

The Influence of Compensation and Motivation on Employee Performance at PT. Artha Prima Mandiri in Tangerang

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ABSTRACT

Human Resources (HR) is the most vital resource that determines the success of a company, therefore it is necessary to provide rights that can spur improve its performance. This study aims to determine the effect of compensation and motivation on employee performance at PT. Artha Prima Mandiri in Tangerang. The method used is explanatory research with analytical techniques using statistical analysis with regression testing, correlation, determination, and hypothesis testing. The results of this study have a significant effect on compensation for employee performance by 41.3%, hypothesis testing obtained $t_{count} > t_{table}$, or $(8,135 > 1,986)$. Motivation has a significant effect on employee performance by 43.0%, the hypothesis test obtained $t_{count} > t_{table}$ or $(8,418 > 1,986)$. Compensation and motivation simultaneously have a significant effect on employee performance by 52.1%, the hypothesis test is obtained $F_{count} > F_{table}$ or $(50,627 > 1.661)$.

Keywords: Compensation; motivation; employee performance

INTRODUCTION

An organization runs a business solely for the sake of achieving its own goals, namely to obtain the greatest profit from the business undertaken (Parola et al., 2018; Susilo, 2016). This can result in the neglect of the factors that support the company's business, one of which is the factor of human resources who work and carry out activities within the company (Ferris et al., 2007; Singodimendjo, 2011; D. Tyson, 2007). In an organization the existing activities must run effectively and efficiently, in this case, the human resource factor is very important in achieving the desired goals. So in an organization needed a system that can support the performance of the organization (Pratiwi et al., 2019; Saggaf et al., 2018; Saggaf & Salam, 2017; Sunarsi, 2019).

Human Resources (HR) is the most vital resource that determines the success of a company (McDaniel, 1984; Takada et al., 2019; Todericiu et al., 2014). Therefore it is necessary to give rights that can spur improve its performance. Several factors can encourage employees to improve their performance including compensation and motivation by leaders in the company to employees.

According to (Hasibuan, 2011) compensation is all income in the form of money, direct or indirect goods received by employees in return for services rendered to the company. Compensation that is given correctly, will affect employees to be more satisfied and motivated to achieve organizational goals (Fang et al., 2015; Kim & Jang, 2020). Compensation is all income in the form of money, direct or indirect goods received by employees in return for services rendered to the company. Compensation is divided into two, namely: direct

compensation in the form of salary, wages and incentives; and compensation not in the form of insurance, benefits, leave, awards.

Providing compensation can be given in other forms such as insurance. Usually, this insurance is given to employees as welfare and creating working conditions so that workers feel more comfortable and get attention from superiors. By providing health insurance to employees, it will make employees more secure and comfortable at work, besides that employees also feel protected by the existence of health insurance. But at PT. Artha Prima Mandiri This Electronic Payment insurance provided is only BPJS (Social Security Organizing Agency). Whereas health insurance is not covered by the company.

According to (Mangkunegara, 2011) motivation is a condition that influences arousing, directing, and maintaining behavior related to the work environment. Work performance of an employee is not the same or comparable to the skills possessed this is due to the lack of motivation from the leadership in the form of an unbalanced valuation so that providing high motivation will tend to encourage increased work performance of employees toward better.

Performance is the result of the quality and quantity of work achieved by an employee in carrying out their duties by the responsibilities given to him (Osman et al., 2016; Vosloban, 2012; Wu & Hou, 2010). Performance at PT. Artha Prima Mandiri Electronic payments are not good enough due to the lack of enthusiasm of employees in improving their performance, lack of awareness of leaders and employees of discipline, creativity, and the difficulty of working with one another. What's more, the compensation given in the sense should be greater. Because of that employee performance at PT. Artha Prima Mandiri Electronic Payment has decreased.

The achievement of performance targets has an indication of a decline from the target determined by conditions like this seen from the implementation of work paying less attention to its employees. Then the lack of motivation and compensation given to employees makes employee performance decline. This decline in performance harms the decline in the services of PT. Artha Prima Mandiri Electronic payments will further reduce revenue from the company itself.

