Relationship of compensation and productivity in Indonesia

Saefudin Zuhri*, Dasih Irma, Nendi Juhandi

Kusuma Negara Business School
Corresponding Email: sae16b@yahoo.com

Received: 2 May 2022  Accepted: 25 June 2022  DOI: https://doi.org/10.55942/jebl.v2i3.162

ABSTRACT

This study aims to knowing level productivity employee, for analyze connection compensation to productivity employees. Based on results research, then expected could give benefit as following, could knowing to use compensation for employee, become something reference for study future, could knowing the resulting relationship Among compensation and productivity employee, could knowing type compensation like what is needed employee, could knowing origin origin compensation provided by the company. The population we will use for study this are employees work company. This study will take sample towards employees work with share questionnaire to 60 employees. In research this time, we will test is to connection among compensation and productivity employees and how much strong connection. Based on results study as well as data analysis can concluded that there is significant relationship among Compensation and Productivity Employee with nature connection Strong and Unidirectional.

Keywords: Relationship, Compensation, Productivity, Employee, Indonesia.

1. INTRODUCTION

In something organization or company, frequent problems faced by a leader that is how the way to go conducted for increase productivity work. This thing related with effort in motivate employee to do monitoring and creating culture effective work and create environment comfortable and conducive work (Abbas et al., 2022). Productivity is demands in company that must achieved by power work, because productivity is one target main company. Employee sued for work and use time by effective and efficient. Wisdom compensation is very important and strategic policy because wisdom compensation relates directly with enhancement spirit work, performance, and motivation employee in something company (Prasetyo et al., 2022). Satisfactory compensation is one thing that improve productivity of employees. Factor compensation is role important in enhancement productivity employee’s work (Alharbi et al., 2022)

Based on description from background behind above then could formulated question about is there is significant relationship among compensation with productivity employees. Based on Formulas problem above, then study this aim as following, knowing level productivity employee, for analyze connection compensation to productivity employees. Based on results research, then expected could give benefit as following, could knowing To use compensation for employee, become something reference for study future, could knowing the resulting relationship Among compensation and productivity employee, could knowing type compensation like what is needed employee, could knowing origin origin compensation provided by the company. Scope in study this is is employee active in company or organization. Giving compensation to employees is have impact on productivity employees.

2. LITERATURE REVIEW

2.1. Compensation

Compensation is something important thing in something company. Giving compensation on a given company to employee if managed with good way could help company for can reach destination company and keep employee for permanent have loyalty to the company. According to Hasibuan (2013:118) Compensation is all income in the form of money, goods direct or no directly received employee as reward or services provided to company. Compensation is reward in the
form of money, goods direct or no directly received employee as reward or services provided to company. Compensation is reward in the form of money or form other given company to its employees. That thing aim for value work hard and motivating employee for stay loyal to company. Following is a number of destination in compensation:

1. Maintain Employee Achievers
   For could maintain employees who are considered potential and achievement in order to remain work in company. It also aims to prevent level rotation work high employees.

2. Get Qualified Employees
   One how to get company get employee or candidate qualified applicants is with give level sufficient compensation competitive compared with competitors from another company.

3. Ensure Existence Justice in Company
   With existence compensation will ensure fulfillment justice in something company specifically connection Among management and employees. It also aims as reply service company on what just already a employee do to company.

4. Trigger Existence Change Increasing Behavior and Attitude Well
   With gift proper and fair compensation to employee, employee will have good attitude and behavior and can profitable as well as influence productivity work. Like in case good work, loyalty, experience, responsibility, and behaviors others who can increase blessing valued through effective compensation from company.

There is a number of type compensation provided by the company to its employees. Following this is types of compensation given by company to employee:

1. Compensation Financial by Direct
   Compensation Financial Direct in the form of payment base (salary or wages), pay achievement (merit pay), payment incentives (bonuses, commissions, share profit, share), paid deferred (savings and annuity programs gift shares).

2. Compensation Financial by Not Direct
   Compensation Financial Not Direct could in the form of protection programs like insurance health, insurance life, pension, and insurance power work. Or also can in the form of pay outside working hours for example: vacation, day big, leave annual, and leave pregnant as well as facilities like vehicle, space office, and place parking.

3. Non-Financial Compensation
   Non-Financial Compensation could in the form of profession like interesting tasks, challenges, responsibility, recognition, and a sense of accomplishment. Or in the form of environment work like healthy policy competent supervision, relatives fun work, and environment comfortable work.

