The Effect of Compensation and Motivation on Employee Performance at the Agriculture Office of Empat Lawang Regency

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Abstract
This study aims to determine the effect of compensation and motivation on employee performance at the Four Lawang Regency Agriculture Office. The method used in this research is using questionnaire and observation. The data analysis techniques used are simple regression test, correlation coefficient, it test, multiple regression test, determination test and if test. Testing the first hypothesis, namely the variable of compensation (X1) on employee performance (Y) shows that the calculation produces a coefficient of 16.080. With a sample size of 35, it was found that the idf i= i35 i(35-2) at the significant level is equal to 0.05, the critical value of the it table is equal to 1.692. With these results, it can be said that compensation has a significant effect on employee performance because the i\text{calculate} i(16.080) > i\text{table} i(1.692). Testing the second hypothesis, namely the variable of motivation (X2) on employee performance (Y) shows that the counter produces a coefficient of 7.956. With a sample size of 35, it was found that the idf i= i35 i(35-2) at the significant level is equal to 0.05, the critical value of the it table is equal to 1.692. With these results, it can be said that motivation has a significant effect on employee performance because the i\text{calculate} i(7.956) > i\text{table} i(1.692). And the third hypothesis test found that the F value obtained is equal to 135.420 > i F_{table} i= i3.29 i and the level of significance is simultaneously isig iF i is i0.000\text{-}1. This shows that iCompensation i(X1) and iMotivation i(X2) have a significant influence on iEmployee performance i(Y). Based on the results of the research, it can be seen that in order to improve employee performance, there must be compensation provided by the leadership and motivation in the employee's self and so that it can have an influence on employee performance.

Keywords: compensation, motivation, employee performance.

1. Introduction
Because humans become planners, actors, and creators for the realization of organizational goals, they become a very important element in various activities carried out by both agencies and companies, so human resources always play an active and dominant role in every organization, both private and government organizations. Without it, even the most sophisticated tools will be meaningless. It's a great way to get the most out of your work, and it's also a great way to get the most out of your work. Entertainment and motivation are two very important factors in determining whether someone performs well or poorly. Theoretically, there are many variables that affect employee performance. These elements can come from the company, its employees, or external personnel and the company. Then, to find the right candidate, it is intended that with the knowledge that employees already have, they will be in charge of inspiring candidates to work hard to achieve the desired target goals and earn wages that will cover their needs. The existence of desires that must be met, with varying degrees of need in each employee, affects one's work motivation. Payments in the form of benefits...
and incentives are known as compensation, and are used to encourage workers to produce more at work. To attract and retain talented individuals, an effective recruitment system must be established as part of human resource management. The company's installer system also affects the effectiveness of the plan (S. E. Widodo, 2015).

Motivation can affect employee performance in addition to other variables. Motivating someone means giving them energy that sparks their interest in their work, encourages them to collaborate, work well, and use all their resources to achieve their goals. (M. Hasibuan, 2016) According to the opinion above, motivation can be understood as an impetus that underlies a person's enthusiasm for his work, so it is hoped that employees will work hard or enthusiastically to achieve work performance. Performance refers to how the plans that have been prepared are implemented. Human resources with the necessary skills, knowledge, drive and interest carry out the performance. How the company influences and rewards the attitudes and actions of its employees when carrying out performance (Wibowo, 2017).

According to this view, it can be concluded that performance is the result of work carried out by members of the organization in accordance with their authority and responsibility in an effort to achieve these goals. According to the definitions of management and performance given above, performance management is essentially performance management. The objectives serve as the basis for implementing performance management. There is also consensus and cooperation, there are ends, two-way communication and feedback. In this case, the author observes that employee performance is not ideal because the work results are not in accordance with expectations and there is still work that is not completed on time based on observational data collected at the Agriculture Office of Empat Lawang Regency. From a censorship point of view, it still offers an attractive feeling for workers who give excessive workloads and do not reward workers who go beyond the call of duty. Meanwhile, performance is still below standard due to the lack of facilities and infrastructure as well as the lack of knowledge and abilities in carrying out their duties and work. Given the context of the problem, it is apparent how important variation and individual motivation are to improving employee performance.

