

The Effect of Compensation and Motivation on Employee Performance in PT. Sarana Pembangunan Palembang Jaya (PT. SP2J)

Dian Mellany¹⁾, Luis Marnisah²⁾, M. Kurniawan DP³⁾

Universitas Indo Global Mandiri, Indonesia

Email: dianmelani857@gmail.com¹⁾, luismarnisah@uigm.ac.id²⁾, kurniawan@uigm.ac.id³⁾

Abstract

This study aims to determine whether there is an effect of compensation and motivation on the performance of employees at PT. Sarana pembangunan palembang jaya (PT. SP2J) Oil and Gas Business Unit of Palembang City. The number of samples in this study was 45 employee respondents. data collection techniques in this study by means of a questionnaire. Data analysis using multiple linear regression analysis. Based on the results of testing with SPSS 21, compensation on employee performance has a significant effect between compensation and motivation on employee performance. Research is expected to assist Companies in affected compensation and motivation variables on employee performance

Keywords: compensation, motivation, employee performance.

1. Introduction

Compensation within the company is an important element because determining the size of the compensation given indirectly has an impact on company performance. If the compensation provided by the company to its employees is too large without any change in the company's performance, of course this can be detrimental to the company and vice versa if the compensation provided by the company is too small, of course the employees will work not optimally so that it affects the company's performance as a whole. Therefore, the provision of compensation must be carefully considered so that inequality does not occur within the company. This inequality in question is the effect of compensation on employee performance whether the performance is getting better, mediocre or getting worse.

According to Umam (2012) the notion of motivation includes various aspects of human behavior or behavior that can encourage a person to behave or not to behave. But in the following terms, motivation is the human urge to act and behave. While the notion of motivation in everyday life, motivation can be interpreted as a process that can provide encouragement to employees so that they are willing to work sincerely and not be burdened.

According to Sedamaryanti (2011) that performance is a translation of performance which means the work of a worker, a management process or an organization as a whole, where the work results must be shown concretely and can be measured (compared to predetermined standards).

PT. Sarana pembangunan palembang jaya (PT. SP2J) is one of the Regional Owned Enterprises (BUMD) of the Palembang City Government which was established based on the Palembang City Regional Regulation. This company has a goal of increasing regional economic growth and referring investors to be more interested in investing. PT.SP2J is expected to become the motor and facilitator in improving the economy in Palembang, especially in terms of investment and make a real contribution to increasing local revenue (PAD) for the Palembang City Government. This development aims to develop natural gas network services for the people of Palembang City. Utilizing cheap energy, safe and friendly to the environment.

In this study the researcher aims to find out how the process of distributing compensation and its influence on employee performance. Researchers carry out research at PT. Sarana pembangunan Palembang Jaya (PT. SP2J) Oil and Gas Unit on the grounds that PT. SP2J provides various types of compensation to its employees. The performance of its employees is able to produce good company operations and generate income for the company which continues to increase from one period to the next. Although compensation sometimes experiences delays, but only a few days, especially for contract employees. Not only the compensation factor that needs to be considered by the company in order to improve employee performance, but the company must also pay attention to motivational factors. Lack of work motivation from employees and company leaders will hinder employee performance and also create a non-conducive work atmosphere. This motivation encourages employees to work diligently and be disciplined in their work so that the company's work environment can be achieved.

The phenomenon that occurred at PT. Sarana pembangunan Palembang Jaya (PT. SP2J) Facility with compensation and employee performance issues. Some employees feel pressured by the punishment given by the company, but there are also employees who are motivated by the punishment. The punishments given consist of:

1. Warning Letter (SP)
2. Demotion (Demotion)
3. Fines or Salary Deductions
4. Employee Suspension

Therefore, employee motivation is very important in achieving goals, namely work performance or performance. Good employee performance is expected by PT. Sarana pembangunan Palembang Jaya (PT. SP2J) Facility is able to compete with other companies so that it can be recognized that the company has a quality performance. While work motivation encourages employees to be fast, precise and responsive in completing tasks and work. So it is hoped that the provision of compensation as well as the existing motivation can have a positive impact on employees.

