



The Influence of Work Motivation and Compensation on Employee Performance at PT. Indosat Tbk

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ABSTRACT

The success and progress of a company cannot be separated from the role of humans as the driving force of the organization. For that manpower or human resources are very important in achieving organizational goals. Human resources are a very important element in running an organization. Especially now that the competition in the business world is getting tougher and like it or not, companies must be able to face any changes that may occur. Therefore, companies need reliable human resources who can compete and make a good contribution to the progress of the company. Employees in each company have an active role in contributing to the company. Human resources are the factors that have the most direct impact on the competitiveness of the company.

Keywords: Motivation, compensation, employee performance, Organizational Goals

1. INTRODUCTION

PT. Indosat is one of the companies in the field of telecommunications services in Indonesia. Of course, this company is experiencing very tight competition in business with its competitors such as Telkom, Exsis, XL, Smartfren, IM3 and others. In order for PT to be able to compete with its competitors, PT Indosat must be able to optimize all of its resources. Motivation also affects the level of employee performance. If motivation is good, employee performance will increase because employee enthusiasm is more motivated by the motivational boost we provide. Internal factors that affect work motivation come from elements that arise from within the employee himself such as work interest, willingness, ability and responsibility. while external factors work motivation in the form of employee welfare, work environment, education, awards, job training and many others (Fahlevi, 2020b). Providing work motivation is expected to improve employee performance towards the company which can be seen from the aspects or dimensions of job satisfaction, organizational culture and leadership patterns obtained. And can also create work results in quality and quantity that are achieved by employees in carrying out their duties in accordance with the responsibilities given to them which will affect performance (Alharbi et al, 2022).

Apart from work motivation, one of the important things is the compensation given. Compensation is one way that can be provided by the company in the form of rewards to employees. Compensation can increase or decrease employee performance (Djakasaputra et al., 2021). Compensation for employees needs to get more attention from the company. Compensation must have a strong basis, true and fair. If compensation is felt to be unfair, it will cause disappointment to employees, so that good employees will leave the company. Therefore, in order to retain good employees, the compensation program is designed in such a way that potential employees feel valued and are willing to stay in the company. The compensation given to employees aims to motivate them to improve performance in the company (Fahlevi, 2020a).

2. LITERATURE REVIEW

Motivation

According to KBBI, motivation has the meaning of an encouragement or effort that can make a person moved to do something in order to achieve the goal or satisfaction he wants

to achieve (Al Badawy et al., 2015). The higher the motivation that a person has, then it will make the behavior to live his life even better. Motivation is very important for everyone so that in living life, one does not easily feel bored, fail and give up, but can have the enthusiasm to keep fighting and rise from failure. There are also 2 types of motivation, namely internal motivation and external motivation (Fahlevi, 2021b). Internal motivation is motivation that comes from each individual without any encouragement or influence from others. Meanwhile, external motivation is motivation that comes from other people or from outside themselves that affect each other's personality. The function of motivation itself is as a determinant of targets or goals to be achieved. With motivation, it will move us to do the best things, so that we are able to achieve the goals we want to achieve. Then motivation is also useful in making decisions. Motivation helps in how we make decisions when faced with a situation whether it is appropriate to make a decision or not. It is also influenced by motivation. If you have good motivation, the decisions you make can also have a good impact (Sutia et al., 2020).

3.1. Compensation

According to KBBI, compensation is compensation or compensation which can be in the form of cash or non-cash or physical or non-physical given to workers or employees in a company (Chiekezie et al., 2017). Compensation is given as a sign that employees have worked well and get rewards for the results they have done. Compensation can also provide motivation for employees to be even more enthusiastic at work. The purpose of the compensation itself is first to get quality workers, namely with a fairly competitive compensation, it can attract quality workers. Apart from that, to retain employees to keep working well and further improve employee performance and compensation also provides justice in a company (Davlyatov et al., 2021). Compensation is a reward received from workers or employees in a company in the form of goods or money. The existence of a compensation will have positive and negative impacts that can provide an advantage for both the company and employees. Currently the company PT. Indosat Tbk has laid off 677 employees and 92 percent have received compensation from the company.

