

## **The system of giving employee compensation at PT Tasti Anugrah Mandiri**

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### **ABSTRACT**

Companies must give more attention to employees so that employees can think actively and work optimally. One of the factors that influence the emergence of commitment to employees is the provision of fair compensation. This study aims to determine the employee compensation system and the factors that influence employee compensation at PT Tasti Anugrah Mandiri. The type of research used is descriptive qualitative, namely the author describes the results of observations and direct interviews with the marketing (Salesman). This research was conducted from September to October 2020. The results of the study indicate that the compensation system at PT Tasti Anugrah Mandiri uses a work performance system or target achievement where this system prioritizes achieving targets made by employees in selling company products. The factors that form the basis for providing compensation are the company's ability and willingness and employee productivity.

**Keywords:** System; Compensation; Employees.

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### **INTRODUCTION**

The rapid development of science and technology in recent years has influenced many aspects of life. Both in terms of technology, economics, politics and science. One of the fastest developments in our country, Indonesia, is the development in the automotive sector. Increasingly fierce competition in obtaining the automotive market both at home and abroad. For this reason, companies engaged in this field must be able to provide the best products to the community, service centers, and after-sales services (Soenarso et al., 2013).

Companies in general can be classified based on the type of business activities carried out including service companies, trading companies and manufacturing companies. Companies basically run their business through sales or marketing transactions of goods or services offered to consumers (Sanden, 2015). The sale of these goods or services will generate profits for the company. Both from financial benefits and customer trust. Marketing that is carried out continuously will have an impact on income or profits for a company. The quality and quantity of marketing is largely determined by the quality of human resources or employees of the organization or company. The success of a business is strongly influenced by its human

capabilities, both employees and successors/heirs of the business, namely the skills and knowledge to carry out their duties (Ulaga & Reinartz, 2011).

The success or failure of a company to achieve sales targets depends on the success of marketing in increasing sales. A salesman is responsible for introducing the company's products to the public, ensuring that sales take place according to the company's expectations and ensuring that the targets he carries out can be achieved every month, ensuring that all processes related to the sales process run as they should, and ensuring the good name of the company is well maintained (Arnett & Wittmann, 2014; Keszey & Biemans, 2016).

The company makes various efforts to continuously develop and retain employees. This is inseparable from the importance of the role of employees who are competent and can contribute well to the company. Companies must give more attention to employees so that employees can think actively and work optimally. This of course requires a high commitment from each employee. One of the factors that influence the emergence of commitment to employees is the provision of fair compensation (Samet & Jarboui, 2017).

The compensation system that is already good in a company will have a very large effect on the survival of the company itself. This is because there will be a symbiotic mutualism that occurs between employees and the company. Employees will feel more valued and receive remuneration from the company in the form of appropriate compensation. This will certainly have a positive effect on the progress and development of the company in the future. There are two characteristics of the approach used in measuring compensation, namely normative and policy (Dunning et al., 2010; Lai, 2011). Compensation is normative (direct financial) which consists of salary or wages, holiday allowances and other fixed components. Meanwhile, compensation is a policy, namely compensation based on special considerations such as food and transport allowances, bonuses, leave and holidays (Vaissière & Meinard, 2021; Vaske et al., 2020).

PT Tasti Anugrah Mandiri produces various kinds of genuine Toyota spare parts which are sales support for Toyota car needs, because the domestic market for spare parts is very large. For this reason, PT Tasti Anugrah Mandiri is present as the official distributor of Toyota spare parts in Indonesia, which includes spare parts and special oil for Toyota cars. In selling a product from the company, the salesman will be compensated. Compensation is an allowance provided by the company to employees or workers who provide services to a company. Compensation actually includes components such as salary, wages, bonuses, or others that are given to help motivate employees, build their careers and ensure that they are committed to achieving company goals. The salesman is given a target by the company which will not directly affect the partshops who order spare parts and oil from the salesman with the amount or conditions provided by the company to achieve a target (Applegate et al., 2011).

Based on the background and problems above, the authors are interested in knowing the compensation system and the factors that affect employee compensation at PT Tasti Anugrah Mandiri.

## **METHOD**

This type of research uses a qualitative research approach. Qualitative research methods, namely to seek scientific truth and view the object as a whole, interpretation based on natural phenomena. The author describes the data obtained directly from the PT Tasti Anugrah Mandiri Cab. Makassar and the data are described in accordance with the real situation in the field and

compared with existing theories and become the basis of this research (Alase, 2017; Teherani et al., 2015; Tuffour, 2017).

Sources of data in this study using primary data and secondary data. Primary data is data collected and obtained directly from the results of interviews or questions and answers between researchers and informants at PT Tasti Anugrah Mandiri Makassar branch. Secondary data is data that is not generated and collected by researchers but is obtained in a form that has been obtained regarding the general description of the company such as company history, vision, mission, organizational structure, and compensation value (Johnston, 2017).

Data collection techniques in this study were interviews, observations, and documentation. The interview technique used is a structured interview, in which the researcher knows for sure about the information to be obtained and the researcher has prepared a research instrument in the form of written questions. Observations (observations) carried out by researchers include all activities in the object under study, both activities seen and heard. In carrying out this observation, the research used direct observation data collection techniques. This observation was used to collect data at PT Tasti Anugrah Mandiri Makassar branch. The documentation carried out in this research is to record archives and take pictures using a camera (Cln, 2013; Elmusharaf, 2012; Fabijan et al., 2015).