In a give compensation, there is several factors that influence it. Broadly speaking factors, the divided three namely:

1. Internal Factor
   a. Company Fund
      Ability company for doing compensation this depending on the funds raised for necessity that. The fundraising naturally from results achievements work that has been addressed by employees. The bigger performance work employee so will the bigger profit company. The size profit received company will enlarge fundraising for compensation, then implementation compensation will the better.

b. Union Worker
   Workers or affiliated employees in union workers can also influence implementation or determination compensation in something company. Union worker could becomes symbol strength worker in demand repair fate. Existence union worker need get attention special for taken into account by the parties management company.

2. Factor Personal Employee
   a. Performance
      Performance work is one factor to be taken into account in determination compensation. This allow employees in the same position and position get different compensation in accordance with its performance.

b. Position
   Position and title different will implications for differences big compensation. Position and title an employee in company show existence and responsibility the answer in hierarchy company. The taller position and title somebody in company, will the bigger not quite enough answer, then the more the compensation he receives is high.

c. Education and Experience
   Education and experience are also influencing factors big compensation. More employees experienced and educated taller will get more compensation big from less employees experience and or more low level his education. Consideration factor this is form appreciation company on professionalism a employees.

d. Types and Nature of Work
   The size gift compensation employees working in the field different with work that works in room, as well as compensation for profession clerical will be different with profession administrative. So is the same case with profession management different with profession technical. The size gift different compensation this besides because consideration professionalism employees too because big risk and responsibility responsibility borne by the employee concerned.

3. Factor External
   a. Offers and Requests Work
      Factor this refers to the law free market economy, conditions where energy supply work more from demand will be cause low compensation provided. Preferably, that is when job market conditions show big amount Request power work temporary offer only a little, then compensation given will big. The size score compensation offered something company is power pull candidate employee for enter company that.

b. Cost Life
   The size score compensation especially wages or wages must be customized with big cost live. What is meant in cost life here is cost minimal life. At least compensation
given must same with or above cost minimal life.

c. Policy Government
As holder policy, government strive for protect the people from arbitrariness and justice. In relation with compensation, government determine like minimum wage, hours worked / day, for men and women, and at the limit age certain. With regulation the government ensure progress of the prosperity process nation so that could prevent practices companies that can harmful people.

2.2. Productivity
In knowledge Management Productivity is frequent term used for measure efficiency something profession good man, machine, factory, or system both input and output (Noviantoro et al., 2022). In language English productivity consist of two words i.e., “Products” and “Activities” that can be interpreted as something activities that can produce something good goods or service (Maskuroh et al., 2022). According to Daryanto (2012:41) Productivity is the concept that describes connection Among result (number goods and or services produced) with source (number power labor, capital, land, energy, and so on) to produce results that. According to Simungan (2000) Productivity as connection Among results real nor physical (things or service) with actual input.

Basically level tall low productivity can also be influenced by several factor including:
1. Education
Education can say as condition important in effort enhancement productivity because education is supplies knowledge in the learning process. So, from that, someone who has level Higher education will also have level good productivity.
2. Motivation
Very important for know and understand motivation work from every employee in organization or company. This thing intended for employees get good guidance and direction in effort increase performance productivity.
3. Discipline
Discipline work is form attitude everyone in obey regulations that have been determined where could take effect to motivation work.
4. Skills
Skills could sharpen through trainings work and when an organization or company have employee with good skills so will impact good at level productivity.
5. Attitude and Ethics
Required attitude and ethics between individual or group in weave good relationship is very important thing.
6. Health
Health or power stand body every employee could take effect to where is the performance Thing this can also take effect to level productivity.
7. Income Level
High income only will obtain by employees who have good performance. This thing could give satisfaction alone for employees and can becomes a motivation.
8. Environment
Environment work also becomes a factor in influence productivity because environment good job will impact on performance which employees will also impact on the level productivity.

9. Technology
Existence progress increasingly technology advanced could make it easy man in doing her job. This thing naturally could speed up and make it easier company in reach the goal.

10. Production Facilities
In the production process, the factors production must each other support and mutual adequate.

11. Guarantee Social
Companies also need notice service to every employee in support service health.

12. Management
Good management will impact on the organization employee where thing this has an effect too to level productivity.

13. Performance
With give opportunity for achievement, then employees will also increase productivity.

Productivity work could be measured through ability somebody in produce goods or service with the time that has been determined. As for the effort for increase productivity work including:
1. Planning
Important for plan or arrange plan work so that the work conduct could arranged with neat and can make it easy in the process of working.
2. Estimating Time
In undergo work, need for estimate the time it takes for the time used could used with effective.
3. Task Most Important
For carry out the work process task, there sometimes our need for focus on task most important course. This is so that the time it takes could walk with effective and efficient.
4. Evaluation
Effort increase productivity can also conducted through evaluate or study repeat work that has been done. This thing conducted with effort for knowing cause of work targets not yet could resolved or achieved.