2. Literature Review

Compensation. All income received by employees in the form of money or products, either directly or indirectly, in return for services provided to the company is called compensation (Sihombing, 2015). Compensation is a type of remuneration that includes bonuses and incentives to encourage workers to do more at work (Widodo, 2015). Everything that employees receive in return for their services to the company or organization is considered compensation (Sedarmayanti, 2018). The above perspective shows that censorship can be seen as an incentive provided in the form of increased income and compensation based on performance results for one month.

Basic Principles of Compensation. Some of the management principles of management are (Sihombing, 2015): there is a sense of fairness and equitable distribution of income within the company, each job is evaluated through job and performance appraisals, the value of the rupiah in the payroll system is able to compete with similar labor market prices, considering company finances, financial systems, and other factors. The new
payroll system must be linked to employee performance reviews in order to distinguish between employees who perform well and those who are not in the same class. According to the aforementioned opinion, the main element of crime is the system of compensation that must be linked to the performance evaluation, which assesses the work.

Compensation indicators are (Wibowo, 2017): Salaries and wages are compensation as a countermeasure for worker sacrifice. Wages and salaries are generally given for performance that has been carried out based on performance standards set or agreed upon based on personal contracts. Incentives link rewards and performance by rewarding performance not based on seniority or hours worked. Although incentives are given to groups they often reward individual behavior. Rewards, for the implementation of the work given by the manager and the results obtained, workers receive wages / salaries. Meanwhile, to improve performance, managers provide incentives for workers who can deliver work performance beyond the expected performance standards. Benefits programs are other compensation beyond salaries and wages. The form of compensation can be a retirement plan or cafeteria benefits plan. Retirement plans are employee retirement plans. The method can vary. It can take the form of collecting payroll deductions, a combination of company fund reserves, linking pension funds with insurance, and payments can be made monthly, paid in a lump sum or a combination of the two. Based on the above opinion, it is concluded that the indicators of compensation are salary, incentives, awards, and allowances.

Motivation. As the factor that drives a person to perform a certain activity, motivation is sometimes viewed as the driving factor of behavior (Sutrisno, 2017). The intensity, direction, and persistence of an individual toward a desired goal are generated by the motivational process. Intensity conveys the level of effort exerted. High intensity, however, is unlikely to yield positive performance results unless the effort is directed in a way that is favorable to the company. Because the level of effort and intensity must be taken into account (Wibowo, 2017). Motivation is related to how to increase the desire of employees to work hard by using all their talents and abilities to achieve organizational goals. This motivation is very important because it is believed that every employee will work hard and want to achieve high work productivity as a result of motivation (Sunyoto, 2017). From the above point of view, it can be concluded that motivation is a driving factor that can influence a person's willingness and willingness to direct their abilities, including knowledge and skills, energy, and time, towards achieving goals.

The principles in motivating employee work are (A. H. Yusuf, 2018) To motivate people to work, it is important to give them the opportunity to consider the goals that managers must meet. The idea behind communication is that when a leader explains everything about the task request business, staff will be more easily inspired to work. Leaders recognize that subordinates (workers) have an interest in goal-setting efforts in accordance with the principle of recognition and subordinates. With such recognition, workers will be more easily inspired to work. The principle of delegation of authority states that a leader who gives authority or authority to subordinate employees to make decisions on the work they do at any time will inspire the employees concerned to meet the expectations of the leadership. Employees will be motivated to work according to the leader's expectations if they see that the leader pays attention to what his subordinates want. The ideas of involvement, communication, recognizing subordinates, delegating
authority, and paying attention are necessary to inspire employees, according to these motivational principles.

There are eight broad indicators of motivation, namely decent wages, opportunities for advancement, recognition as an individual, job security, a good workplace, acceptance by the group, fair treatment and recognition of achievement (Hasibuan, 2016).

Performance refers to how the plans that have been prepared are implemented. The implementation of performance is carried out by human resources who have the necessary talents, skills, drive and desire (Wibowo, 2017). Everyone shows performance in the form of work products created by employees in accordance with their responsibilities within the company (Juni, 2018). From the many operators above, it can be concluded that performance is the result of work carried out by an employee both in quality and quantity in carrying out tasks in accordance with the responsibilities assigned.

