

The Effect of Compensation on Employee Performance on PT. Waskita Beton Precast TBK

Ziola Zalne¹, Muhammad Hudzaifa Albani², Heruna Tanty³

^{1,2} Binus University

*Corresponding email: Ziola.zalne@binus.ac.id

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Abstract

This study aims to analyze the effect of Compensation on employee performance of PT. Waskita Beton Precast, Tbk. There is an independent variable of the effect of Compensation to be tested for the influence on the dependent variable, namely Karyawan Performance. The population in this study were employees of PT. Waskita Beton Precast, Tbk Human Resources division which has 50 employees as of May 2020, which are all permanent employees. The research data used are primary data obtained through the dissemination of questionnaires. The analysis tool used is a simple linear regression test. The results showed that: (1) the results showed that compensation had a positive and significant effect on employee performance with a significance value of $0.022 < 0.05$; (2) the test results of the coefficient of determination showed that the Adjusted R Square value of 0.579 means that as many as 57.9% of employee performance-bound variables can be explained by the free variable, namely compensation, while other factors of 42.1% were influenced by other variables outside the variables studied.

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I. Introduction

The development of technology at this time is something that continues to be done for some human resources so that the needs of life in the digitalization era affect employee performance. Human resource management at this time must be able to make maximum efforts to put the workforce in the right position according to its interests and abilities. Human resources have a very large role for the continuity of business competition in the construction sector. The focus on existing human resources is on workers who currently have work ties or official ties to state-owned enterprises.

One of the things related to the development of business competition in the construction sector, especially in the field of human resources, is the movement of employees.

Humans always play an active and dominant role in every organization. The best program created by the company will be difficult to carry out without the active role of the employees owned by the company. From the statement can be known the importance of employees in an enterprise. If the compensation given to employees is not balanced, then both work performance and employee performance will decrease. One of the efforts that can be made to spur employees to carry out the duties and responsibilities that have been given is by providing compensation. The provision of compensation is very important for employees, because the size of the compensation is a measure of the employee's work performance.

If the compensation system provided is fair enough for employees, it will encourage employees to be better at doing their jobs and be more responsible for each of the tasks that granted by an organization or company. Compensation is very important for the employee himself as an individual, because the amount of compensation is a reflection or measure of the value of the employee's own work. What employees feel is that they see compensation as a tool to maintain their survival and to make ends meet. It is undeniable that the basic motivation for most people to become employees in an organization is to make a living. The provision of compensation greatly affects the performance of employees in an effort to achieve the goals that have been set. If employees view their compensation as inadequate and the compensation provided is not in accordance with the work done, their performance can decrease in a drastic (Risnawati, 2022).

Several ways to realize good performance can be achieved through education, training, providing decent compensation, creating a conducive work environment and providing motivation. Through this method, it is hoped that employees will further maximize responsibility for their work, because employees have been equipped and this is related to the implementation of their work.

PT Waskita Beton Precast Tbk is one of the subsidiaries of PT Waskita Karya (Persero) Tbk, a leading state-owned construction company in Indonesia, which is engaged in the precast and ready-mix concrete manufacturing industry. The Company has successfully worked on various projects in the fields of toll roads, bridges, high-rise buildings and river revitalization. In carrying out the duties of PT Waskita Beton Precast Tbk, competent resources are needed in carrying out duties and responsibilities in accordance with the duties in their respective fields. PT Waskita Beton Precast Tbk must follow the applicable regulations and pay attention to factors that can affect the size of the compensation provided. If employees view their compensation as inadequate and the compensation provided is not in accordance with the work done, then their performance, work culture and job satisfaction can drop drastically.

Based on the existing description, the author is interested in conducting a study with the title "The Effect of Compensation on Employee Performance at PT Waskita Beton Precast Tbk".

II. Material and Method

In conducting research, planning is needed so that the research can run well. According to Arikunto (2013), a research design is a plan or design made by a researcher, as a search for activities to be carried out.

This research uses descriptive research methods with a quantitative approach. According to Sugiyono (2015) quantitative selection is intended to summarize and correlate data. This has the purpose of finding out whether a variable is capable of influencing another variable (causality) (Bahri & Zamzam, 2015). In the Big Indonesian Dictionary (KBBI) the word causality means causality.

The research method that will be used is a survey with questionnaires to respondents through the distribution of questionnaires offline. This method is a method of collecting data from a sample taken from a population and using a questionnaire as a data collection instrument. Furthermore, the data that has been obtained will be processed with a statistical model using the SPSS 26 for windows program

III. Results and Discussion

PT Waskita Beton Precast Tbk is one of the subsidiaries of PT Waskita Karya (Persero) Tbk, a leading state-owned construction company in Indonesia, which is engaged in the *precast* and *ready-mix* concrete manufacturing industry. The Company has successfully worked on various projects in the fields of toll roads, bridges, high-rise buildings and river revitalization.

