173) prove that it has a significant effect on job satisfaction. Employee motivation and expectations to get appropriate compensation make employees work optimally in order to achieve high performance for employees. Murty and Hudiwinarsih (2012) stated that actually a motivated employee will be energetic and active at work, and rather an employee with low levels will often feel uncomfortable and unhappy with his job which results in their poor performance and unreachable company goals. Sulistyani et al. (2003: 190) in Utomo (2010) states that employee satisfaction is subjective from a conclusion based on a comparison between what is taken from the employee compared to what is expected and desired.

The high and low motivation and pleasure of employees for a company also depends on the role of superiors in the company, a good boss or leader is one of the keys in management who has a serious role in the survival of the company. A good boss is a leader who is able to plan, allocate, mobilize and behave fairly to all his employees. This can make employees feel happy with their work which in turn can increase the quality of their workers. Job satisfaction has a lot of influence on employees in carrying out their daily tasks in the company. Employees who are not satisfied at work will look less energetic in handling their duties, which consequently affects employee performance. The lack of employee pleasure is a phenomenon that can damage the situation in a company. The lack of employee satisfaction is usually seen from various aspects, one of which is the lack of the ability of employees to complete work orders that are given so that they become careless in completing reports, and decrease work effectiveness and efficiency. Employee pleasure is something that company leaders need to pay attention to. Employee job satisfaction is closely related to employee performance. A person who is satisfied

will have high motivation and work contribution, which in turn is willing to continue to correct their performance.

Employee performance is either the quality or quantity of work produced by the employee or real behavior shown by the obligations given to him. Performance is also one of the results that an employee gets or contributes to his duties and obligations to the company. With good employee performance, it is expected that the company will be able to compete with other companies so that it can be recognized that the company has quality performance. Employee performance can be improved through an increase in compensation to be one of the motivations for work, because the compensation that the company distributes to employees will make the employee's enthusiasm, willingness, and accuracy while working more optimally and disciplined. Compensating employee interest and providing information or reminding of the importance of something being compensated compared to others, compensation also increases employee motivation towards performance measures, thereby helping employees divide employee time and effort.

Compensation given to employees is quite influential on the level of morale and motivation, and work results. Each person has a different quality of satisfaction from the others in accordance with the level of values that apply to him. Employees want to give their best if their desires match their expectations, so that employee satisfaction is always fulfilled and their performance is also increased (Unud, 2016). Needs are a major factor in motivating employees because as humans, of course, they have various needs. Employees will be motivated if their needs are realized, with the realization of this desire, job satisfaction will arise which has a positive impact on employee performance towards the company. satisfaction in work is the fulfillment of expectations through work activities. In addition, job satisfaction can also be interpreted as an assessment, employee behavior towards their work in the work environment,

compensation given, relationships between coworkers, social interactions at work locations, etc. Enjoyment of work has a beneficial and significant impact on employee performance. In his research, it shows that job satisfaction which can describe job satisfaction, promotion of superior performance has a very large effect on improving performance.

Research that has been carried out to determine together the effect of compensation on employee performance and obtained mixed results. that compensation has a positive effect on employee performance. The study stated that the provision of compensation immediately improves employee performance. the influence of intrinsic compensation on performance and there is a very significant effect on extrinsic compensation on performance. in his research shows that the form of compensation used for salespeople has a significant effect on individual workforce and effectiveness in the organization.

LITERATURE REVIEW

Satisfaction always affects employee performance if the satisfaction that employees get at their job because there is a match between what is desired and what is obtained is able to bring employees to obtain maximum performance. A state of satisfaction or dissatisfaction at work is a feedback that will affect employee performance (Kurniawan, 2012). Types of job satisfaction are formed by indicators, namely leader behavior, co-worker ties, forms of compensation, career forms, and work environment. if the company always launches its career and compensation system very well, there is a good relationship between work partners, the behavior of a leader who is always motivating, a conducive work environment will make employees feel relieved or comfortable working. The effect is, employees always work with very good performance and always try to provide the best service to customers. This shows that the employee's performance is high. This research supports and strengthens the theory and some previous research results (Rizani, 2013).