Performance Principles. In addition to the above understanding, there are several performance principles consisting of (Wibowo, 2017). Strategic performance management involves talking about performance-related issues more broadly, urgently and in the context of long-term goals. The setting of organizational goals will be influenced by how the organization's vision and mission are developed. Holistic performance management covers all aspects included in the discipline review, including goal setting, preparation, execution, feedback, measurement, assessment, review, evaluation, and performance improvement. The purpose of integrated performance management is to demonstrate the relationship between inputs, processes, outcomes and benefits. Performance management begins with the formulation and explanation of the goals that the organization needs to achieve. The established goals are then divided into lower-level goals, such as divisional, departmental, team, and individual goals, according to the stages of the organization. Defining organizational goals and objectives, creating a comprehensive overall plan to integrate and coordinate activities, and formulating general strategies to achieve those goals are all part of the planning process. Performance planning involves thinking about what will be done and how it will be done.

Feedback is necessary for the implementation of performance management. Individual workplace experience and knowledge can be used to modify company objectives thanks to feedback. In addition to measuring and evaluating all performance in relation to the overall agreed objectives, performance management can also be used to analyze performance planning.

There are 7 performance indicators, which are as follows (Wibowo, 2017). Purpose: a goal is a better state that is to be achieved in the future. Thus, the goal shows the direction in which performance must be carried out. On the basis of this direction, performance is carried out to achieve goals. To achieve goals, individual, group and organizational performance is required. Individual and organizational performance is successful if it can achieve the desired goals. Standards are important because they tell when a goal can be accomplished. They are a measure of whether a desired goal can be achieved. Without standards, it cannot be known when a goal is achieved. Feedback, between objectives, standards and feedback are interrelated. Feedback reports progress, both quality and quantity, in achieving the goals defined by the standard. Feedback is important when we consider "real goals". Tools or means are resources that can be used to help complete goals.
successfully. Tools or means are supporting factors for goal achievement.

Competence is a key requirement in performance. Competence is the ability possessed by a person to carry out the work given to him properly. Motive is the reason or impetus for someone to do something. Managers facilitate motivation to employees by incentivizing money, giving recognition, asking for feedback, giving freedom to do work including time to do work, providing the necessary resources and eliminating actions that result in disincentives. Opportunities, workers need to get the opportunity to show their work performance. there are two factors that contribute to the lack of opportunities to achieve, namely the availability of time and the ability to fulfill the requirements. It can be concluded that performance indicators are goals, standards, feedback, tools or means, competence, motives and opportunities.

3. Research Method

The effect of salary and incentives on employee performance at the Agriculture Office of Empat Lawang Regency is discussed in this study. This study uses quantitative causal research methodology. The quantitative research method is also known as the international approach because it has long been a model and direction for other researchers conducting their own studies. Research that can be achieved (obtained) using statistical techniques or other quantification techniques is referred to as quantitative research. (measurement) (Tuwuhadi Pratamiaji, 2017).

4. Findings and Discussions

In this research, the researcher uses statistics for data processing, so it is necessary to conduct various tests to prove that it does not occur various kinds of violations that can cause the results of the research to appear unusual. Because the data analysis used simple and multiple regression analysis, the researcher conducted a classical assumption test, normality test, and linearity test. Following is a test of classical assumptions on the variables of influence of Compensation (X₁), and Motivation (X₂) on Employee Performance (Y). Respondent Characteristics. Descriptive analysis is intended to explain the frequency distribution of respondents' answers with the aim of describing the effect of compensation and motivation on employee performance at the Agriculture Office of Empat Lawang Regency. With the number of research respondents as many as 35 employees. Descriptive data on the characteristics of respondents, obtained by distributing questionnaires at the Agriculture Office of Empat Lawang Regency. Based on the questionnaires distributed, the following characteristics of the respondents were obtained:

Table 1. Number of Respondent Characteristics by Gender

<table>
<thead>
<tr>
<th>Gender</th>
<th>People</th>
<th>Total Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>25</td>
<td>71%</td>
</tr>
<tr>
<td>Female</td>
<td>10</td>
<td>29%</td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
<td>100%</td>
</tr>
</tbody>
</table>
The results of research on the characteristics of respondents based on gender which can be seen in table 1. show that of the 35 respondents who answered the questionnaire, the number of male respondents was 35 people or (71%). While the number of female respondents was 10 people (29%).

Table 2. Description of Respondents by Age

<table>
<thead>
<tr>
<th>Age</th>
<th>People</th>
<th>Total Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>21-30</td>
<td>1</td>
<td>3%</td>
</tr>
<tr>
<td>31-40</td>
<td>10</td>
<td>29%</td>
</tr>
<tr>
<td>41-50</td>
<td>24</td>
<td>68%</td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
<td>100%</td>
</tr>
</tbody>
</table>

Based on the results of table 2, it shows that most of the respondents who answered the questionnaire aged between 21-30 years were 1 person (3%), aged between 31-40 years were 10 people (35%), and those aged between 41-50 were 24 (68%).

