THE EFFECT OF COMPENSATION ON THE WORK PRODUCTIVITY OF SENAMAS ENERGINDO MINERAL EMPLOYEES IN EAST BARITO

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ABSTRACT

Increased productivity, which was carried out by the company for employees as a means of perfecting the human resource through the creation of motivation, is one of the factors that can directly influence employee productivity, and one way to motivate employees to increase the productivity of their work is by awarding appropriate compensation from the company. The purpose of this research is to find out and analyze the effect of compensation on employee productivity at PT. Senamas Energindo Mineral in Barito Timur. The research method used to use quantitative methods with a simple linear analysis tool with free variables is variable compensation and work productivity. Sample techniques used in this research were random sampling. Population: 627 employees of PT. Senamas Energindo Minerals, which samples as many as 86 employees. Based on the results of the research note that the positive effect of compensation against work productivity with the R Square of 0.353, meaning that contributions to the compensation effect on work productivity of 35.3% and the rest of 64.7% is affected by other variables. The implications of the research are that further internal research needs to be carried out by the company PT. Senamas Energindo Mineral in East Barito in terms of reviewing efforts to increase or maintain the level of employee work productivity at a level that is in line with the company's expectations to support the company's efforts in achieving its goals.

Keywords: Compensation, Work Productivity, Employee, Company

INTRODUCTION

Employees are the main capital for the company. As capital, employees need to be managed to be productive. Morale can be interpreted as a climate or mood of the work within an organization that demonstrates a sense of excitement in the carrying out of the work and encourages them to work in a better and more productive way.

In the current era encourage many companies to further expand his business by grabbing market share. It encourages the occurrence of tough competition between companies. Many companies doing business to achieve its goal it, the company must keep trying to maintain the continuity of its business in the future and so on to meet the needs of the company and the employees' welfare should also note for smooth and success of the company.

The continuity of this effort can be realized if the goods and services offered can be accepted in the market and can attract market share. Therefore, it is important for the company to study the compensation system because compensation is a major factor in determining a company's withdrawal forward. With the appropriate compensation, employees who give the best bekerjapun will have the best life will have the best life for the sake of continuity and the need for their lives.
Companies that are not able to provide adequate compensation for employees as well as tend to not give satisfaction to their employees would be vulnerable to shaking because employees will work with low morale, and loyalty is fragile.

PT. Senamas Energindo Minerals is the largest coal mining company in Central Kalimantan, especially in the East Barito, and has operated for approximately eight years. In view of the development of the company from year to year, many found problems that could still be controlled by the company. The problem that often occurs is that compensation is considered incompatible with the work performed by the employee, which gives rise to many complaints from various parties or disappointment.

The compensation system in pt. Senamas Energindo does not fit because the new and old employee's salaries are almost the same. There are no adjustments assessed for his tenure with each. As for new employees, the value of their work accomplishment ability is still not meeting the standards of their performance.

It may sometimes be a disappointment and jealousy for other employees whose work is long enough, so employee morale and discipline are also sometimes ignored by employees considering their well-being unnoticed seriously by the company.

With its high satisfaction among employees, it will lead to an increase in employee achievements so as to spur human resources in an effort to improve work achievement.

A company should be able to do its approach towards its employees well with how the behavior of human beings interacts with their environment or by granting compensation. The company must establish compensation programs that are based on the principles of fairness and appropriateness and reasonableness, having regard to the employment laws that apply.

Of course, when the compensation is granted in accordance, it will produce optimal productivity, the company can reach its goal with satisfactory results, and the survival of the company can be as expected by employees and the company itself.

The compensation provided by the company is an expression of gratitude or appreciation to employees. In addition, the objective of granting compensation is to encourage or motivate your employees to work more actively again to continue to work and give the best for the company. (Hasibuan, 2007), said compensation was the expense for the company. The company expects that compensation paid will result in the work achievement of employees.

Productivity is the comparison between the totality of spending at any given time divided by the by the totality input during this period. Productivity in the economy means the ratio of the results achieved to the sacrifices incurred to produce something. In accordance with what is expressed by Muchdarsyah and quoted by Sedarmayanti (2009), productivity is defined as the relationship between physical or tangible results (goods) or services and the actual input.

Therefore, in order to motivate its employees, the management gives rewards to employees who have completed their tasks with satisfactory results in accordance with their capabilities.

**LITERATUR REVIEW**

**Compensation**

Compensation is what a worker receives in return for the work given to him. Compensation turns out to be very influential on employee achievement or performance. If compensation is given to employees who work well, then other employees will try to work as hard as possible because they are motivated by this compensation. Compensation is an expense for the company.