Company PT. Indosat Tbk has confirmed the justification related to the termination of employment for employees, in the layoffs the company also confirmed that this was a reorganization of the business of the total employees which was carried out as part of a three-year strategy to transform into a more agile and trusted brand has been well received by its employees. PT. Indosat Tbk will continue to try to provide good support to provide relief for workers who are affected by reorganization or layoffs that this policy is a difficult time for Indosat employees. So that Indosat will explore all possible options in providing support and to mitigate the impact on its employees. PT. Indosat Tbk provides compensation of more than IDR 1 billion plus bonuses to employees affected by termination of employment. PT. Indosat Tbk allocated IDR 663 billion for compensation funds, with the first batch of IDR 343 billion for 328 affected employees, still not including the 2019 bonus of IDR 18.3 billion which will be paid to workers who experience layoffs before 15 April 2020. Before agreeing to layoffs, the company had mediated with employees but the company's offer of compensation received a rejection response and had to resolve disputes with industrialists, this was mediated before this pandemic broke out. So it can be concluded that if 677 employees affected by layoffs receive a

compensation package plus bonuses, then each employee will receive more than IDR 1 billion.

3.2. Performance

Performance has a meaning, namely all activities carried out or done that are useful for improving a company or organization (Fahlevi, 2021b). Performance in general is an individual thing that each person has different abilities in doing the job. Performance is a result obtained or achieved. Performance is the quality and quantity of what is produced by employees or workers. So employee performance is the result produced by employees in a company to be able to achieve the goals of the company.

3. METHODOLOGY

In conducting this research, we used a quantitative research approach, namely research by testing and explaining the relationship between variables and can be expressed in the form of numbers. We examine the population and sample to be able to test the hypotheses that have been determined. Population is the whole data whether it is object or subject that has quantity to be researched. It can be people, intuition or objects, etc. that can produce data information to get a conclusion. The population we use is employees from PT. Indosat. TBK. The sample is representative of a population that has the same characteristics and can describe and represent all existing populations to be studied. We use quota sampling in this study. To get an answer, analysis techniques are used in the form of validity test, reliability test, classical assumption test, coefficient of determination, T test, F table test and descriptive analysis.

According to (Sekaran & Bougie, 2016), validity is a test of how precise an instrument that has been developed is in measuring certain concepts. Validity is used to prove that the instrument, technique or process used in measuring a concept is correct and appropriate in measuring the concept in question. Validity measures the validity of a question item from a questionnaire distributed to respondents who are the object of research. According to (Sekaran & Bougie, 2016), reliability is a test of how consistent an instrument is in measuring certain concepts. Reliability indicates the extent to which the instrument is free from error (without bias) and ensures consistent measurements across time (stability). This will be discussed reliability with Cronbach Alpha analysis. In the book (Ghozali, 2018), it is stated that the acceptable alpha in research is 0.7 which is based on Nunnally's research in 1978.

The classical assumption test is a statistical requirement that must be met in multiple linear regression analysis based on ordinary least squares (OLS). So a regression analysis that is not based on OLS does not require classical assumption requirements, for example logistic regression or ordinal regression. Likewise, not all classical assumption tests must be carried out in linear regression analysis, for example multicollinearity tests are not carried out in simple linear regression analysis and autocorrelation tests do not need to be

applied to cross sectional data. The multicollinearity test is used to test whether in the regression model a high or perfect correlation is found between the independent variables (Ghozali, 2018). If there is a high correlation between the independent variables, then the relationship between the independent variables and the dependent variable is disrupted.

Heteroscedasticity test is to find out the circumstances where there is an inequality of variance from the data in the regression model. The autocorrelation test aims to test whether in a linear regression model there is a correlation between residual errors in period t and t-1 period errors (previous). If there is a correlation, then there is called an autocorrelation problem. Descriptive statistics aim to transform raw data sets into easy-to-understand information in a more concise form. Descriptive statistics try to explain or describe some of the characteristics of the data, such as the average, data variation, data median, and so on (Fahlevi, 2021a).