METHOD

The type of research used is associative, where the aim is to find out the search for interconnection. The population in this study amounted to 96 respondents PT. Artha Prima Mandiri in Tangerang. The sampling technique in this study is saturated sampling, where all members of the population are sampled. Thus the sample in this study amounted to 96 respondents. In analyzing the data used the instrument test, classical assumption test, regression, coefficient of determination, and hypothesis testing.

RESULT AND DISCUSSION

Before conducting inferential statistical tests, descriptive statistical analysis is first performed. This test is used to determine the minimum and maximum scores, mean scores, and standard deviations of each variable. The results are as follows:

Table 1.
Descriptive Statistics Analysis Results

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
Compensation (X1)	96	32	48	38.45	3.836
Motivation (X2)	96	30	45	38.48	3.645
Employee Performance (Y)	96	32	46	39.23	3.561
Valid N (listwise)	96				

Compensation obtained a minimum variance of 32 and a maximum variance of 48 with a mean score of 3.84 with a standard deviation of 3.836. Motivation obtained a minimum variance of 30 and a maximum variance of 45 with a mean score of 3.84 with a standard deviation of 3.645. Employee performance obtained a minimum variance of 32 and a maximum variance of 46 with a mean score of 3.92 with a standard deviation of 3.561.

The Influence of Compensation on Employee Performance

Correlation coefficient analysis is intended to determine the level of relationship strength of the compensation variable against employee performance variables. The test results are as follows:

Table 2.
Compensation Correlation Coefficient Test Results on Employee Performance

Correlations ^b			
		Compensation (X1)	Employee Performance (Y)
Compensation (X1)	Pearson Correlation	1	.643**
	Sig. (2-tailed)		.000
Employee Performance (Y)	Pearson Correlation	.643**	1
	Sig. (2-tailed)	.000	

**. Correlation is significant at the 0.01 level (2-tailed).

b. Listwise N=96

Based on the test results obtained a correlation value of 0.643 means that compensation has a strong relationship with employee performance

The coefficient of determination analysis is intended to find out the percentage of the effect of the compensation variable on employee performance variables. The test results are as follows:

Table 3.
Compensation Determination Coefficient Test Results on Employee Performance

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.643 ^a	.413	.407	2.743

a. Predictors: (Constant), Compensation (X1)

Based on the test results obtained a determination value of 0.413 means that compensation has an influence contribution of 41.3% on employee performance.

Hypothesis testing with a t-test is used to find out which partial hypotheses are accepted. The first hypothesis: there is a significant effect between compensation on employee performance.

Table 4.
Compensation Hypothesis Test Results on Employee Performance
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	16.284	2.835		5.745	.000
	Compensation (X1)	.597	.073	.643	8.135	.000

a. Dependent Variable: Employee Performance (Y)

Based on the test results in the above table, the value of t count > t table or (8.135 > 1.986) is obtained, thus the first hypothesis proposed that there is a significant effect on compensation for employee performance is received.

The Influence of Motivation on Employee Performance

Correlation coefficient analysis is intended to determine the level of strength of the relationship of motivation variables on employee performance variables. The test results are as follows:

Table 5.
Motivation Correlation Coefficient Test Results on Employee Performance
Correlations^b

		Motivation (X2)	Employee Performance (Y)
Motivation (X2)	Pearson Correlation	1	.656**
	Sig. (2-tailed)		.000
Employee Performance (Y)	Pearson Correlation	.656**	1
	Sig. (2-tailed)	.000	

**. Correlation is significant at the 0.01 level (2-tailed).

b. Listwise N=96

Based on the test results obtained a correlation value of 0.656 means that motivation has a strong relationship with employee performance.

The coefficient of determination analysis is intended to find out the percentage of the influence of the motivational variables on employee performance variables. The test results are as follows:

Table 6.
Motivation Determination Test Results for Employee Performance
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.656 ^a	.430	.424	2.703

a. Predictors: (Constant), Motivation (X2)

Based on the test results obtained a determination value of 0.430 means that motivation has a contribution of 43.0% on employee performance.

Hypothesis testing with a t-test is used to find out which partial hypotheses are accepted. The second hypothesis: there is a significant influence between motivation on employee performance.

