



## The Effect of Providing Compensation on Employees' Work Productivity At Pt Berkah Dwiko Jaya in Baubau City

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### ABSTRACT

*This research aims to determine the effect of providing compensation on the work productivity of PT employees. Blessings of Dwiko Jaya in Baubau city. The research method used is descriptive with simple linear analysis. This research was conducted at PT. Berkah Dwiko Jaya Baubau City, Kokalukuna District, Kadolomoko Village, Baubau City. The results of the analysis show that providing compensation has a positive effect on employee work productivity. These results indicate that providing appropriate compensation that is accepted by employees will increase employee work productivity at PT. Blessings Dwiko Jaya Baubau City. Providing compensation also contains a professional relationship where one of the main goals of employees' work is to get compensation to meet various needs, while on the PT or company side they pay employees so that employees can carry out their work in accordance with the company's wishes and expectations with the main goal being to be able to advance the course of the company's business. By providing compensation that is more appropriate and accepted by employees because it is in accordance with the energy and abilities expended and respecting employees' hard work, employees will behave more professionally by working seriously and making various efforts to achieve better work results so that productivity work could increase further.*

**Keywords:** Providing Compensation, Work Productivity, Employees

### 1. Introduction

In an organization or company, human resources are a very important aspect, without human resources the operational activities of the organization or company cannot run well. Human resources are a very vital organizational asset, so their role and function cannot be replaced by other resources. According to Werther and Davis in Sutrisno (2017) states that human resources are employees who are ready, capable and alert in achieving organizational goals.

The quality of human resources in general is often related to the knowledge possessed, abilities and work experience which will later be needed for the performance that employees want to achieve. In simple terms, performance is the implementation of plans prepared and achieved by an employee during a predetermined time period and in accordance with plans in a particular field of work.

The Human Resources Development Agency (BSDM) is a government agency that supports the vision of the governor of Southeast Sulawesi in seeking to create reliable and competitive Southeast Sulawesi human resources. In general, the Southeast Sulawesi human resources development agency has the duties and functions of preparing education and training for officials within the Southeast Sulawesi government. The duties and functions of the Southeast Sulawesi human resources development agency include carrying out general government tasks in the field of management and institutional competency certification. The field of developing core technical competencies, the field of developing general and

functional technical competencies and the field of developing managerial competencies. The Southeast Sulawesi human resources development agency also facilitates the implementation of training to increase apparatus resources in accordance with statutory regulations.

An increase in employee performance will result in development and progress for the organization/company so that it can compete in an unstable competitive work environment. Therefore, there needs to be effort or support to improve employee performance which is a challenge for management employees to achieve successful goals and the success of an organization/company depends on the quality of the human resources within it.

The success of an organization is greatly influenced by the performance of individual employees. Every organization or company will always try to improve the performance of its employees, with the hope that the organization's goals will be achieved. One of the ways that organizations take to improve the performance of their employees, for example, is through education, training, providing appropriate compensation, providing motivation, and creating a conducive and disciplined work environment.

Increasing employee performance will bring progress to the organization or company to be able to survive in an unstable competitive environment. Therefore, efforts to improve employee performance are the most serious management challenge because success in achieving the goals and survival of the organization/company depends on the quality of performance of the human resources within it.

Performance is the result of work that can be achieved by a person or group of people in an organization or company, in accordance with their respective authority and responsibilities in order to achieve the goals of the organization/company concerned legally, without violating the law and in accordance with morals and ethics. So the performance of the human resources in it. One of the things that can influence employee performance to work more enthusiastically and encourage high performance is compensation satisfaction. Compensation is a potential tool for motivating employee work. Compensation is an important thing, which is the main encouragement or motivation for an employee to work. This means that employees use knowledge, skills, energy and time not merely to dedicate or immortalize themselves to the organization or agency, but have another goal, namely expecting rewards or remuneration for the results they have provided. For the results provided by his work in a company.