3. RESEARCH METHODS

3.1. Population
Population is group individual or current subject studied or researched in a region and period quality certain. According to Sugiyono (2010:115), population is a general area consisting of from object / topic . Object / topic the have quality and characteristics certain then, the characteristics and characteristics the determined by the researcher for studied, then could drawn conclusion. The population we will use for study this are employees work company.
3.2. Sample
In research, we often faced with amount large population. So, from that, needed sample. According to Sugiyono (2010: 116), understanding from sample is something the part that doesn't inseparable from overall and characteristics possessed population. Sample must represent whole population and not can reflect prejudice anything against things certain. Like case characteristics population, representative sample is actual sample chosen based on characteristics that. In study this, we will take sample with use technique simple random sampling. According to Sugiyono (2001:57) simple random sampling technique is technique taking sample from member population conducted by random without considering the existing population strata. We will take sample towards employees work with share questionnaire to 60 employees.

3.3. Correlation
Analysis correlation is tool mathematical for determine revealing quantity how much significant connection variable with other variables without ask is one variable depend on other variables (Sekaran, 2010). Correlation attempted for determine what is survey data containing information already adequate for determine is there is correlation or connection Among every element in population where is the sample from the taken. If there is relationship, how much close connection Among variables this. Closeness connection that named coefficient correlation. Could concluded that correlation is form determination is there is relationship to the object being tested and knowing how much close connection between object that . In research this time, we will test is to connection among compensation and productivity employees and how much strong connection.

4. DATA ANALYSIS AND DISCUSSION

4.1. Data Analysis
The data we managed to collect from questionnaire as many as 60 respondents who have answer a number of attached questions. Following this is fair data collected from the results of a survey of 60 respondents:

<table>
<thead>
<tr>
<th>Table 1. Descriptive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Compensation</td>
</tr>
<tr>
<td>------------------</td>
</tr>
<tr>
<td>30</td>
</tr>
<tr>
<td>29</td>
</tr>
<tr>
<td>27</td>
</tr>
<tr>
<td>40</td>
</tr>
<tr>
<td>22</td>
</tr>
<tr>
<td>36</td>
</tr>
<tr>
<td>23</td>
</tr>
<tr>
<td>33</td>
</tr>
<tr>
<td>36</td>
</tr>
</tbody>
</table>
4.2. SPSS Output Results

4.2.1. Normality Test

1. Hypothesis
\[ H_0 : \text{Compensation and Productivity Data Employee normally distributed} \]
\[ H_a : \text{Compensation and Productivity Data Employee distribute not normal} \]

2. Basis of Decision Making
\[ \text{sig.} \geq \alpha \rightarrow H_0 \text{ accepted} \]
\[ \text{Shapiro Wilk} < 50 \]
\[ \text{sig.} < \alpha \rightarrow H_0 \text{ rejected} \]
\[ \text{Kolmogrov Smirnov} \geq 50 \]

3. Decision

<table>
<thead>
<tr>
<th>Table 2. Normality</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tests of Normality</strong></td>
</tr>
<tr>
<td>Statistic</td>
</tr>
<tr>
<td>Kolmogorov-Smirnov</td>
</tr>
<tr>
<td>Shapiro-Wilk</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 3. Normality</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>One-Sample Kolmogorov-Smirnov Test</strong></td>
</tr>
<tr>
<td><strong>Unstandardized Residual</strong></td>
</tr>
<tr>
<td>N</td>
</tr>
<tr>
<td>Normal Parameters</td>
</tr>
<tr>
<td>Mean</td>
</tr>
<tr>
<td>Std. Deviation</td>
</tr>
<tr>
<td>Most Extreme Differences</td>
</tr>
<tr>
<td>Test Statistic</td>
</tr>
<tr>
<td>Asymp. Sig (2-tailed)</td>
</tr>
</tbody>
</table>

4. Conclusion

Based on SPSS output results, obtained sig value of the Compensation variable of 0.593 more big from alpha value of 0.05 units. So, from it can taken conclusion that no occur heteroscedasticity.

4.2.2. Heteroscedasticity Test

1. Hypothesis
\[ H_0 : \text{Compensation and Productivity Data Employee normally distributed} \]
\[ H_a : \text{Compensation and Productivity Data Employee distribute not normal} \]

2. Basis of Decision Making
\[ \text{sig.} \geq \alpha \rightarrow H_0 \text{ accepted} \]
\[ \text{Kolmogrov Smirnov} \geq 50 \]

3. Decision

Table 4. Heteroscedasticity

<table>
<thead>
<tr>
<th>Correlations</th>
<th>Compensation</th>
<th>Productivity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sig. (Total)</td>
<td>0.93</td>
<td>0.93</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Table 5. Heteroscedasticity Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Variable</strong></td>
</tr>
<tr>
<td>Compensation</td>
</tr>
</tbody>
</table>

4. Conclusion

Based on SPSS output results, obtained sig value of the Compensation variable of 0.593 more big from alpha value of 0.05 units. So, from it can taken conclusion that no occur heteroscedasticity.