Table 3. Description of Respondents Based on Education Level

<table>
<thead>
<tr>
<th>Education</th>
<th>People</th>
<th>Total Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>HIGH SCHOOL</td>
<td>7</td>
<td>20%</td>
</tr>
<tr>
<td>D3</td>
<td>1</td>
<td>3%</td>
</tr>
<tr>
<td>S1</td>
<td>25</td>
<td>71%</td>
</tr>
<tr>
<td>S2</td>
<td>2</td>
<td>6%</td>
</tr>
<tr>
<td>Total</td>
<td>35</td>
<td>100</td>
</tr>
</tbody>
</table>

In table 3 the characteristics of respondents based on education show that most of the respondents who answered the questionnaire were high school totaling 7 people (20%), D3 totaling 1 person (3%), S1 totaling 25 people (71%) and S2 totaling 2 people (6%).

Linearity Test. One of the assumptions of regression analysis is linearity. It means whether the regression lines of $X$ and $Y$ form a linear line or not. If it is not linear then the regression analysis cannot be continued.

Table 4. Results of Linearity Test Compensation on Performance

<table>
<thead>
<tr>
<th>PERFOR</th>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Between</td>
<td>330.948</td>
<td>9</td>
<td>36.772</td>
<td>30.85</td>
<td>000</td>
</tr>
</tbody>
</table>

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It can be seen that the results of the linearity test in table i4.68 above prove that the relationship that occurs between the independent variable and the dependent variable is linear. The results can be said to be linear if the significance deviation from linearity is greater than $$\alpha = 0.05$$ i.e. from the results of the primary data processing, it can be seen that the value of compensation and performance with deviation from linearity $$0.362 > 0.05$$ means that the relationship between the predictor and dependent variable compensation is linear.

Table 5. Linearity Test Results iMotivation on iPerformance

<table>
<thead>
<tr>
<th>Sum of Squares</th>
<th>df</th>
<th>Mean Square</th>
<th>F</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>PERFORMANCE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>iMOTIVATION</strong></td>
<td>(Combined)</td>
<td>276.698</td>
<td>12</td>
<td>23.058</td>
</tr>
<tr>
<td>Linearity</td>
<td>237.114</td>
<td>1</td>
<td>237.114</td>
<td>62.068</td>
</tr>
<tr>
<td>Deviation from Linearity</td>
<td>39.584</td>
<td>11</td>
<td>3.599</td>
<td>.942</td>
</tr>
<tr>
<td><strong>Within iGroups</strong></td>
<td>84.045</td>
<td>22</td>
<td>3.820</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>360.743</td>
<td>34</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
which comes from the two independent variables, namely compensation and motivation, on the performance of employees at the Office of the Ministry of Agriculture in Four iLawang Regency.

Table 6. Double Linear Regression Results

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B</td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>19.102</td>
<td>3.350</td>
<td>5.702</td>
<td>.000</td>
</tr>
<tr>
<td>COMPENSATION</td>
<td>1.105</td>
<td>.130</td>
<td>.823</td>
<td>8.473</td>
</tr>
<tr>
<td>MOTIVATION</td>
<td>.134</td>
<td>.089</td>
<td>.147</td>
<td>1.509</td>
</tr>
</tbody>
</table>

a. Dependent Variable: PERFORMANCE

Based on table above, the regression equation can be arranged as follows: 

\[ Y = 19.102 + 1.105 \times X_1 + 0.134 \times X_2 \]

The constant value is equal to 19.102 which means that if the independent variables i.e. \( X_1 \) (Compensation) and \( X_2 \) (Motivation) are equal to zero, then the magnitude of the dependent variable \( Y \) (Performance) is 19.102. In other words, if the independent variables (compensation and motivation) are equal to zero, then the magnitude of the dependent variable (performance) is 19.102. 

\[ b_1 = 1.105 \] is the magnitude of the coefficient of regression of the independent variable \( X_1 \) (Compensation), which means that an increase (addition) of variable \( X_1 \) (Compensation) will increase the dependent variable \( Y \) (Performance) by 1.105. If the variable of motivation tends to increase then the employee's performance will increase and vice versa. 

\[ b_2 = 0.134 \] is the magnitude of the coefficient of regression of the independent variable \( X_2 \) (Motivation), which means that an increase (addition) of variable \( X_2 \) (Motivation) will increase the dependent variable \( Y \) (Performance) by 0.134. If the variable of motivation tends to increase then the performance of employees will increase and vice versa.