A company is often referred to as a type of legal entity in the form of a capital partnership and is established based on an agreement. This type of business entity is carried out with basic capital which is divided into shares. The company is established to seek profit. The company has a commercial function and also an economic function for employees in providing compensation. Compensation is everything received, both physical and non-physical. It can also mean all the compensation received by a worker or employee for services or results from their work in a company. The compensation received can be in the form of money, goods, directly or indirectly in terms of productivity within the company. Apart from that, productivity, production power, or productiveness are terms in production activities as a comparison between contributions and inputs, according to Herjanto (2013) productivity is a measure that states how well resources are managed and utilized to achieve optimal results in an organization or company. Then productivity refers to an employee's ability to produce compared to the input used. An employee

can be said to be productive if he is able to produce appropriate goods or services in a short and fast time.

Productivity is a very important factor in maintaining and developing the success of an organization or company. As we know, every organization or company invests vital resources, namely human resources, materials and money to produce goods or services. PT. Berkah Dwiko Jaya was founded in 2018 and is located on Jalan Pahlawan, Kadolomoko Village, Kokalukuna District, Baubau City, where this company operates as an expedition in the form of container unloading and employs 30 employees. Apart from that, several employees at the company complained about compensation (wages/salaries) being distributed unevenly or not in accordance with the work patterns of employees at the company, so from this I can draw conclusions about the title of the research I have taken.

## 2. Methods

The success of an organization is greatly influenced by the performance of individual employees. Every organization or company will always try to improve the performance of its employees, with the hope that the organization's goals will be achieved. One of the ways that organizations take to improve the performance of their employees, for example, is through education, training, providing appropriate compensation, providing motivation, and creating a conducive and disciplined work environment. Increasing employee performance will bring progress to the organization or company to be able to survive in an unstable competitive environment. Therefore, efforts to improve employee performance are the most serious management challenge because success in achieving the goals and survival of the organization/company depends on the quality of performance of the human resources within it.

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### **Analisis Deskriptif**

(Santoso, 2016) highlights the importance of qualitative descriptive research in analyzing random, raw and unorganized statistical data for decision making purposes, often used to analyze events, phenomena or social situations.

### **Uji instrument**

The validity test is used to determine whether or not the questions of a questionnaire are valid. It assesses the accuracy of the test in measuring variables. The significant level ( $\alpha$ ) = 0.05 is considered valid if  $r$  calculated >  $r$  table. This test can be calculated using the SPSS program and involves correlating question items with construct or variable scores. Reliability is tested to determine whether the questionnaire results can be trusted. A questionnaire is considered reliable if the answers to the statements are consistent or stable over time, measured using Cronbach Alpha.

### **Simple regression analysis**

Simple regression analysis is an analysis to see the extent of the influence of the independent factor on the dependent and simple regression analysis uses the equation formula according to (Sugiyono, 2012), namely:

$$Y = a + bx$$

Information:

Y = Employee Productivity

a = Constant

b = Regression Coefficient

x = Providing Compensation

## **3. Findings and Discussions**

### **3.1 Findings**

The role of employees in managing an organization or company influences the work activities carried out, without the participation of employees who are directly involved in handling work related to the expected activities in a company.

In increasing employee work productivity, one thing that an organization or company needs to pay attention to is the issue of providing compensation that must be carried out by each employee in order to achieve work effectiveness or employee work productivity. This can be understood if adequate compensation is provided, it will be able to influence the increase in employee work productivity. For this reason, the effect of providing compensation on the work productivity of PT employees. The Dwiko Jaya Blessings of Baubau City are described as follows:

### Description of Compensation Variables

The importance of employees in handling any work related to activities in an organization or company, one of the influencing factors is the provision of compensation. Compensation is remuneration provided by an organization or company to employees as a result of work activities carried out so far. The perceptions of respondents' answers regarding the provision of compensation can be presented in the following table:

**Table 1.** Description of Respondents' Responses Regarding Compensation Provision

| Statement                                                           | SS           | S            | N           | TS         | STS        | %          |
|---------------------------------------------------------------------|--------------|--------------|-------------|------------|------------|------------|
| The salary received is in line with expectations.                   | 12<br>40%    | 9<br>30%     | 5<br>16,67% | 3<br>10%   | 1<br>3,33% | 30<br>100% |
| Incentives are given according to work contribution.                | 8<br>26,67%  | 15<br>50%    | 5<br>16,67% | 2<br>6,66% | 0          | 30<br>100% |
| Benefits given are in accordance with work results.                 | 10<br>33,33% | 11<br>36,66% | 5<br>16,67% | 3<br>10%   | 1<br>3,33% | 30<br>100% |
| The company provides health insurance facilities for all employees. | 17<br>56,66% | 8<br>26,67%  | 2<br>6,67%  | 2<br>6,67% | 1<br>3,33% | 30<br>100% |

Respondents' responses to work productivity were very positive, where 50% expressed their commitment to completing tasks. They consistently complete tasks on time, set targets, and work overtime to achieve them. They are willing to arrive on time and work early, with an average of 50% agreeing with this statement.