From the results of observations made by researchers found that the phenomena that occur are among the three variables. Therefore companies must improve employee performance through increased compensation, motivation and employee performance. Because with the increase in compensation, motivation, and employee performance provided by PT. Sarana pembangunan Palembang Jaya (PT. SP2J) Facilities for employees will maximize the quality of workers so that employees achieve organizational goals.

The following compensation table:

Table 1. Compensation

Section	Minimum wage
Administration	2.500.000
Finance	2.800.000
marketing	2.000.000
Technique	1.800.000

Security guard	2.000.000
----------------	-----------

Source: PT. Sarana Pembangunan Palembang Jaya

Based on the description of the table above, the compensation provided by the company is still considered not to have fulfilled the wishes of the employees and the bonus was not given on time from the specified time. Therefore, the performance of PT. Sarana pembangunan palembang jaya (PT. SP2J) are still low and not in accordance with the age and are marked by varied employee performance. In general, there is a decrease in the work motivation of employees of PT. Palembang Jaya facilities are still relatively low. Employees are less enthusiastic about carrying out their work, they just do their job and don't think about the targets set by the company. Employees are also not motivated to do a better job or just innovate in completing their work. This makes the work done by employees less effective. According to employees of PT. Sarana pembangunan palembang jaya (PT. SP2J), It is felt that Sarana Palembang Jaya from the company itself lacks motivation to its employees. Lack of company efforts to organize activities or something that can increase employee motivation.

2. Literature Review

2.1 Human Resource Management

According to Marnisah & Zamzam (2020) human resource management is a process of dealing with various problems within the scope of employees, employees, laborers, managers and other workers to be able to support organizational or company activities in order to achieve predetermined goals. The department or unit that usually takes care of HR is the human resources department or in English it is called the HRD or Human resource department. HRM is an ongoing procedure that aims to supply an organization or company with the right people to be placed in the right positions and positions when the organization needs them.

HRM has specificity compared to management in general, because what is managed is human, so the success or failure of human resource management has a broad impact. According to Rachmawati (2008) describes the definition of human resources, namely Human resource management is a process of planning, directing, organizing, and supervising the activities of procurement, development, compensation, integration, maintenance and release of human resources in order to achieve several individual, organizational and societal goals.

According to Marnisah & Zamzam (2020) HRM basically carries out the functions of human resource planning and human resource development, including:

1. Recruitment function
2. Selection function
3. Training and developing function
4. Performance appraisal function
5. Compensation management function

2.2 Compensation

Employees who work in an organization need adequate and fair compensation or rewards, even if they can be quite competitive compared to other organizations or companies. A good compensation system will greatly affect the morale and productivity of a person. A good compensation system needs to be supported by rational methods that can make a person paid

or compensated according to the demands of his work.

According to Handoko (2014) compensation is everything employees receive as compensation for their work, compensation programs are also important for companies, because they reflect organizational efforts to maintain human resources.

According to Dessler (2015) outlining "compensation are all forms of payment or rewards given to employees and arising from their work relationship" generally put forward indicators of compensation, namely:

1. Salary is money given every month to employees as remuneration for their contributions.
2. Wages are rewards given directly to employees based on working hours.
3. Incentives are rewards given directly to employees whose performance exceeds the specified standards.
4. Allowances are compensation given to certain employees as a reward for their sacrifices.
5. Facilities are supporting suggestions provided by the organization.

2.3 Motivation

Every company or organization wants employees who have high motivation to do their job so that the goals of the organization or company are achieved. The following is a definition of work motivation according to several experts.

According to Gibson (2012) argues that motivation is the desire to try everything for organizational goals which is conditioned by the ability to achieve individual satisfaction.