It started when PT Waskita Karya (Persero) Tbk, which continues to make the best efforts, by making innovations and breakthroughs in order to continue to carry out the construction of projects optimally. At that time, Waskita Karya gained a lot of trust in handling mega projects and encouraged Waskita Karya to continue to find methods and strategies for the Company's development that made it a leading construction service company.

To support this, Waskita Karya made innovations and breakthroughs in the development of concrete production business by forming a new business unit that was actively operating since January 1, 2013 and on October 7, 2014 became a new subsidiary named PT Waskita Beton Precast Tbk.

PT Waskita Beton Precast Tbk is a limited liability company established in the Republic of Indonesia based on the Deed of Establishment of a Limited Liability Company No. 10 dated October 7, 2014, made before Fathiah Helmi, S.H., Notary in Jakarta, which has received Approval from the Minister of Law and Human Rights Number AHU - 29347.40.10.2014 dated October 14, 2014 (Deed of Establishment of the Company No. 10/2014) and the latest amendment to the Articles of Association with the Deed of Minutes of The General Meeting of Shareholders Extraordinary No. 23 dated June 8, 2016 made before Fathiah Helmi, S.H., Notary in Jakarta.

During its journey, the development of production capacity owned by PT Waskita Beton Precast Tbk was quite rapid. The company currently has a production capacity of 3.7 million tons / year, supported by 9 plants and manages 73 batching plants and 5 quarry.

With the company's performance continuing to grow, PT Waskita Beton Precast Tbk felt the need to expand its business into a company. This is what underlies the company to conduct an *Initial Public Offering (IPO)* on the Indonesia Stock Exchange on September 20, 2016 by releasing 10.54 billion shares with an offering price of Rp 490/share. Therefore, the Company obtained fresh funds from the IPO worth RP 5.16 trillion with the underwriters being PT Mandiri Sekuritas, PT Danareksa Sekuritas, PT Bahana Securities, and PT BNI Securities.

Based on the table below, the results of the description of the compensation variable will be presented as follows:

Compensation Variable Frequency Distribution Table

Indicators/Sub Indicators	Alternative Respondents' Answers					Value	Information
	ST	S	KS	TS	STS		
Salary/Wages							
Compensation Item 1	19	29	2			217	Good
Compensation Item 2	14	29	7			207	Good
Sub Totals						212	Good
Incentive							
Compensation Item 3	13	33	2	2		207	Good
Compensation Item 4	15	26	8	1		205	Good Enough
Compensation Item 5	16	25	7	2		205	Good Enough
Sub Totals						206	Good Enough
Allowances							
Compensation Item 6	20	28	2			218	Good
Compensation Item 7	26	20	2	2		220	Good
Compensation Item 8	21	27	2			219	Good
Sub Totals						219	Good
Facilities							

Compensation Item 9	22	22	5	1		215	Good
Compensation Item 10	28	17	5			223	Good
Compensation Item 11	25	18	6	1		217	Good
Sub Totals						218	Good
Average Compensation						214	Good

Based on the results of data processing on compensation variables in the table above, it shows that on average respondent's state that the compensation given is good, meaning pt. Waskita Beton Precast Tbk thinks that the compensation given is good.

Based on the table below, the results of the description of the compensation variable will be presented as follows:

Employee Performance Variable Frequency Distribution Table

Indicators/Sub Indicators	Alternative Respondents' Answers					Value	Information	
	ST	S	KS	TS	STS			
Quality								
Employee Performance Item 1	29	20	1			228	Good	
Employee Performance Items 2	28	19	3			225	Good	
Sub Totals						227	Good	
Quantity								
Employee Performance Items 3	24	22	4			220	Good	
Employee Performance Items 4	30	18	2			228	Good	
Sub Totals						224	Good	
Time								
Employee Performance Items 5	22	26	2			220	22	
Employee Performance Items 6	23	21	4	2		215	Good	
Employee Performance Items 7	22	24	3	1		217	Good	
Sub Totals						217	Good	
Effectiveness								
Employee Performance Items 8	27	23				227	Good	
Employee Performance Items 9	36	14				236	Good	
Sub Totals						232	Good	
Independence								
Employee Performance Items 10	33	14	3			230	Good	
Employee Performance Items 11	30	16	4			226	Good	
Sub Totals						233	Good	
Average Employee Performance						227	Good	

Based on the results of data processing on employee performance variables in the table above, it shows that on average respondent's state that the assessment of employee performance is good, meaning pt employees. Waskita Beton Precast Tbk has good employee performance.