### Instrument Test

Validity test measures the validity of a questionnaire using the correlation coefficient test. A positive factor correlation of 0.3 or more indicates the validity of the instrument. The results of the validity test of Employee Compensation and Work Productivity can be presented using SPSS version 29, as shown in the following table:

**Table 2.** Validity Test Results for Providing Compensation

| Variabel | Nilai R hitung | Nilai R tabel | Keterangan |
|----------|----------------|---------------|------------|
| X1       | 0,725          | 0,361         | Valid      |
| X2       | 0,666          | 0,361         | Valid      |
| X3       | 0,616          | 0,361         | Valid      |
| X4       | 0,482          | 0,361         | Valid      |

The table above contains a Validity Test for Providing Compensation, so from the 4 statement items tested it turns out that all statement items are valid (Valid), because the four statement items have a correlation that is above 0.361. Then test the validity of employee work productivity as follows:



**Table 3.** Validity Test Results on Employee Work Productivity

| Variabel | Nilai R hitung | Nilai R tabel | Keterangan |
|----------|----------------|---------------|------------|
| Y1       | 0,887          | 0,361         | Valid      |
| Y2       | 0,656          | 0,361         | Valid      |
| Y3       | 0,496          | 0,361         | Valid      |
| Y4       | 0,399          | 0,361         | Valid      |
| Y5       | 0,522          | 0,361         | Valid      |

Based on the Validity Test Results of Employee Work Productivity with the 5 statement items submitted, it can be seen that the five statement items are valid or valid because the total correlation is above 0.361. Reliability testing is used to determine the extent to which a measuring instrument can be trusted or relied upon. Reliability is measured by Cronbach's Alpha. According to Ghozali (2013: 26) a research instrument is said to be reliable if Cronbach's Alpha is  $> 0.6$ . The reliability of a variable is said to be reliable if the Cronbach's Alpha value is 0.6. Reliability testing results can be seen in the following table:

**Table 4.** Reliability Test Results

| Variable                   | Cronbach's Alpha | R standard | Information |
|----------------------------|------------------|------------|-------------|
| Providing Compensation (X) | 0,726            | 0,6        | Reliable    |
| Work productivity (Y)      | 0,820            | 0,6        | Reliable    |

### Linear Regression Results

The results of simple linear regression are to answer the problem being studied by researchers, namely to find out how much influence compensation has on employee work productivity. The results of linea regression can be seen in the following table:

**Table 5.** Results of Simple Linear Regression Analysis

| Coefficients <sup>a</sup> |                             |            |                           |       |      |
|---------------------------|-----------------------------|------------|---------------------------|-------|------|
| Model                     | Unstandardized Coefficients |            | Standardized Coefficients | T     | Sig. |
|                           | B                           | Std. Error | Beta                      |       |      |
| 1                         | (Constant)                  | 9.534      | 2.995                     | 3.184 | .000 |
|                           | Providing Compensation      | .495       | .198                      | .428  | .000 |

a. Dependent Variable: work productivity

To determine the formulation of a simple regression equation. The Effect of Compensation on Employee Work Productivity at PT. Berkah Dwiko Jaya Baubau City carried out regression coefficient analysis. The results are as follows:

Regression constant: 9.534

Compensation Provision Variable Constant (X): 0.495

Based on the results of the regression coefficient analysis above, the linear regression equation formula is:

$$Y = 9.534 + 0.495$$

This simple linear regression equation can be interpreted as follows:

The constant value is 9.534, meaning that employee work productivity at PT. Berkah Dwiko Jaya Baubau City 9,534 units, with this assumption that compensation is in a constant state. The regression coefficient value for Compensation Provision (X) is 0.495, meaning that if Compensation Provision increases, the effect on Employee Work Productivity increases by 0.495.