Table 7.
Motivation Hypothesis Test Results on Employee Performance
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	14.578	2.941		4.956	.000
	Motivation(X2)	.641	.076	.656	8.418	.000

Based on the test results in the above table, the value of t count > t table or (8.418 > 1.986) is obtained, thus the second hypothesis proposed that there is a significant influence between motivation on employee performance is accepted.

The Influence of Compensation and Motivation on Employee Performance

Correlation coefficient analysis is intended to determine the level of relationship strength of the compensation and motivation variables on employee performance variables. The test results are as follows:

Table 8.
Simultaneous Correlation Coordination Test Results and Motivation on Employee Performance
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.722 ^a	.521	.511	2.491

a. Predictors: (Constant), Motivation (X2), Compensation (X1)

Based on the test results obtained by a correlation value of 0.722 means that compensation and motivation simultaneously have a strong relationship to employee performance.

Analysis of the coefficient of determination is intended to find out the percentage of the effect of the compensation and motivation variables on employee performance variables. Based on the test results obtained a determination value of 0.521 means that compensation and

motivation simultaneously have an influence contribution of 52.1% on employee performance, while the remaining 47.9% is influenced by other factors.

Table 9.
Multiple Linear Regression Testing Results

Coefficients ^a					
Model		Unstandardized Coefficients		Standardized Coefficients	
		B	Std. Error	Beta	t
1	(Constant)	9.783	2.939		3.329
	Compensation (X1)	.357	.085	.384	4.214
	Motivation (X2)	.409	.089	.418	4.583

a. Dependent Variable: Employee Performance (Y)

Based on the test results in the above table, the regression equation $Y = 9.783 + 0.357X_1 + 0.409X_2$ is obtained. From the equation, it is explained that a constant of 9,783 means that if there is no compensation and motivation, then there is an employee performance value of 9,783 points. The compensation regression coefficient is 0.357, this number is positive, meaning that every time there is an increase in compensation by 0.357, the employee's performance will also increase by 0.357 points. The regression coefficient of motivation is 0.409, this number is positive, meaning that every time there is an increase in motivation by 0.409, employee performance will also increase by 0.409 points.

Hypothesis testing with the F test is used to determine which simultaneous hypotheses are accepted. The third hypothesis: there is a significant effect between compensation and motivation on employee performance.

Table 10.
Compensation and Motivation Hypothesis Test Results on Employee Performance
ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	628.080	2	314.040	50.627	.000 ^b
	Residual	576.878	93	6.203		
	Total	1204.958	95			

Based on the test results in the table above, obtained the value of F arithmetic > F table or (50,627 > 1,661), thus the third hypothesis proposed that there is a significant influence between compensation and motivation on employee performance is accepted.

Discussion

The Influence of Compensation on Employee Performance

Compensation has a significant effect on employee performance with a correlation of 0.643 or has a strong relationship with a contribution of 41.3%. Hypothesis testing obtained t count

value > t table or (8,135 > 1,986). Thus the first hypothesis proposed that there is a significant effect between compensation on employee performance is received.

The Influence of Motivation on Employee Performance

Motivation has a significant effect on employee performance with a correlation of 0.656 or has a strong relationship with an influential contribution of 43.0%. Hypothesis testing obtained t value > t table or (8.418 > 1.986). Thus the second hypothesis proposed that there is a significant effect between motivation on employee performance is accepted.

The Influence of Compensation and Motivation on Employee Performance

Compensation and motivation have a significant effect on employee performance by obtaining a regression equation $Y = 9.783 + 0.357X_1 + 0.409X_2$, the correlation value of 0.722, or has a strong relationship with a contribution of 52.1% while the remaining 47.9% is influenced by other factors. Hypothesis testing obtained by calculating the value of $F > F$ table or (50,627 > 1,661). Thus the third hypothesis proposed that there is a significant effect between compensation and motivation on employee performance is accepted.

CONCLUSION

Compensation has a significant effect on employee performance with an influence contribution of 41.3%. Hypothesis testing obtained value of t count > t table or (8,135 > 1,986). Motivation has a significant effect on employee performance with an influence contribution of 43.0%. Hypothesis testing obtained t count > t table or (8.418 > 1.986). Compensation and motivation have a significant effect on employee performance with a contribution of 52.1% while the remaining 47.9% is influenced by other factors. Hypothesis testing obtained by calculating the F count > F table or (50,627 > 1,661).

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