## RESULT AND DISCUSSION

Based on the data that the authors get from research conducted at PT Tasti Anugrah Mandiri, the compensation system carried out by the company uses a work performance system or target achievement. Where employees who meet the company's targets will receive compensation in accordance with the company's incentive standards.

The use of this system itself is very effective because with the use of this system the employees concerned will be even more active and more enthusiastic in selling the company's products to achieve the specified target. This system is also a stepping stone where the employee concerned can receive compensation that can be greater than the basic salary provided by the company.

In determining the size of the target itself, the company sets a different target size for each salesman based on the number of shops or part shops held by the salesman himself, the size of the store held by each salesman. The larger the store held, the higher the target given. The determination is also based on the achievement of the target or actual sales achieved by the previous salesman. Based on research conducted by the author at PT Tasti Anugrah Mandiri the author found where the company set sales targets that must be achieved first in order to get compensation. Where the actualization of the target must be achieved so that employees will get additional compensation money outside of the basic salary provided by the company.

**Table 1**  
**The basic factors of compensation for PT Tasti Anugrah Mandiri**

Target achievement	Information
0%	Incentive from target as deduction value
0,1% - < 40%	No incentive
40% - < 100%	Standard incentives x achievement of target customers
100% - < 125%	Customer standard incentives
≥ 125%	Customer standard incentives x 1,2

Source: PT Tasti Anugrah Mandiri, 2020

Compensation at PT Tasti Anugrah Mandiri is determined by sticking to the company's Incentive standard where in the table above it can be seen that compensation will be given if the employee reaches the target of at least 40% and reaches the maximum limit of compensation that can be given, which is 100% of the company's incentive standard.

Compensation is an award given by the company to its employees so that the performance produced by employees can increase. Compensation is also not fixed and always changes according to the provisions set by the company. The compensation system is a method that is used as a reference by the company to run a system that has been implemented by the company to achieve the goals that have been set in achieving the company's targets.

Based on the research conducted by the author and the data obtained from PT Tasti Anugrah Mandiri, the author will explain the compensation system for the sale of spare parts carried out by salesmen or employees against the sales target planning that has been previously set. The compensation regulation for PT Tasti Anugrah Mandiri is set by giving a target period of two months. Where if the target given by the company can be achieved or exceeded, the salesman or employee concerned will receive compensation according to the incentive standards set by the company.

Compensation can be received if it has reached the sales target of 40% of the given target. If the achievement is less than 40% then the compensation does not apply. Meanwhile, if sales exceed the given target or are more than 100%, the incentive given remains 100% or the maximum sales percentage level is 100%. If the percentage of sales is brought to 100% then compensation can be calculated by multiplying the actual percentage of sales by the company's incentive standard.

As an example in Figure 4.2 regarding the compensation system for two months where the customer 'Indo Ban has a sales target from May to June to reach Rp. 75,801,561, with the actual achievement of only Rp. 35,965,000, which is where the sales percentage rate reaches 47.4%. The company set the standard incentive provided for Indo Ban at Rp. 251,795, where the total incentive received after multiplied by the percentage of sales is Rp. 119,448.

In determining the size of the target itself, the company sets a different target size for each salesman based on the number of toto or part shops held by the salesman himself, the size of the store held by each salesman. The larger the store held, the higher the target given. The determination is also based on the achievement of the target or actual sales achieved by the previous salesman. Salesmen or employees who have achieved the sales targets set by the company for two months can receive compensation based on standard incentives at the beginning of the following month along with the entry of salesman or employee salaries.

Based on Figure 4.3 regarding the target and actual sales for the month of May - June under the name Salesman Ahmad Sidik for the Alaska Motor Store customer with a target in May of Rp. 554,100,460 and in June of Rp. 754,336,141, With a total target of Rp. Ahmad Sidik. 1,439,280,261. Salesman Ahmad Sidik managed to collect sales from May to June with a total of Rp. 1,550,450,000 stating that Ahmad Sidik will be compensated according to the company's incentive standards.

As for salesman A. Muh Sykur Yusuf with CV Terminal Motor customers who were given a target by the company from May to June of Rp. 308,529,924, which can only achieve actual sales of Rp. 35,550,000 which is basically very far below the target given by the company, automatically salesman A. Muh Syukur Yusuf does not get compensation from the company. Based on table 4.3 regarding the basic factors of compensation for PT Tasti Anugrah Mandiri Salesman or employees who achieve the target of 0%, the Salesman or the employee

concerned will result in incentives from the target as a deduction value, the same as if the achievement of the salesman or employee target is 0.1% - <40%, the salesman or permanent employee does not get any incentives at all. In contrast, if the salesman or employee's target achievement reaches 40% - < 100%, they will get standard incentives from achieving customer targets.

## CONCLUSION

Based on the data from the results and discussion of the research, it can be concluded that of the 3 (three) compensation systems that are most often used, namely the work performance system or target achievement, the Time System, and the contract / piece rate system. Based on the data that the author got from research at PT Tasti Anugrah Mandiri, the compensation system used by this company is a work performance system or target achievement. Where this system is a very effective system used in providing compensation and achieving sales targets at PT Tasti Anugrah Mandiri. While the factors that influence the provision of compensation are, the ability and willingness of the company and the productivity of employees.

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