



The Effect of Compensation and Work Motivation on Employee Performance at PT. Anugerah Riau Mustika

Sahlan¹

Badan Riset Inovasi Nasional
Email: sahlan_1956@yahoo.com

Yuli Susilowati²

Universitas Persada Indonesia Y.A.I. Jakarta, Indonesia
Email: myuli2021@gmail.com

Dilla Arta Mevia^{3*}

STIE Persada Bunda, Indonesia
Email: artamevia.1205@gmail.com

Abstract

The purpose of this study is to determine the effect of compensation and work motivation on employee performance at PT Anugerah Riau Mustika. This research was conducted from September 2021 to April 2022 at PT Anugerah Riau Mustika which is located on Jalan Paus No. 127 Pekanbaru. The target of this study is employees at PT Anugerah Riau Mustika who are still working in 2022. The population in this study was 52, to determine the sample used the slovin technique with a sample of 34. Data obtained from through the distribution of questionnaires. The analysis methods used are validity test, reliability test, analysis of multiple linear regression equations, classical assumption test, t test, F test, and coefficient of determination using the SPSS (Statistics Product Service and Solution) program version 20.0. Based on the hypothesis and analysis of the research results, it can be concluded that compensation has a partial effect on the performance of employees of PT Anugerah Riau Mustika. Work motivation does not have a partial effect on the performance of employees of PT Anugerah Riau Mustika. Compensation and work motivation have a simultaneous effect on the performance of employees at PT Anugerah Riau Mustika. Compensation and work motivation contributed 50.2% to employee performance at PT Anugerah Riau Mustika, while the rest were outside the regression equation or variables that were not studied in this study.

Keywords Compensation, Motivation, Employee Performance

INTRODUCTION

Along with the rapid economic growth of a country in the modern world as it is today, human resources have an important role in competing. In carrying out interaction with their environment, humans need to maintain harmony by complying with the norms prevailing in the environment. However, each individual basically has differences including differences in behavior. The environment in which humans are located can be a cause that affects human behavior. In the context of the work environment, positive or productive behavior can certainly provide benefits in the form of added value for the organization, but if there is negative behavior, of course it can harm the organization where the human being works.

Management is the process of planning, organizing, directing, and supervising the efforts of the members of the organization and the use of other organizational resources in order to achieve the established organizational goals (Handoko, 2012: 8). Human resource management carries out planning, organizing, personnel preparation, mobilization and supervision of its operational functions to achieve the company's goals. According to



Mangkunegara (2013:2) human resource management is a planning, organizing, coordinating, implementing, and supervising the procurement, development, provision of services, integration, and separation of manpower in order to achieve organizational goals. One of the ways that can be done related to human resources, in order to become a source of competitive advantage is through increasing human capital (human capital), which is very necessary to be able to recognize and adapt to the ever-changing environment so that the demands on the role of human resources are met which can improve better work results.

Performance is an outcome achieved by work in its work according to certain criteria applicable to a job. According to Kasmir (2016: 182) said performance is the result of work and work behavior that has been achieved in completing tasks and responsibilities given in a certain period. Employee performance is very important in the operation of a company, in a company employee performance needs to be assessed or monitored properly so that the company's performance improves and gets good judgment. When performance decreases, there are factors or causes of a decrease in employee performance, with proper handling and good solutions will bring employees to be better. One of the factors that greatly influence the issue of employee performance is in the provision of compensation. According to Widodo (2015: 133), revealed the factors that affect performance, namely attitude and mentality (motivation, work discipline, and work ethics), education, skills, leadership management, income level, salary and health, social security, work climate, facilities and infrastructure, technology, opportunities for achievement.

Employee performance can be improved through increased compensation and work motivation, because with the fixed compensation provided by the company to employees, the enthusiasm, willingness and accuracy of employees at the time of work will be maximized. According to Simamora (2015:445), Compensation is a broad terminology that deals with financial rewards received by people through their staffing relationship with an organization. In addition to compensation, a factor that can affect the performance of employees is work motivation. Motivation questions how to encourage the passion of subordinates, so that they are willing to work hard by giving all their youth and skills to realize the goals of the company. Basically, companies not only expect capable, capable and skilled employees, but most importantly they are willing to work hard and want to achieve optimal work results. Motivation comes from the word "Movere" which means drive or driving force. Motivation is a stimulant of the desire of the driving force of one's will to work, each motivation has a certain goal to be achieved.