In this study what is meant by motivation is the desire that moves or encourages someone or oneself to do something. Based on the theory of motivation, it is known that the behavior does not happen by itself, but there is someone who encourages it. This statement can be understood by defining motivation or drive as a strong desire to achieve organizational goals based on the ability of the business to meet needs. According to Amalo, Fitriningsih, et al. (2022) in connection with the theory of Motivation and Management, a model of Motivation in Management can be made.

Abraham Maslow's theory of motivation in Tampi (2014) states that within all human beings there are five levels of needs, namely as follows:

1. Physiological, including hunger, thirst, protection (clothing and housing), sex and other physical needs.
2. Security, including safety and protection against physical and emotional losses.
3. Social, includes affection, a sense of belonging, well received, and friendship.
4. Appreciation, includes self-respect factors such as self-esteem, autonomy and achievement, as well as external factors such as status, recognition and attention.
5. Self-actualization, the urge to become someone/something according to one's ambitions which includes growth, achieving potential and self-fulfillment.

2.4 Employee performance

Performance (work achievement) is the achievement of work results in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given

to him. A person's performance is a combination of abilities, efforts and opportunities that can be assessed from the results of his work.

According to Rivai in Muhammad Sandy (2015) gives the sense that work performance or achievement is the result or level of success of a person as a whole during a certain period in carrying out tasks compared to various possibilities, such as work standards, targets or goals or criteria that have been determined in advance and mutually agreed upon.

According to Mangkunegara (2017) suggests that performance indicators, namely:

a) Quality

How well an employee does what should be done

b) Quantity

How long does an employee work in one day. The quantity of this work can be seen from the work speed of each employee respectively

c) Execution of tasks

How far the employee is able to do his job accurately or without errors

d) Responsibility

Awareness of the obligations of employees to carry out the work given by the company.

2.5 Hypothesis

The hypothesis is an answer that is still theoretical, the starting point in formulating a hypothesis is from the formulation of the problem. Then the hypothesis in this study is:

H1: It is suspected that compensation partially affects employee performance

H2: It is suspected that motivation partially influences employee performance

H3: It is suspected that compensation and motivation simultaneously influence employee performance.

3. Research Method

In this study the authors will discuss the problem regarding the effect of compensation on employee motivation at PT. Sarana pembangunan Palembang jaya (PT. SP2J) Palembang City Oil and Gas Business Unit. The scope of this research is to examine the compensation received by workers as remuneration for work, the driving force of one's willingness to work, and to examine the performance of employees at PT.SP2J.

According to Sugiyono (2017) population is a generalization area consisting of objects and subjects that have certain qualities and characteristics determined by researchers to study and then draw conclusions. The population in this study were all employees at PT. Sarana pembangunan Palembang jaya (PT. SP2J) Palembang City Oil and Gas Unit, totaling 45 people.

According to Sugiyono (2017) defines the sample as part of the number and characteristics of the population. Sampling in this study used non-probability sampling with saturated sampling technique, where the entire population sample was taken from a population of 45 people.

4. Findings and Discussions

Validity test is used to test whether the questionnaire is valid or not. In this study the number of respondents (N) was 45 and to find r tables, namely (N-2), $45-2 = 43$ with an alpha of 0.05, we

obtained a r_{table} of 0.301. A questionnaire is declared valid if $r_{count} > r_{table}$ or $sig. < \alpha$. Test the validity of the 3 (three) variables used in this study, namely Compensation (X1), Motivation (X2), and Employee Performance (Y).

The reliability test is used to measure the questionnaire which is an indicator of the variable. The questionnaire is said to be reliable or reliable if each question is answered consistently or stably from time to time. A questionnaire is said to be reliable if the Cronbach Alpha value is greater than 0.6 (Ghozali, 2005).