4.2.3. Validity Test

1. Hypothesis
\[ H_0 : \text{Item Compensation and Productivity variable questions Employee is valid} \]
\[ H_a : \text{Items variable question Compensation and Productivity Employee invalid} \]

2. Basis of Decision Making
\[ R. Count \geq R. Table \rightarrow H_0 \text{ accepted} \]
\[ R. Count < R. Table \rightarrow H_0 \text{ rejected} \]

<table>
<thead>
<tr>
<th>Table 6. Validity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Item-Total Statistics</strong></td>
</tr>
<tr>
<td><strong>Scale Mean</strong></td>
</tr>
<tr>
<td><strong>Corrected Item-Totol Correlation</strong></td>
</tr>
<tr>
<td><strong>Combach's Alpha</strong></td>
</tr>
</tbody>
</table>

3. Decision

<table>
<thead>
<tr>
<th>Table 7. Decision Validity</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Question</strong></td>
</tr>
<tr>
<td>Compensation</td>
</tr>
<tr>
<td>Productivity</td>
</tr>
</tbody>
</table>

4. Conclusion

Based on SPSS output results, obtained R value. Calculate item Compensation and Productivity variable questions Employee are respectively 0.785 units, and 0.785 units more big from R. Table of 0.21 units. So could concluded that item Compensation and Productivity variable questions Employee is valid.

4.2.4. Reliability Test

1. Hypothesis
\[ H_0 : \text{Variable Compensation and Productivity Reliable employees} \]
\[ H_a : \text{Variable Compensation and Productivity Employee unreliable} \]

4. Conclusion

Based on SPSS output results, obtained R value. Calculate item Compensation and Productivity variable questions Employee are respectively 0.785 units, and 0.785 units more big from R. Table of 0.21 units. So could concluded that item Compensation and Productivity variable questions Employee is valid.
2. Basis of Decision Making
R.α ≥0.7 → H 0 accepted .
R. α <0.7 → H 0 rejected .

3. Decision

<table>
<thead>
<tr>
<th>Table 8. Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Reliability Statistics</strong></td>
</tr>
<tr>
<td>Cronbach’s Alpha</td>
</tr>
<tr>
<td>0.854</td>
</tr>
</tbody>
</table>

0.854 >0.7 → H 0 accepted

4. Conclusion
Based on SPSS output results, obtained R α value. Compensation and Productivity variable Employee of 0.854 more big of 0.7. So from that could concluded that variable Compensation and Productivity Reliable employees .

4.2.5. Correlation Test
1. Hypothesis
   H₀ : Not there is significant relationship among Compensation and Productivity Employee
   Hₐ : There is significant relationship among Compensation and Productivity Employee

2. Basis of Decision Making
   Sig≥ α = H 0 received
   Sig <α = H 0 rejected
   Pearson Correlation
   {R} ≥0.5 = Strong R positive = unidirectional
   {R} < 0.5 = Weak R negative = opposite direction

3. Decision

<table>
<thead>
<tr>
<th>Table 9. Correlation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Correlations</strong></td>
</tr>
</tbody>
</table>

Sig : 0.000 < 0.05 →H 0 rejected
| r | 0.785 > 0.5 → Strong |
| r | + → Unidirectional |

4. Conclusions
Based on SPSS output results, obtained sig of 0.000 which is smaller of alpha of 0.05. Besides that, also obtained a Pearson correlation of 0.785 which is bigger than 0.5 and value positive. So, from that could concluded there is significant relationship among Compensation and Productivity Employee with nature connection Strong and Unidirectional.

5. CONCLUSION

5.1. Conclusion
Based on results study as well as data analysis can concluded that there is significant relationship among Compensation and Productivity Employee with nature connection Strong and Unidirectional. This thing could be seen from data with results calculation showing sig value of 0.000 more small of 0.05 and the value of pearson correlation of 0.785 more big of 0.5. It means compensation given to employee give effect or strong influence to productivity employees.

5.2. Suggestion
Suggestions for research this is so that students can dominate draft base statistics in order to apply for analyze data. With apply draft the basis of this statistic our could use method this for pick up something any form of data and withdrawal something decision . and from research above could our sum up that there is significant relationship among compensation and productivity employees. With so see results analysis on gift compensation to employee need to be very careful in a company because will Thing this have strong relationship against productivity employees.

REFERENCES


Malay, SP Hasibuan (2012), Management Source Power Man publisher Earth Jakarta Script