### 3.2 Discussions

According to Simamora (2015), compensation is that apart from providing rewards for the work done, it is an effective way to retain employees, the compensation given by companies to employees is not only in the form of money but also in other forms depending on the capabilities of the company. Each compensation award is formed by several indicators such as wages and salaries, incentives, allowances and facilities. Based on the results of the responses regarding the compensation given, from the 30 respondents who were examined, all respondents answered 4 statement items and from the salary statement items received were in line with expectations, the respondents gave strongly agree (SS) answers as many as 12 people or 40%, for the statement item about incentives given in accordance with your work contribution. Respondents gave an agree answer (S) as many as 15 people or 50% for the next item, namely allowances given according to your work results. Most respondents gave an agree answer (S) as many as 11 people or 36.66% and for the last statement item, namely whether the company provides health insurance facilities for all employees, the respondents answered by giving a strongly agree answer (S) as many as 17 people or 56.66%.

Meanwhile, for productivity, according to Robert L. Mathis-Jhon H. Jakson (2012: 376), work productivity is what employees do which influences how much they contribute to the organization/company. Based on the Respondents' responses regarding work productivity, of the 30 people they also answered the 5 statement items, with varying answers, the first statement item is I will give all my ability to complete the work so that the results are maximum. Respondents answered agree (S) as many as 15 people or 50%, for the second statement item, namely I always do and complete tasks and work on time, the respondents gave a strongly agree answer as many as 13 people or 43.33%, while the third statement item, namely I always set targets at work, the respondents gave the answer balanced, namely strongly agree (SS) with agree (S) as many as 10 people or 33.33%, for the fourth statement item, namely I am willing to work overtime to complete the work target that I work on together with my co-workers. Respondents gave an affirmative answer (S) as many as 10 people or 33.33%, and for the last or fifth statement item, namely I always try to arrive on time to complete assignments and work early, the respondents gave a strongly agree answer (S) as many as 15 people or 50%. So based on all the statement items given to the respondents, the respondents gave answers that the compensation provided by the PT or company to employees affected all the statement items providing compensation and work productivity.

Based on the results of the analysis, it shows that providing compensation has a positive effect on employee work productivity at PT Berkah Dwiko Jaya. These results indicate that providing appropriate compensation that is accepted by employees will increase employee work productivity at PT. Blessings Dwiko Jaya Baubau City. This is in line with research conducted by Warsidi (2014) which explains that compensation has a positive and significant effect on work productivity. And this research is also supported by the results of previous research conducted by Rita Asneli, and Dwi Septi Haryani (2018) with the title the effect of providing compensation on employee work productivity at the Tanjung Pinang City sub-district office, "that this research shows that compensation has a positive and significant effect on increase the productivity of employees/employees at the Tanjung Pinang City sub-district office".

This is the same as previous research conducted by Muhammad Duddy Dinantara and Della Oktaviani (2019) with the title the effect of compensation on

employee work productivity at PT. Alfabet Berkah Citrabuana, "that this research also shows the same results, namely that compensation has a very positive and significant effect on work productivity at PT. Alfabet Blessing Citrabuana".

This is the same as previous research conducted by Dhea Nur Fitrianti and Arif Partono Prasetyo (2018) with the research journal title the effect of compensation on employee work productivity at PT. Pindad Persero Bandung, explained the results of his research that the influence of compensation had a significant and positive effect on work productivity at PT. Pindad Persero Bandung".

Providing compensation also contains a professional relationship where one of the main goals of employees working is to get compensation to meet various needs, while on the PT or company side they pay employees so that employees can carry out their work in accordance with the wishes and expectations of the company with the main aim of being able to advance its operations. the company's business.

#### 4. Conclusion

Based on the research results above, it can be concluded that in this research, it is shown from the results of a simple linear regression analysis with the help of the SPSS version 29 program, a simple linear regression test obtained the regression equation  $Y = 9,534 + 0.495$  Based on the Respondents' responses from the results of the questionnaire which was distributed to 30 Respondents, it shows that the Respondents answered by dominating the answers agree (S) and strongly agree (SS) from the Compensation Provision statement item and the Work Productivity statement item. And from the Validity Test and Reliability Test it shows that the item of all statements, both from the Compensation Provision statement item and the Work Productivity statement item, show Valid and Reliable. So at the end of this conclusion the results show that the provision of compensation has a positive effect on employee work productivity at PT. Blessings Dwiko Jaya Baubau City.

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