



## Relationship of compensation and productivity in Indonesia

Saefudin Zuhri\*, Dasih Irma, Nendi Juhandi

Kusuma Negara Business School  
Corresponding Email: [sae16b@yahoo.com](mailto:sae16b@yahoo.com)

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### ABSTRACT

This study aim 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 ca n 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 Sinungan (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 will 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 1. Descriptive**

Compensation	Productivity Employee
30	38
29	36
27	35
40	50
27	33
22	30
36	44
23	33
33	41
36	46

31	39
36	47
13	14
35	39
33	41
27	33
34	41
34	44
36	42
35	42
33	38
27	37
28	35
34	49
28	34
31	30
34	44
27	32
31	41
34	45
23	37
32	45
13	13
30	39
24	39
29	34
34	42
32	44
32	43
32	42
22	22
30	30
25	31
31	26
34	35
33	35
25	37
29	39
34	38
29	39
31	39
30	40
31	40
35	32
33	32
31	35
32	37
32	38
24	35
29	33

## 4.2. SPSS Output Results

### 4.2.1. Normality Test

#### 1. Hypothesis

H<sub>0</sub> : Compensation and Productivity Data Employee normally distributed .

H<sub>a</sub> : Compensation and Productivity Data Employee distribute not normal.

#### 2. Basis of Decision Making

sig.  $\geq \alpha \rightarrow H_0$  accepted . Shapiro Wilk  $< 50$

sig.  $< \alpha \rightarrow H_0$  rejected . Kolmogorov Smirnov  $\geq 50$

### 3. Decision

**Table 2. Normality**

Tests of Normality						
	Kolmogorov-Smirnov <sup>a</sup>			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Unstandardized Residual	.093	60	.200*	.969	60	.132

\*. This is a lower bound of the true significance.  
a. Lilliefors Significance Correction

**Table 3. Normality**

#### One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		60
Normal Parameters <sup>a,b</sup>	Mean	.0000000
	Std. Deviation	4.32915131
Most Extreme Differences	Absolute	.093
	Positive	.070
	Negative	-.093
Test Statistic		.093
Asymp. Sig. (2-tailed)		.200 <sup>c,d</sup>

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

0.200 > 0.05  $\rightarrow H_0$  received

### 4. Conclusion

Based on SPSS output results, obtained sig value. Compensation and Productivity variables Employee is 0.200 units smaller from alpha value of 0.05 units. So could concluded that Compensation and Productivity data Employee normally distributed.

### 4.2.2. Heteroscedasticity Test

#### 1. Hypothesis

H<sub>0</sub> : Not occur heteroscedasticity .

H<sub>a</sub> : Occur heteroscedasticity.

#### 2. Basis of Decision Making

sig.  $\geq \alpha \rightarrow H_0$  accepted.

sig.  $< \alpha \rightarrow H_0$  rejected.

### 3. Decision

**Table 4. Heteroscedasticity**

Correlations				
Spearman's rho	Kompensasi	Kompensasi		Unstandardized Residual
		Correlation Coefficient	1.000	-.070
	Unstandardized Residual	Sig. (2-tailed)	.	.593
		N	60	60
	Unstandardized Residual	Correlation Coefficient	-.070	1.000
		Sig. (2-tailed)	.593	.
	N		60	60

**Table 5. Heteroscedasticity Decision**

Variable	Sig.	Sign	Alpha	Decision
Compensation	0.593	>	0.05	H <sub>0</sub> accepted

### 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<sub>0</sub> : Item Compensation and Productivity variable questions Employee is valid

H<sub>a</sub> : Items variable question Compensation and Productivity Employee invalid

#### 2. Basis of Decision Making

R. Count  $\geq R$ . Table  $\rightarrow H_0$  accepted

R. Count  $< R$ . Table  $\rightarrow H_0$  rejected

**Table 6. Validity**

Item-Total Statistics				
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Kompensasi	37.0667	48.877	.785	.
Produktivitas_Karyawan	30.0833	25.535	.785	.

### 3. Decision

**Table 7. Decision Validity**

Question	R. Count	Sign	R.Table	Decision
Compensation	0.785	>	0.21	H <sub>0</sub> accepted
Productivity Employee	0.785	>	0.21	H <sub>0</sub> accepted

### 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<sub>0</sub> : Variable Compensation and Productivity Reliable employees

H<sub>a</sub> : Variable Compensation and Productivity Employee unreliable



## 2. Basis of Decision Making

$R_{\alpha} \geq 0.7 \rightarrow H_0$  accepted .

$R_{\alpha} < 0.7 \rightarrow H_0$  rejected .

## 3. Decision

**Table 8. Reliability**

### Reliability Statistics

Cronbach's Alpha	N of Items
.854	2

$0.854 > 0.7 \rightarrow H_0$  accepted

## 4. Conclusion

Based on SPSS output results, obtained  $R_{\alpha}$  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

$H_0$  : Not there is significant relationship among Compensation and Productivity Employee

$H_a$  : There is significant relationship among Compensation and Productivity Employee

## 2. Basis of Decision Making

$Sig \geq \alpha = H_0$  received

$Sig < \alpha = H_0$  rejected

Pearson Correlation

$\{R\} \geq 0.5 = \text{Strong}$  R positive = unidirectional

$\{R\} < 0.5 = \text{Weak}$  R negative = opposite direction

## 3. Decision

**Table 9. Corelation**

### Correlations

		Kompensasi	Produktivitas_Karyawan
Kompensasi	Pearson Correlation	1	.785**
	Sig. (2-tailed)		.000
	N	60	60
Produktivitas_Karyawan	Pearson Correlation	.785**	1
	Sig. (2-tailed)	.000	
	N	60	60

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

$Sig : 0.000 < 0.05 \rightarrow H_0$  rejected

$|r| : 0.785 > 0.5 \rightarrow \text{Strong}$

$|r| : + \rightarrow \text{Unidirectional}$

## 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.

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