This research refers to one of the theories of research conducted on Parwanto and Wahyudin (2012), which discusses the influence of aspects of work pleasure related to employee performance. The study found that job satisfaction factors which include salary, leadership, attitudes of colleagues have an important influence on aspects of employee performance. This study also found that the behavior of coworkers was the dominant influence on employee performance. Another study that obtained similar results with this study was the study conducted in Devi (2009). This study found that work pleasure has a very significant effect on employee work. Being satisfied employees, therefore employees always show their best performance. With this also, if an employee is not comfortable in his job, then he always feels lazy, so that it will affect his performance. This is also found in the theory reviewed by Robbins (2006: 124) regarding the impact of job satisfaction on the compensation given.

The human factor (human) is one of the factors that must receive attention, and the role of humans is very important in an effort to achieve the goals set by a company. In its management, good and proper management is needed because basically the company does not only expect employees to be willing and able to work actively, but how to have high motivation to achieve goals. Ability, proficiency and skills of employees are meaningless if they are not followed by high motivation. If the motivation goes well, it can affect the level of employee performance. Employee performance is one measure that is often used in determining company effectiveness. Strictly speaking, the most dominant employee performance is due to one's mental readiness and motivation to drive oneself and achievement in order to get everything expected. Motivation must be known in terms of human needs because basically every employee has different motivations for work. Leaders have an obligation to always motivate employees to improve their performance, so that cooperation and mutual understanding of the duties and functions of each work unit can run

well. In other words, motivation has a positive relationship with employee performance. an employee who is motivated will be energetic and passionate, and vice versa, an employee with low motivation will often display a feeling of discomfort and displeasure with their work which results in their poor performance and unreachable company goals.

RESEARCH METHOD

Type of Research

The research method used is library research and quantitative, data collection by reading books and internet sites to support this research journal, using a quantitative approach in the form of an associative. A quantitative approach is a research method used to examine a specific population or sample that aims to test a hypothesis. This location was chosen because it found problems related to compensation, motivation, job satisfaction and employee performance and was based on the availability of adequate data and was able to be processed by researchers further and the ease with which company leaders collected research data so as to save costs, time, and power. The sample we use is in the form of an online questionnaire because this method is very suitable in the Covid 19 pandemic situation.

Research and Data Collection

The variables used are state variables that often occur, namely compensation and motivation, the dependent variable is employee compensation, and the intervening variable is job satisfaction. Employee performance is the result of work produced by employees in carrying out tasks assigned to them according to their role in the company. Job satisfaction is a pleasant attitude from an employee to his job. Compensation is remuneration provided by the company to employees in the form of finance in the form of salaries, incentives, allowances and bonuses. The data analysis used was a questionnaire analysis method (quantitative). The results of the questionnaire analysis (quantitative) in this study were 0.764. The relative contribution of the compensation influence variable is 98.38%

and the variable in employee performance is 88.61%. The effective contribution of the motivation variable is 70.45% and the model variable in providing compensation in the company is 77.94%. This figure shows that the compensation provided by the company greatly affects employee performance.

The direct effect of compensation (K_1) and motivation (M_1) on performance employee (K_1) is shown by the path coefficients K_1 and M_1 , the direct effect compensation (K_1) and motivation (M_1) on job satisfaction (K_3) is shown by the path coefficient K_1 and K_3 , and the effect of job satisfaction (K_3) on employee performance satisfaction K_2 is shown by the path coefficient M_1 . The indirect effect of compensation (K_1) and motivation (M_1) on employee performance (K_2) is obtained by multiplying K_1 by M_1 and K_2 by K_3 .

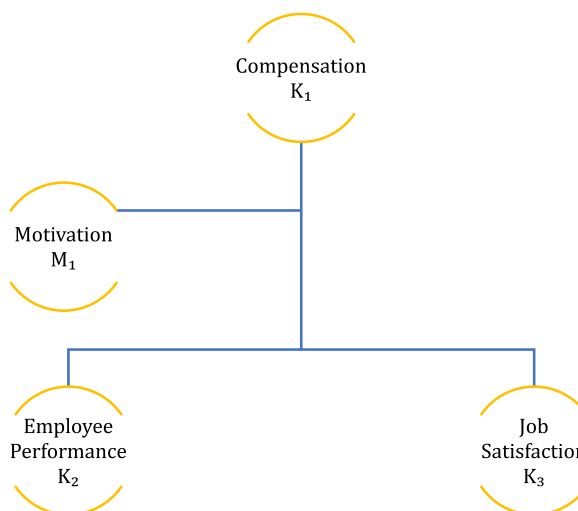


Figure 1. Variable concept

Explanation :