The company hopes that the compensation paid will result in greater work performance rewards from employees. (Hasibuan, 2007), stated, Compensation is all income in the form of money, direct or indirect, received by employees as compensation for services provided to the company." (Likewise, Werther and Davis (2007) argue that compensation is what a worker receives in return for the work he provides. Both hourly wages and periodic wages are designed and
managed by the personnel department.” Similarly, Sikula (2007) stated that compensation is anything that is constituted or considered as remuneration for services provided. So according to the opinions of the experts above, it can be concluded that compensation is what a person receives for the value of the work given to him, whether in the form of goods or money, either directly or indirectly.

**Direct Compensation**

Direct compensation is a form of reward or wage that is paid regularly based on a fixed period of time in the form of cash or in kind based on the contribution of the employee’s services. The direct compensation indicators are: suitability of salary to job; suitability of incentives to results received; and bonuses received in accordance with work.

**Indirect Compensation**

Indirect compensation is the provision of compensation for company profits to workers outside of fixed salaries or wages, which can be in the form of money or goods. The indicators of indirect compensation are: suitability of allowances with expectations; suitability of insurance with living needs; suitability of facilities with work needs; and suitability of rewards given with work results.

**Work Productivity**

Work productivity is the ability to obtain maximum benefit from the available facilities and infrastructure by producing optimal output, even if possible, to the maximum extent possible, (Siagian, 2014). Productivity has two dimensions of performance productivity, namely effectiveness and efficiency. The first dimension relates to achieving maximum performance, in the sense of achieving targets related to quality, quantity and time.

Productivity Indicators

Keban (2004) in (Pasolong, 2010) productivity indicators are as follows:

a. Have the ability to carry out tasks. An employee’s ability really depends on the skills they have and their professional attitude at work.

b. Striving to improve the results achieved is something that can be felt by both those doing the work and those enjoying the results of the work.

c. Work enthusiasm is better than yesterday. This indicator is an effort to be better than yesterday. This indicator can be seen from the ethos and results achieved in one day compared to the previous day.

d. Strive to develop yourself to behave better. The main purpose of this indicator is to show a work rhythm in an office in serving the community or clients.

e. Always develop yourself to improve your work abilities.

f. Always try to improve the quality to be better than the previous one.

g. Compare the results achieved (output) with the total resources (input) used.

h. Continuously strive to improve the quality of life.

i. Carrying out qualitative analysis activities in solving problems faced by the bureaucracy.

**Research Thinking Flow**

Figure 1 Research Framework, 2023

Source: researcher 2023

**Hypothesis:**

Based on the descriptions above, the author formulates the following hypothesis:

Ha: compensation has an effect on employee work productivity.

Ho: compensation has no effect on employee work productivity.
RESEARCH METHODS
Quantitative research is the systematic scientific research sections and the phenomenon and its relationship. The purpose of quantitative research is to develop and use mathematical models, theories or hypotheses pertaining to natural phenomena and assisted with the program SPSS version 22.0. This type of research is to obtain accurate information on compensation provided to employees through performance evaluation by means of disseminating a questionnaire to employees to acquire accurate data. A quantitative approach is used to find factual information in detail that are track and identify problems or to get justification of the circumstances and activities in progress (Wahyuni & Mulyono, 2006). The approach used to know the awarding of compensation against work productivity of employees.

Populations and Samples

Populations
The population of the region is a generalization of an object or subject that has certain qualities and characteristics set by the researchers to learn and then pulled his conclusion (Sugiyono, 2013). Then the population of this research are the employees of PT. Senamas Energindo minerals totalled 627 employees.

Samples
The sample is part of the number and characteristics shared by the population. Determination of the sample in this research use namely sampling. To determine the sample that will be used in research, there is a wide sampling techniques to be used (Notoadmodjo, 2005).

Data Source

Primary Data
The primary data source is the source of the data obtained and processed directly from the subject directly related to the research. Data sourced from the questionnaire, the study of the literature, people and objects PT. Senamas Energindo Mineral.

Secondary Data
Secondary data source derived from the documents of the company itself. Some secondary sources include information published or not published from within or from outside the company, data available from previous research, online data and website.

Data Collection Techniques
Data collection techniques on research is done in the following way:

Based on the formulas obtained the number of samples (n) for how many number of samples in the study as follows:

\[
N \frac{1}{1 + N(d^2)}
\]

\[
n = \frac{627}{1 + 627(0.1^2)}
\]

\[
n = \frac{627}{1 + 627(0.01)}
\]

\[
n = \frac{627}{1 + 627(0.01)}
\]

\[
n = \frac{627}{1 + 627(0.01)}
\]

\[
n = 7.27
\]

\[
n = 86.24
\]

86 responden
number of samples in the study was 86 employees at PT. Senamas Energindo minerals

Sampling Technique
This research uses random sampling techniques. Random sampling is a way of sampling conducted a simple random The sample is partly drawn from the overall object being examined and considered to have a population of (Notoadmodjo, 2005).
1. Questionnaire (question form), the data collection technique is done by giving a set of questions to respondents to be answered.