RESULT AND DISCUSSION

Multiple Regression Analysis is a development or continuation of simple regression analysis. Multiple regression is used to predict the value of the dependent variable based on the values of two or more independent variables. This Multiple Regression Analysis is used to determine whether work motivation and compensation can affect the performance of employees of PT Indosat. TBK. This research method uses SPSS output calculations with a significance level of 5% (0.05). The method used is the classical assumption test and multiple regression tests for both work motivation and compensation variables. Regression test is a mathematical model that aims to determine the relationship pattern that exists between two variables. Based on the SPSS output results, the Sig. of (0.047) which is smaller than the alpha value of 0.05. So, the conclusion is that the residual data is distributed (not normal) (see table 1).

Table 1. Normality Test

Tests of Normality						
	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Unstandardized Residual	.089	100	.047	.984	100	.285

a. Lilliefors Significance Correction

Based on the SPSS output results, from the variable Work Motivation and Compensation, the value of Sig. each of (0.895) and (0.923) which is greater than alpha of 0.05. So, the conclusion is that there is no heteroscedasticity in table 2.

Table 2. Correlation

Correlations					
Spearman's rho	Motivasi_Kerja				
		Motivasi_Kerja	Kompensasi	Unstandardized Residual	
Motivasi_Kerja	Correlation Coefficient	1.000	-.198 [*]	-.013	
	Sig. (2-tailed)	.	.048	.895	
	N	100	100	100	
Kompensasi	Correlation Coefficient	-.198 [*]	1.000	.010	
	Sig. (2-tailed)	.048	.	.923	
	N	100	100	100	
Unstandardized Residual	Correlation Coefficient	-.013	.010	1.000	
	Sig. (2-tailed)	.895	.923	.	
	N	100	100	100	

*. Correlation is significant at the 0.05 level (2-tailed).

Based on the SPSS output results, the Sig. of the residual value of (0.228) which is more (large) than the alpha value of 0.05. So, the conclusion is that the residual data does not have autocorrelation (see table 3).

Table 3. Runs Test

	Unstandardized Residual
Test Value ^a	.02169
Cases < Test Value	50
Cases >= Test Value	50
Total Cases	100
Number of Runs	57
Z	1.206
Asymp. Sig. (2-tailed)	.228

a. Median

Based on the results of the SPSS output, it was found that R² was (0.09) which means (9%). Work Motivation Variable can explain the variation in the employee performance variable, the remaining (91%) is explained by other variables (see table 4).

Table 4. R Square

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.301 ^a	.090	.072	2.28749

a. Predictors: (Constant), Kompensasi, Motivasi_Kerja

b. Dependent Variable: Kinerja_Karyawan

In the section below, it is known that the regression equation in this research model with two independent variables and one dependent variable (see table 5).

Table 5. Coefficient

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.385	1.406		5.965	.000
	Motivasi_Kerja	.238	.107	.219	2.224	.028
	Kompensasi	-.176	.102	-.170	-1.722	.088

a. Dependent Variable: Kinerja_Karyawan

$$Y = a + bx_1 + cx_2$$

$$Y = 8.385 + (0.238)X_1 - (0.176)X_2$$

If X1 Work Motivation and X2 Compensation increase by 1 point, then Y Employee Performance will experience (increase) by (8,385). If X1 Work Motivation and X2 Compensation fall by 1 point, then Y Employee Performance will experience (decrease) by (8,385). If X1 Work Motivation and X2 Compensation is equal to 0, then Y Employee Performance is (8,385).

5. CONCLUSION

From the test results above, we can conclude that work motivation has a positive and significant effect, while compensation has a negative but not significant effect, so companies need to pay attention to employee motivation to improve employee performance at the company. Motivation is an important factor of employee performance.

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