Simple Linear Regression Analysis

Simple Linear Regression Test Results Table

		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients		
Type		B	Std. Error	Beta	t	Sig.
1	(Constant)	987	6.808		3.733	.000
	COMPENSATION (X)	.260	.110	.230	2.371	.002
a. Dependent Variable: EMPLOYEE PERFORMANCE (Y)						

Source: SPSS processing data results (2022)

$$Y = 987 + 0.260 X + \epsilon$$

Based on the results of data processing shows that: The value of the Compensation regression coefficient (X) is 0.260 with a significance level of 0.002 (smaller than the alpha level of 0.05). This means that the Compensation variable has a significant effect on the employee performance bound variable. The value of the regression coefficient of the Compensation variable is positive, indicating that the effect of Compensation on Employee Performance is unidirectional, which means that if the compensation is high, it will improve Employee Performance.

To determine the partial effect between the free variables consisting of Compensation on the bound variables of Employee Performance, a t. Ha test is carried out if the calculation > ttabel, while H0 is rejected if the calculation < ttabel. Here are the results of the t test using SPSS Version 26:

Table of Test Results t

		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients		
Type		B	Std. Error	Beta	t	Sig.
1	(Constant)	987	6.808		3.733	.000
	COMPENSATION (X1)	.260	.110	.230	2.371	.002
a. Dependent Variable: EMPLOYEE PERFORMANCE (Y)						

The results of the t test above can be concluded that in each variable X with a calculated t value is indicated in column t with a probability of each below 0.05. Thus Ha

for variable X is accepted, which means that there is a significant positive influence of variable X on variable Y. Analysis of the t test (partial) of variable X (Compensation) against variable Y (employee performance) showed that the results obtained were calculated $2,371 > t_{table} 1,988$ so that the hypothesis was accepted, which means that there is an influence between compensation and employee performance. The probability value of the result is 0.022 where the value of $\alpha = 0.05$, so that ($\rho = 0.022 < \alpha = 0.05$) because the probability is below the alpha value, the compensation variable has a positive and significant relationship with employee performance.

Coefficient of Determination Test

Table of Determination Coefficient Test Results

Model Summary				
Type	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.777 ^a	.604	.579	2.77013
a. Predictors: (Constant), COMPENSATION (X)				

Source: SPSS processing results (2022)

Based on the table above, the amount of Adjusted R Square Compensation for the Performance of PT. Waskita Beton Precast Tbk is 0.579, which means that the ability of free variables in explaining the variance of their bound variables is 57.9%. This means that there is a 42.1% variance of bound variables that can be explained by other factors.

Interpretation of Research Results

In this discussion, the effect of each free variable, namely compensation, will be analyzed on the bound variable, namely the Employee Performance of PT. Waskita Beton Precast Tbk. Pengaruh Compensation for Employee Performance of PT. Waskita Beton Precast Tbk. The results of this study show that there is a significant influence between the variables of Compensation on Employee Performance of PT. Waskita Beton Precast Tbk. This is supported by the results of research by Luh Putu Darmikayani (2016) that promotion of positions and compensation affect employee performance.

Discussion of Research Results

In this study, it discusses the Compensation regression model (X) feasible to be used to predict the effect of Employee Performance (Y) of PT. Waskita Beton Precast Tbk. Based on the test results that show that the compensation variable (X) has a positive and significant effect on the performance of PT. Waskita Beton Precast Tbk. This is in line with the theory of Compensation is an activity that can increase morale, ensure stability and develop employees. The first factor affecting employee

performance is compensation. Compensation is all income in the form of money, direct or indirect goods that an employee receives in exchange for services provided to the company. The compensation program reflects the organization's efforts to maintain its human resources. Providing better compensation will encourage employees to work well and productively Firziyanah Mustika Utami, (2016). This is supported by the results of research by Farikha Nur Khasanah (2016) said that: (1) Compensation has a positive effect on employee performance with a beta value (β) of 0.544 and a significance value of 0.000. The contribution of the effect of compensation on employee performance was 0.291

IV. Conclusion

Based on the results of research and discussions that have been carried out by researchers regarding the Effect of Compensation, Mutation and Promotion of Positions on the Performance of PT. Waskita Beton Precast Tbk. Compensation has a positive and significant effect on the performance of PT. Waskita Beton Precast Tbk

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