- K_1 : Compensation Variable
- M_1 : Motivation Variable
- K_2 : Employee performance variables
- K_3 : Job satisfaction variable

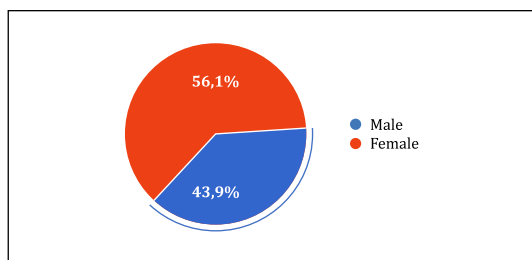
Rumus : $K_1 + M_1 + K_2 + K_3$

The function of this formula is to determine the effect of compensation on employee performance by adding up the variables $K_1 + M_1 + K_2 + K_3$ and get average results.

RESULT AND DISCUSSION

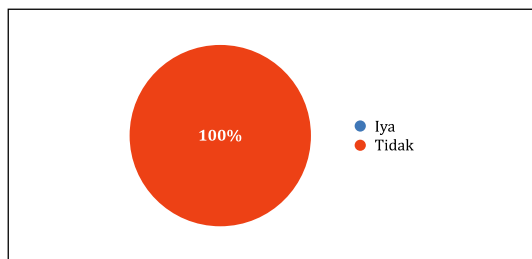
The analysis of this discussion uses the online questionnaire method, which is the sum of the variables K_1, M_1, K_2, K_3 . This method is due to the situation of the Covid 19 situation where this method is to prevent the transmission of the Covid 19 virus.

1. Number of responses 41 employees of Pt. takagi sari Multi Utama as many as 56.1% male and 43.9 female.



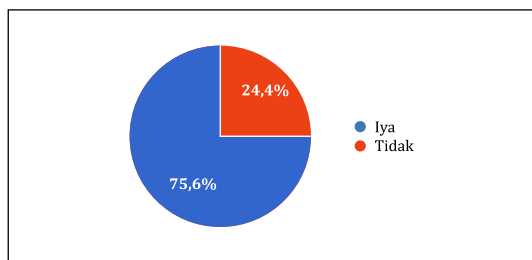
Pie Chart 1: Gender

2. Employee responses to companies that provide compensation are fair or not.



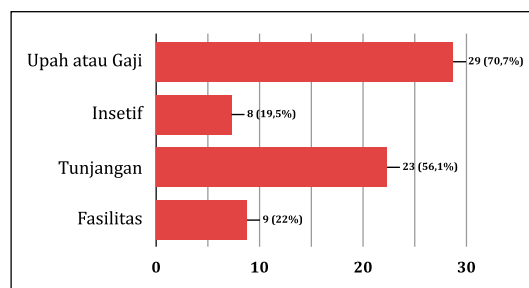
Pie Chart 1: Employee Responses

3. Responses to how satisfied employees are with the compensation provided by the company.



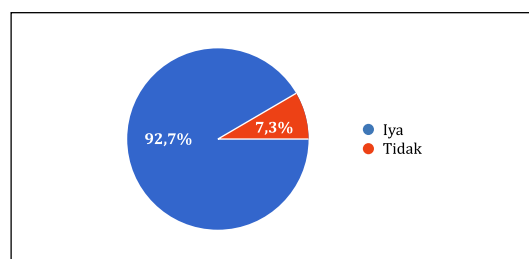
Pie Chart 2: Employee Responses

4. Response to compensation prioritized by employees to the company.



Bar chart 1: Employee Responses

5. Response to the influence of compensation at work and also one as work motivation.



Pie Chart 3: Employee Responses

CONCLUSION AND RECOMMENDATION

Based on the results of the research that has been done, the conclusion is that compensation has a positive and significant effect on job satisfaction at PT. Takagi sari multi main. The data is in accordance with the facts. 92.7% agree that compensation is one of the main things in employee performance and work motivation, 70.7% of employees prioritize direct compensation (salary), and 100% of employees still feel that the salary given by the company is not fair. This means that the more appropriate the compensation given according to the needs of his life, the employee satisfaction of PT Takagi Sari Multi Utama will increase if the company provides compensation according to the performance of each employee. Compensation has a positive and significant effect on job satisfaction at PT. Takagi sari multi main, the higher the compensation that the company provides to employees, it will encourage employees to get achievements in their work.