According to Hafidzi et al (2019:53) stated that motivation is the provision of driving force that creates a person's enthusiasm for work so that they are able to work together, work effectively, and be integrated with all their efforts to achieve satisfaction. Meanwhile, according to Widodo (2015: 187) motivation is the force that exists in a person, which encourages his behavior to take action. The magnitude of the intensity of the strength from within a person to perform a task or achieve an object shows the extent of his motivation.

Work motivation encourages employees to be faster, more precise and better at completing all the tasks and work assigned by their managers. Employees who work in a company definitely need sufficient and fair compensation or remuneration, even if they can



be quite competitive compared to other 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 create a person being paid or compensated according to the guidance of his work. The fulfillment of compensation and the provision of good motivation will certainly improve the performance of employees. The performance of an employee is an individual thing, because each employee has a different level of ability in carrying out their duties. Lack of motivation for the physical needs of superiors in the form of giving bonuses and salary increases for employees who have been working for a long time. Lack of motivation the need for appreciation of how abilities employees have to improve the graph of the company.

Likewise, what happened at PT Anugerah Riau Mustika. A company engaged in the construction of residential areas where the share ownership is 100% owned by the private sector, . This company has an employee section that is divided into several parts. This company has different positions in each division, ranging from the lowest to the highest. Employees who have been working for a long time will be promoted to an even higher position and will be given financial compensation. The following are the results of the employee performance assessment of PT Anugerah Riau Mustika in table 1.1 below:

Tabel 1.1 Results of Employee Performance Assessment at PT Anugerah Riau Mustika

No.	Assessment Aspects	Year 2021 52 Employees	
		Value of %	Information
1	Discipline	70	Enough
2	Employment Knowledge	80	Good
3	Working Quality and Quantity	74	Enough
4	Spirit of Achievement	80	Good
5	Collaborate	70	Enough
Sum		374	
Average		74,8	

Source: PT Anugerah Riau Mustika

Based on the table of performance appraisal results above, the majority of employees of PT Anugerah Riau Mustika experienced the most performance declines in discipline, quality and quantity of work and cooperation. However, the management of PT Anugerah Riau Mustika is still trying to achieve the target to be at the best performance level. The lack of optimal work on these employees is the quality of work that is not in accordance with the targets expected by the management of PT Anugerah Riau Mustika.

Employee performance presentations decrease due to lack of bonuses and salaries that never go up, it should be in every year employees get bonuses and salary increases according to the performance that employees have done, this is what makes employees not eager to work so that employee performance decreases.



LITERATURE REVIEW

Compensation

According to Simamora (2015:445), Compensation is a broad terminology that deals with financial rewards received by people through their staffing relationship with an organization. The compensation indicators are (1) wages and salaries, (2) Incentives, (3) Benefits, (4) Facilities.

Work Motivation

According to Hafidzi et al (2019:53) stated that motivation is the provision of driving force that creates a person's enthusiasm for work so that they are able to work together, work effectively, and be integrated with all their efforts to achieve satisfaction. The indicators of work motivation are (1) physical needs, (2) needs for a sense of security, (3) social needs, (4) the need for appreciation.