2. Study of the literature, is used to collect data from companies and secondary information related to this research by means of documentation. The study was conducted among others by collecting data from literature-literature, lectures, and other research results related to the object of research.

**Measurement Scale Research Instrument**

To get the data relating to compensation and work productivity use of instruments in the form of a questionnaire with likert scale measurement using five levels which is a type of ordinal scale.

Using the instrument of compensation and work productivity that later developed into several questions and parameters will be measured.

1. Strongly Agree (SS) = skor 5
2. Agree (S) = skor 4
3. Neutral (N) = skor 3
4. Does’n Agree (TS) = skor 2
5. Strongly Disagree (STS) = skor 1

Know the validity and reliability of testing needs to be done over the questionnaire questionnaire using the test validity and reliability trials aimed to test whether the questionnaire disseminated to obtain research data is valid and reliability, therefore the author will do a second test this against the research instrument (questionnaire).

**Test Validity**

Used to measure valid or not a questionnaire. The validity of a test is done by doing a bivariate correlations between each indicator variable with the total score. An instrument is said to be valid if greater than 0.3 or compare it with the r table. (Sugiyono, 2013).

**Test Reliability**

To measure a questionnaire that is an indicator of a variable. Reliability is measured by statistical tests cronbach's alpha (a). A variable is said to be reliability if giving the value of cronbach ‘alpha > 0.60.

**Technique Of Data Analyst**

Data analysis techniques used in this research is to know the magnitude of the influence of Compensation against Employee Productivity is a simple regression analysis techniques, to know the influence of one independent variable (X) with one the dependent variable (Y). Analysis to find out the direction of the relationship between the dependent variable independent variable are positive or negative and to predict the value of the dependent variable when the independent variable value increase or decrease (Sugiyono, 2013). Simple regression formulas :

\[ Y = a + bX \]

**RESEARCH RESULTS**

**Simple Regression Analysis**

Following simple regression analysis using SPSS 26.0 obtained the following results:

<table>
<thead>
<tr>
<th>Model</th>
<th>R</th>
<th>R Squar</th>
<th>Adjustd R Square</th>
<th>Std. Error of the Estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>.594</td>
<td>.353</td>
<td>.345</td>
<td>5.11744</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), Kompensasi

Source : SPSS versi 26.0.

Table it can be known the value of R Square shows the value of 0.353 or 35.3% varibael employee productivity means affected amounted to 35.3% by variable compensation, the remaining 64.7% influenced by other variables outside of the variable compensation.
**Hypothesis Test (t)**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>T</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Std. Error</td>
<td>Beta</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>23.7</td>
<td>8.23</td>
<td>16</td>
<td>0.00</td>
</tr>
<tr>
<td>Compensation</td>
<td>0.538</td>
<td>0.594</td>
<td>6.77</td>
<td>0.00</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Produktivitas Kerja  
Source: SPSS versi 26.0.

Table of Coefficients t test results can be known against the variable compensation obtained t count of 6.773 with significance of t 0.00, because t count greater than t table i.e. 6.773 > 2.636 or significance of t is smaller than 0.01, i.e. 0.000 < then the variable compensation effect significantly to the productivity of employees working in pt. Senamas Energindo minerals in East Barito. As for a simple regression equation obtained was Y = 23.716 + 0.538X, where:

- a = 23.716 the figure shows the work productivity if compensation was ignored.
- b = 0.538 This means that if the compensation has increased by 1, then the value of employee productivity will grow proportionately 0.538.

**DISCUSSION**

Based on a questionnaire distributed to 86 employees of PT. Senamas Energindo Minerals in the East Barito knowable:

1. For the instrument variable compensation (X) the highest answer contained in instruments X 2 that is worthy and appropriate salary with the ability to work, the number who answered strongly agree sebayak 40 people or 46.5%, 25 people who agree or 29.1% this means that the salary given to the employee and in accordance with the employee's ability.

2. Instrument variables work productivity (Y) answer the Supreme instrument contained on the Y2 i.e. trying to maximize the number of jobs the results answer strongly agree as much as 44 people or 51.2% and 21.9% or 24 agree, It means the average employee works hard to maximize the results of your work.