Based on these conclusions, the suggestion that can be conveyed is that the company must pay attention to the provision of compensation to

prevent employee feelings of injustice in receiving compensation from the company. Companies should conduct promotions so that employees remain motivated to work better in the company. This research is expected to be a reference for PT. Takagi Sari Multi Utama to improve employee skills by means of training to increase employee motivation. Leader of PT. Takagi Sari Multi Utama is expected to pay more attention to salaries or rewards given to employees so that employees and superiors can establish a good work system.

For further research, it is expected to be able to develop this research model by adding other variables that affect employee job satisfaction in addition to compensation, motivation and employee performance variables which are supported by the latest theories and issues. Future researchers are also expected to expand the scope of the research area and research location so that the research results can be implemented in general.

REFERENCES

- Rizani, A. (2013). Evaluasi Kinerja Jalan Akibat Hambatan Samping (Studi Kasus Pada Jalan Soetoyo S Banjarmasin). *Polhasains*, 1(01), 1–8.
- Unud, E. M. (2016). *1ok Ni Made Nurcahyani*. 5(1), 500–532.
- Murty, W. A. (2012). Pengaruh kompensasi, motivasi dan komitmen organisasional terhadap kinerja karyawan bagian akuntansi (studi kasus pada perusahaan manufaktur di Surabaya) (Doctoral dissertation, STIE Perbanas Surabaya).
- Suwati, Y. (2013). Pengaruh kompensasi dan motivasi kerja terhadap kinerja karyawan pada PT. Tunas Hijau Samarinda. *Jurnal Ilmu Administrasi Bisnis*, 1(1), 41-55.
- Riyadi, S. (2011). Pengaruh kompensasi finansial, gaya kepemimpinan, dan motivasi kerja terhadap kinerja karyawan pada perusahaan manufaktur di Jawa Timur. *Jurnal manajemen dan kewirausahaan*, 13(1), 40-45.
- Fauzi, U. (2014). Pengaruh kompensasi terhadap kinerja karyawan pada PT. Trakindo Utama Samarinda. *Jurnal Ilmu Administrasi Bisnis*, 2(3), 172-185.
- Nurcahyani, N. M., & Adnyani, I. D. (2016). Pengaruh kompensasi dan motivasi terhadap kinerja karyawan dengan kepuasan kerja sebagai variabel intervening. *E-Jurnal Manajemen*, 5(1).
- Martinus, E. (2016). Pengaruh Kompensasi Dan Motivasi Kerja Terhadap Kinerja Karyawan Pada PT. Devina Surabaya. *Jurnal Ilmu dan Riset Manajemen (JIRM)*, 5(1).
- Dito, A. H., & LATARUVA, E. (2010). Pengaruh Kompensasi terhadap Kinerja Karyawan PT. Slamet Langgeng Purbalingga dengan Motivasi Kerja sebagai Variabel Intervening (Doctoral dissertation, UNIVERSITAS DIPONEGORO).
- Jufrizen, J. (2017). Efek Mediasi Kepuasan Kerja Pada Pengaruh Kompensasi Terhadap Kinerja Karyawan. *Jurnal Ilmiah Manajemen Dan Bisnis*, 17(1).
- Posuma, C. O. (2013). Kompetensi, kompensasi, dan kepemimpinan pengaruhnya terhadap kinerja karyawan pada Rumah Sakit Ratumbusang Manado. *Jurnal EMBA: Jurnal Riset Ekonomi, Manajemen, Bisnis dan Akuntansi*, 1(4).
- Wijaya, T. (2015). Pengaruh motivasi dan kompensasi terhadap kinerja karyawan pada PT Sinar Jaya Abadi Bersama. *Agora*, 3(2), 37-45.
- Leonardo, E. (2015). Pengaruh pemberian kompensasi terhadap kinerja karyawan pada PT. Kopanitia. *Agora*, 3(2), 28-31.