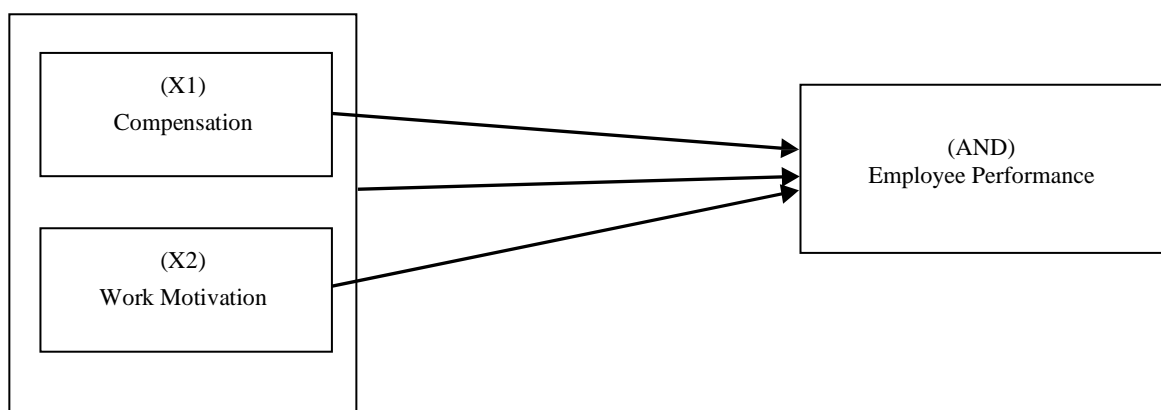
Performance

According to Kasmir (2016: 182) said performance is the result of work and work behavior that has been achieved in completing tasks and responsibilities given in a certain period. The performance indicators are (1) quality (quality), (2) quantity (quantity), (3) time (timeframe), (4) cooperation.

Frame of Mind

The framework of thought in this study uses the following:

Figure 2.1 Framework of Thought



Source: Collected from various sources

Research Hypothesis

Based on the background of the problem, the formulation and the company that has been described, the author put forward a hypothesis, namely:

H1: It is suspected that compensation affects employee performance at PT. Anugerah Riau Mustika.



H2: It is suspected that work motivation affects employee performance at PT. Anugerah Riau Mustika.

H3: It is suspected that compensation and work motivation affect the performance of employees at PT Anugerah Riau Mustika.

RESEARCH METHODS

The variables of this study consist of three variables. The first variable is the free variable, namely compensation, the second variable is work motivation. The third variable is the bound variable that is performance. The research sample was 34 employees from the total number of employees of PT Anugerah Riau Mustika, namely 52 people. According to Sugiyono (2017:81) the sample is part of the number and characteristics possessed by the population. Thus the sample is a portion of the population whose characteristics are to be investigated, and can represent its entire population so that it is less numerous than its population. In this study, the population of 52 employees by calculating the sample size carried out using the slovin technique in sampling, the number must be representative so that the results of the study can be generalized and the calculation does not require a table of the number of samples, but can be done with simple formulas and calculations. Based on the calculations above, 34 respondents in this study were carried out to facilitate data processing and for better test results. The analysis technique uses descriptive statistics, which is a statistical method used to collect, summarize, present and describe data so that it can provide useful information. Descriptive statistics in this study were used to determine the items of statements on each variable after being averaged or percentageized.

RESULTS AND DISCUSSION

The test statistics used to determine the influence simultaneously or together with the variables of compensation and work motivation on employee performance are test F. Based on data processing obtained a total sample of 34 employees of PT Anugerah Riau Mustika. Meanwhile, the number of free variables studied amounted to 2, namely compensation and work motives. So obtained the value of df_1 is a free variable i.e. 2 and df_2 is the number of samples minus the number of free variables and related variables ($34-2-1=31$). Then it can be seen in table F with the value of $\alpha = 0.05$ in the table F of 3.30. Based on the results of the data processing, the calculated F value is 17.643. Since the calculated value of F is $21.534 > F$ of table 3.30, the basis for decision-making in the F test that the hypothesis is acceptable or compensated (X1) and work motivation (X2) simultaneously affect performance (Y). Based on the hypothesis test criteria because $F_{hitung} > F_{daftar}$, H_0 was rejected so that the research hypothesis, namely that there was a simultaneous influence of compensation and work motivation on the performance of PT Anugerah Riau Mustika employees received.

Furthermore, to find out the influence partially or on its own variables of compensation and work motivation on employee performance can be put forward based on the following dimensions:



1. Effect of Compensation Variables on Employee Performance

Based on research obtained by the results of the t test, it shows that compensation affects employee performance. This can be proven from the results of hypothetical statistical tests where t count is greater than t table, namely the calculated t value for the compensation variable (X1) of 5.850 and the table t value of 2.039, with a significant value produced of 0.000 then below 0.05. This means that it can be said that compensation affects employee performance. So that salaries and wages, incentives, benefits and facilities have an effect on improving the performance of employees of PT Anugerah Riau Mustika Pekanbaru.