3. Tabel test validity Table prepared from spss 23 may note that test the validity of the whole instrument for variable compensation totalling 9 instruments : appropriate salary performance (X 1) value r count 0.846, decent salaries and Office appropriate capabilities (X 2) value r count 0.308, work completed in excess of the target bonus (X 3) value r count 0.925, allowances on leave very satisfying (X 4) rated r count 0.390, THR in accordance with rules (X 5) rated r count 0.86, work and adequate health insurance (X 6) rated r count 0.877, guarantee day old enough (X 7) rated r count 0.884, compensation increases every year according to productivity (Arc) value r count 0.860, compensation according Regulation (X9) to calculate the value of r 0.864. An instrument is declared invalid if the value r count greater than the value of r tables. From the obtained value table r r table for df = 86-2 = 84 i.e. 0.276. instruments variable compensation (X) value of r rated r > count table (0.276), this indicates that the whole instrument variable compensation is declared valid as measuring instrument.

4. Validity Test of the whole instrument for employee productivity variables that add up to 11 instruments : the ability of the appropriate duties and responsibilities (Y1) value r count 0.799, trying to maximize the results of the work (Y2) 0.652, calculate the value of r is constantly trying to take charge of the work (Y3) 0.581 count value of r, merasa nyaman bekerja karena sikap pemimpin di tempat kerja (Y4) nilai r hitung 0.359, sangat mencintai pekerjaan sehingga bersemangat
(Y5) nilai r hitung 0,746, fasilitas yang diberikan sangat membantu dalam menyelesaikan pekerjaan (Y6) nilai r hitung 0,303, enhance the abilities and skills (Y7) value r count 0.656, work fast and on time (Y8) 0.709, calculate the value of r increases achievement task done responsibly (Y9) value r count 0.692, co-workers pleasant quality of work increases (Y10) to calculate the value of r 0.648, think independently to solve problems (Y11) value r count 0.772. An instrument is declared invalid if the value r count greater than the value of r tables. From the obtained value table r r table for df = 86-2 = 84 i.e. 0.276. All the instruments work productivity variable (Y) value of r rated r > count table (0.276), this indicates that the whole instrument variables declared valid work productivity as a measurement tool. Reliability test for the instrument variable compensation (X) from the calculation by using the spss application 22 earned value Cronbach's Alpha 0.779. An instrument is said to be Cronbach's if the value of the Alpha reliability > 0.60. The value of the variable compensation for Alpha Cronbach's 0.779 > 0.60, meaning that the instrument reliability or trustworthiness as a measurement tool.

5. Reliability tes for variable work productivity instrument (Y) from the calculation by using the spss application 22 earned value Cronbach's Alpha 0.773. An instrument is said to be Cronbach's if the value of the Alpha reliability > 0.60. The value of the Cronbach's variable to work productivity Alpha 0.773 > 0.60, meaning that the instrument reliability or reliable as measuring instrument.

6. On the test t in t values can calculate 6.773, because the value of t is larger than htung 6.773 t table 2.636 and value signifkasi t 0.00 0.01 then variable compensation < influential variables significantly to the productivity of employees working in pt. Senamas Energindo minerals in East Barito.

7. Variables free (X) Compensation with items a fair wage, decent and would be sure, completion, achievement, award, the enforcement work of influential rules significantly to the productivity of the employee to the value R square 0.353 or 35.3%.

8. Persamaan simple regression Equation i.e. Y = 0 538X, 23.716.

In accordance with the theoretical benefit in pointed out by (Dessler, 2009) in (Pasolong, 2010) and (Sedarmayanti, 2009) that the compensation which serves as the human resource to meet the needs and improve work productivity that will motivate employees to working with better towards works that are more productive and the results I thoroughly proven positive effect. As for previous research also concluded that the influence of prosentasi on performance compensation of employees is amounted to 24.6% (Rahmawati, 2009).

But the research I take higher i.e. amounted to 35.3% whilst the remaining 64.7% influenced other varibel that are not included in this study such as work stress, work motivation, influence recruitment and selection and leadership style.

IMPLICATION RESEARCH
The implications of the research are that further internal research needs to be carried out by the company PT. Senamas Energindo Mineral in East Barito in terms of reviewing efforts to increase or maintain the level of employee work productivity at a level that is in line with the company's expectations to support the company's efforts in achieving its goals

CONCLUSION
Conclusions from the results of research on the influence of compensation against work productivity of employees at PT. Senamas Energindo Minerals are as follows:

1. Compensation in a positive and significant effect on employee productivity. The great influence of compensation against work productivity was 35.3%, while the remaining 64.7% is affected by other variables that are
not included in this study such as work stress, work motivation, recruitment and selection and influence of leadership styles.

2. This has been proven through test t, where t test results showed that $t_{\text{thitung}} > t_{\text{table}}$ i.e. $6.773 > 2.636$ which means the first hypothesis (Ha) in this research has been proven and acceptable.

REFERENCES