Table 2. Reliability test results

Variable	Cronbach's Alpha	N of Items	Cut off	Keterangan
Compensation	0,821	8	0,6	Reliable
Motivation	0,882	10	0,6	Reliable
Employee Performance	0,804	8	0,6	Reliable

Based on table 2. it can be seen that the 26 questions posed in this study have a fairly large Cronbach's Alpha value, which is more than 0.6, so that it can be said that all measuring variables of the questionnaire are reliable, which means that the questionnaire used in this study is a good questionnaire.

Statistical t Test Result

The t statistical test is used to determine whether or not the influence of each variable individually on the dependent variable is tested at a significance level of 0.05. If the sig. smaller than 0.05 and the value of $t_{count} > t_{table}$ then H_0 is accepted and H_a is rejected. The results of the t statistical test can be seen in the following table:

Table 3. Test Results t

Variabel	t_{count}	Sig t	Description
compensation	4,367	0,000	Influential
motivation	2,102	0,042	Influential

In the Compensation variable (X1) it is found that the t_{count} is $4.367 > t_{table} 2.018$ and a significant value is $0.000 < 0.05$, which means H_0 is rejected, so it can be concluded that there is a significant effect between Compensation on Employee Performance at PT. Sarana pembangunan Palembang jaya (PT. SP2J) Palembang City Oil and Gas Unit.

In the motivation variable (X2) it is found that the t_{count} is $2.102 > t_{table} 2.018$ and a significant value is $0.042 < 0.05$, which means that H_0 is rejected, it can be concluded that there is a significant influence between motivation on employee performance at PT. Sarana pembangunan Palembang jaya (PT. SP2J) Palembang City Oil and Gas Unit.

5. Conclusion

Based on the results of research that has been conducted at PT. Sarana pembangunan Palembang jaya (PT. SP2J) Oil and Gas Unit regarding the Influence of Compensation and Motivation on Employee Performance at Employees of PT. Palembang Jaya Development Facility (PT.SP2J) Palembang City Oil and Gas Unit. Partially Compensation and Motivation of employees of PT. Sarana pembangunan Palembang jaya (PT. SP2J) Oil and Gas Unit contributes positively and significantly to Employee Performance.

Based on the results of the research above, there are suggestions regarding compensation and work motivation. The compensation given by PT. Sarana pembangunan Palembang jaya (PT. SP2J) Oil and Gas Unit is considered to be good and it would be better if the compensation provided is increased because the more compensation increases, especially giving bonuses in the form of salaries or vacations to employees in the office and employees in the field provided, the employee's performance will increase. Work Motivation given by PT. Sarana pembangunan Palembang jaya (PT. SP2J) Oil and Gas Unit is considered to be good and will further increase employee motivation by giving promotion awards and praise in order to motivate other co-workers to improve their performance.

For other researchers or further, they can deepen by adding other variables that can affect employee performance such as working conditions, co-workers, and work discipline, and the population is further expanded to further prove that there is a significant influence between compensation and motivation on employee performance.

References

- Amalo, Fitriningsih, et al. (2022). *Pengantar Manajemen (Filosofis dan Praktis)*. Media Sains Indonesia
- Handoko, Hani T. (2015). *Manajemen*. Yogyakarta: BPEF
- Hasibuan, Malayu S.P, (2015). *Manajemen Dasar, Pengertian, dan Masalah, Edisi Revisi*. Jakarta: Bumi Aksara
- Hidayat, Y. R., & Aryanti, N. (2016). Pengaruh Kompensasi Dan Motivasi Kerja Terhadap Kinerja Karyawan (Studi Kasus Pada Pabrik Bawang Goreng UD. Sinar Tani di Desa Pagundan Kecamatan Lebak Wangi Kabupaten Kuningan). *Agrinis*, 1(1), 73.
- James L. Gibson, et.al., (2012). *Organization: Bbehaviour, Structure, Processes. 14th Edition*. New York: McGraw-Hill Companies, Inc
- Sugiyono. (2017). *Metode Penelitian Pendidikan Pendekatan Kuantitatif, Kualitatif, dan R&D*. Alfabeta.