Effect of Compensation on Employee Performance. From the results of the research conducted, it is obtained that the simple regression equation is 

\[ Y = 21.660 + 1.263 \times X_1 \]

The constant value is equal to 21.660 which means that if compensation does not exist or its value is zero, then the value of the variable performance (\( Y \)) is equal to 21.660, while the coefficient of regression is equal to 1.263 which means that if the variable of compensation is increased by 1 unit, then the value of the variable of compensation (\( X_1 \)) will experience a positive change of 1.263. The value of the correlation coefficient shows that the correlation coefficient in the \( R \) column between compensation and performance is equal to 0.942. This shows that compensation (\( X_1 \)) and performance (\( Y \)) have a very strong relationship. On the test, it can be explained that the calculation resulted in a coefficient of 16.080. With a sample size of 35, it was found that the (df) \( = n-k = 35-2 = 33 \).
Effect of iMotivation on iEmployee Performance. From the results of the research conducted, it is obtained that the simple regression equation is iY = i19.102 i+ i1.105 iX1 i+ i0.134 iX2 .

The constant value of i19.102 is the constant number which means that if the independent variables iX1 (Compensation) and iX2 (Motivation) are equal to zero, then the value of the dependent variable iY (Performance) is i19.102. iIn other words, if the independent variables (compensation and motivation) are equal to zero, then the magnitude of the dependent variable (performance) is i19.102. ib1=1.105 i is the magnitude of the coefficient of regression of the independent variable iX1 (Compensation) i, which means that every increase (addition) of variable iX1 i (Compensation) i will increase the dependent variable iY i (Performance) is equal to i1.105. ib2=0.134 is the magnitude of the coefficient of regression of the independent variable iX2 (Motivation), which means that every increase (addition) of variable iX2 i(Motivation) will increase the dependent variable iY i(performance) by i0.134 is the magnitude of the regression coefficient of the independent variable iX1 i (Compensation), which means that any increase in the variable iX2 i(Motivation) will increase the dependent variable iY i(performance) by i0.134.

From the results of the calculation of the coefficient of determination, it is obtained that the value of the coefficient of determination is equal to iR² i= i0.894 This shows that the variables of compensation (X1) and motivation (X2) on performance (Y) is equal to 89% and after adjusting this value, the remaining 11% is influenced by other variables that are not included in this research.Based on the results of the calculation of the if value, it is obtained that the calculated iF value is equal to 135.420 using the i95% confidence level it=5% and the idf i2 (n-k-1) i= i35-2-1 i= i32 i(n is the number of data). iThus, the result obtained for the F value at the level of i32 is i3.29 which means that there is an effect simultaneously between iCompensation and
iMotivation on iEmployee performance at the iOffice of iAgriculture iDistrict iEmpat iLawang.

5. Conclusion

Based on the results of the research and discussion, it can be concluded as follows: Based on the t test, it can be explained that t count produces a coefficient of 16.080. With a sample size of 35 found (df) = n-k =35-2 (n is the respondent) and at a significant level of 0.05, the result obtained for t tabel at the 33rd level is 1.692. With this it can be said that Compensation has a significant effect on performance because t count (16.080) > t table (1.692). Based on the t test, it can show that the t count produces a coefficient of 7.956. With a sample size of 35 found (df) = n-k =35-2 (n is the respondent) and at a significant level of 0.05, the result obtained for t tabel at level 33 is 1.692. With this it can be said that Motivation has a significant influence on performance because t count (7.956) > t table (1.692). Based on the results of the calculation of the f value, the calculated f value is 135.420 using a confidence level of 95%, a = 5% and (df) = n-k = 35-2-1 = 32 (n is the respondent) and at a significant level of 0.05 thus the result obtained for f tabel at the level of 32 is 3.29. Then the performance criteria are f count 135.420 > f tabel 3.29 so that there is a simultaneous influence between Compensation and Motivation on Employee Performance at the Agriculture Office of Empat Lawang Regency.

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