Based on the results of data analysis, it was found that respondents' responses stated the distribution of variable data (X1), namely compensation with the lowest average allowance indicator with a score of 3.59 with a good category. The average facility indicator is highest with a score of 3.75 with a good category. This means that benefits can affect employee performance. It identifies that if the compensation at PT Anugerah Riau Mustika is mainly in the provision of benefits such as operational benefits given in accordance with employee duties, health benefits given to employees and old age benefits for employees, this has an impact on reducing employee performance. If the company wants to improve the performance of its employees or make employees feel at home in their work, then the company must provide benefits to its employees.

2. Effect of Work Motivation Variables on Employee Performance

Based on the research obtained, the results of the t-test showed that work motivation has no effect on employee performance. This can be proven from the results of hypothesis statistical tests where t count is greater than t table, namely the calculated t value for the work motivation variable (X2) of 1,835 with a table t value of 2,039. It can be concluded that the calculated t value of $1.835 < t$ of the table 2.039 with the resulting significant value of 0.076 being above 0.05. This means that it can be said that work motivation has no effect on employee performance. So that physiological needs, security, social and award needs have no effect on improving the performance of employees of PT Anugerah Riau Mustika Pekanbaru.

Based on the results of data analysis, it was found that respondents' responses stated a variable data distribution (X2), namely work motivation with the lowest average security needs indicator with a score of 3.44 with a good category. The highest average social indicator with a score of 3.80 with a good category. This shows that security needs do not greatly affect employee performance. This identifies that if the motivation for work at PT Anugerah Riau Mustika is mainly in providing security needs to employees. If the company creates a good working atmosphere, provides a comfortable working atmosphere and provides a clean work environment, the performance of employees can be further improved. If the company wants to retain its employees or make employees feel at home in their work, then the company must provide security to employees, so that employee performance is further improved.



3. Effect of Compensation Variables and Work Motivation on Employee Performance

Based on research that has been obtained, compensation and work motivation have an influence on the performance of employees of PT Anugerah Riau Mustika Pekanbaru. This is evidenced by the F test, which is a calculated F value of 17.643. Since the value of F counts $17.643 > F$ of table 3.30, then the basis for decision making in test F that hypothesis is acceptable or compensation(X1) and work motivation(X2) simultaneously affect performance(Y). In addition, the value of the coefficient of determination or Adjusted R Square is 0.502 or equal to 50.2%. The value of the coefficient of determination has an interval of zero to one ($0 \leq R^2 \leq 1$). If $R^2 = 1$. So $0 \leq 0.502 \leq 1$ means that the compensation variables (X1) and work motivation (X2) have a contribution of 50.2% to the performance of PT Anugerah Riau Mustika employees, while the rest are outside the regression equation or variables that are not studied. This shows that if the coefficient of determination is close to 1, then the influence of the independent variable on the dependent variable is the more regression line to foresee Y.

Based on the results of data analysis, it was found that respondents' responses stated the distribution of variable data (Y), namely performance with the lowest average quality indicator with a score of 3.81 with a good category. The highest average quantity indicator with a score of 3.97 with a good category. This suggests that quality can affect employee performance.

This research is in accordance with previous research conducted by Tri Ameliya in 2017 that there is a significant effect of compensation on employee performance and there is no significant influence of motivation on employee performance. In Rini Astuti and Suhendri in 2019, there is an influence of compensation and work motivation on employee performance. And in the research conducted by Erik Martinus and Budiyanto in 2016, there was also the influence of compensation and work motivation on employee performance. Then this is different from the results of this study.

CONCLUSION

Based on research on the effect of compensation and work motivation on employee performance at PT Anugerah Riau Mustika, the following conclusions were obtained:

1. Compensation partially affects the performance of employees of PT Anugerah Riau Mustika.
2. Work motivation does not have a partial effect on the performance of employees of PT Anugerah Riau Mustika.
3. Compensation and work motivation have a simultaneous effect on the performance of karyawan at PT Anugerah Riau Mustika.
4. Compensation and work motivation contributed 50.2% to employee performance at PT Anugerah Riau Mustika, while the rest were outside the regression equation or variables that were not studied.



SUGGESTION

1. For companies to pay more attention to providing employee compensation, so that the compensation can improve employee performance at PT Anugerah Riau Mustika, besides that it is also seen that the distribution is regular or not and the amount given is correct or not.
2. The company needs to provide motivation to employees, providing motivation is very important to achieve company goals, it needs to be considered whether the motivation given by the company makes employees at PT Anugerah Riau Mustika motivated or not.
3. It is hoped that the next researcher will further expand the reach of the study by adding samples and looking for other variables that can affect employee performance, as well as being able to replace or add research objects to compare the results of existing research with previous studies.

AUTHOR'S CONTRIBUTIONS

The authors, Sahlan, Yuli Susilowati, Dilla Arta Mevia, made the same contribution to this work she provided literature review, research methods, data processing, results and discussions, conclusions, and commented on the manuscript at all stages.

REFERENCES

Book:

- AA. Anwar Prabu Mangkunegara, 2014, *Manajemen Sumber Daya Manusia Perusahaan*, PT. Remaja Rosdakarya, Bandung.
- A.A. Anwar Prabu Mangkunegara. 2017. *Manajemen Sumber Daya Manusia Perusahaan*, Bandung : Remaja Rosdakarya.
- Eko, Widodo Suparno. 2015. *Manajemen Pengembangan Sumber Daya Manusia*. Yogyakarta: PUSTAKA PELAJAR.
- Fahmi, Irham. 2017. *Manajemen Sumber Daya Manusia*. Bandung : Alfabeta
- Handoko, T. Hani. 2012. *Manajemen Personalia dan Sumber Daya Manusia*. Yogyakarta. BPFE
- Hasibuan, Malayu SP. (2014). *Manajemen Sumber Daya Manusia, Cetakan keempat belas*, Jakarta, Penerbit : Bumi Aksara.
- Kasmir. 2016. *Manajemen Sumber Daya Manusia (Teori dan Praktik)*. Depok: PT Rajagrafindo Persada
- Marwansyah. 2014. *Manajemen Sumber Daya Manusia*, Edisi Kedua, Alfabeta, Bandung.
- Malayu S.P Hasibuan, 2017, *Manajemen Sumber Daya Manusia*, Jakarta: PT Bumi Aksara
- Simamora, Henry (2015). *Manajemen Sumber Daya Manusia*. Yogyakarta: STIEY
- Torang, Dr. Syamsir. 2014. *Organisasi dan Manajemen*. Bandung: ALFABETA
- Wibowo. 2016. *Manajemen Kinerja, Edisi Kelima*. Rajawali Pers

Journals:

- Alfian Amidhan Akbar, Sonang Sitohang, Volume 4, Nomor 10, Oktober 2015 Pengaruh Kompensasi, Motivasi, Disiplin Kerja Terhadap Kinerja Karyawan Cv. Cemara



Production Surabaya

Erik Martinus, Budiyanto. Volume 5, Nomor 1, Januari 2016 ISSN : 2461-0593 Pengaruh Kompensasi Dan Motivasi Kerja Terhadap Kinerja Karyawan Pada Pt. Devina Surabaya

Rini Astuti, Suhendri. Volume 5 Nomor 2 September 2019 ISSN : 2477-6718 Pengaruh Kompensasi Dan Motivasi Terhadap Kinerja Karyawan PtTunas Jaya Utama

Rini Astuti, Suhendri. Volume 5 Nomor 2 September 2019 ISSN : 2477-6718 Pengaruh Kompensasi Dan Motivasi Kerja Terhadap Karyawan Pada Pt.Tunas Jaya Utama

Tri Ameliya. Volume 01 Nomor 02 Tahun 2017

Pengaruh Kompensasi, Motivasi dan Komunikasi Terhadap Kinerja Karyawan di Cv Subur Jaya Kab. Tulung Agung

Yuli Suwati, Volume 2013, 1 (1): 41-55 ISSN 0000-0000

Pengaruh Kompensasi Dan Motivasi Kerja Terhadap Kinerja Karyawan Pada Pt. Tunas Hijau Samarinda

