

THE EFFECT OF COMPENSATION ON WORK PRODUCTIVITY OF EMPLOYEES IN GENERAL COMPANY (PERUM) DAMRI LAMPUNG BRANCH THROUGH WORK MOTIVATION AS A MEDIATION VARIABLE

Susi Indriyani¹ , Dr. Yudhinanto Cahyo Nugroho, SE., MM²

susiindriyani.student@umitra.ac.id¹, yudhi@umitra.ac.id²

Student at Mitra Indonesia University, Lampung Indonesia¹, lecturer at Mitra Indonesia University, Lampung Indonesia².

Abstract : *This study aims to determine the effect of compensation on work productivity through motivation as a mediating variable in the public company Damri Lampung branch. The data used in this study is primary data, data obtained directly from the source, namely through 70 respondents who filled out questionnaires and secondary data in the form of supporting data from the company, namely organizational structure, archival data, employee data and employee compensation data of Perum Damri Lampung Branch. The analysis technique is carried out through validity, reliability, outer model testing (measurement model), inner model testing (structural model), and hypothesis testing. Based on the results of the analysis, it can be concluded that compensation has a positive and significant effect on motivation. Compensation has a positive and significant effect on work productivity. Motivation has a positive and significant effect on work productivity. However, motivation has no effect in mediating compensation on work productivity.*

Keywords: *Compensation, Motivation, Work Productivity.*

Introduction

The role of Human Resources has a very important position and strategy in the organization to achieve goals. Human resources are very important for companies in managing, managing, and utilizing employees, so that they can work productively to achieve company goals. Human Resources as the driving force of the organization in achieving its goals, the organization's efforts in encouraging employees to work better, with employees who work well, it is hoped that good performance productivity is also achieved by employees in carrying out in accordance with their responsibilities. given to him. The achievement of the company's goals does not only depend on modern equipment, complete facilities and infrastructure, but more on the people who carry out the work. The success of a company is strongly influenced by the individual performance of its employees. Every organization or company will always try to increase work productivity.

Several ways to achieve good performance productivity can be achieved through motivation, training, compensation, so as to create more optimal employee performance. Perum DAMRI (Djawatan Angkoetan Motor Repoebluk Indonesia) is an Indonesian State-Owned Enterprise (BUMN) which is engaged in the transportation sector. The magnitude of the influence of work productivity in a company Perum DAMRI Lampung Branch is still not good or not optimal because employees often feel bored with their work, feel uncomfortable and do not like work because the work they do is not in accordance with their abilities, the workload is too heavy, and conflicts. between employees and other parties inside and outside the work environment. Efforts are being made to optimize work productivity by initiating compensation and motivation. With the provision of appropriate compensation and motivation, it is possible

to encourage employees to increase work productivity which is expected for the progress of the company.

Based on the background described above, it proves that compensation and motivation have an important role in increasing work productivity. The high level of employee productivity can have a positive impact on the company, so this needs to be considered by the company. This study will discuss the effect of compensation on productivity. employee work at the public company (perum) Damri Lampung branch through work motivation as a mediating variable.

Literature Review

Kasmir (2016:6) says that "Human resource management is the process of managing human beings, through planning, recruitment, selection, training, development of compensation, career, safety, health and maintaining industrial relations to termination of employment in order to achieve company goals and improve well-being. The definition of human resource management according to Bintoro and Daryanto (2017:15) states that "Human resource management, abbreviated as HRM, is a science or method of how to manage the relationship and role of resources (labor) owned by individuals efficiently and effectively and can be used optimally so that the maximum common goals of the company, employees and society are achieved.

According to Hasibuan (2017: 118), compensation is all income in the form of money, goods directly, or indirectly, which is received by employees in return for services provided to the company. In general, compensation indicators are divided into two, namely Direct Compensation (Direct Compensation) and Indirect Compensation (Indirect Compensation). Direct compensation includes: Salaries, incentives, bonuses. And indirect compensation includes: office facilities, health insurance, holiday allowances, uniforms Hasibuan (2017: 118), According to Simamora (2015:442) Compensation is a financial reward and intangible services and benefits received by employees as part of the employment relationship. According to Marwansyah (2010), compensation is the overall reward given to employees in return for their services or contributions to the organization.

According to Panji Anoraga (2007), increasing productivity is the dream of every company. Productivity contains understanding related to the concept, economic, philosophical, and system. According to Sondang P, Siagian Dalam Denok (2018), productivity basically includes a mental attitude that always has the view that today's life must be better than yesterday and tomorrow must be better than today's way of working yesterday and the results achieved tomorrow must also be better. good or much earned today. According to Edy Sutrisno, (2016: 98), Productivity is generally defined as the relationship between output (goods or services) and inputs (labor, materials, money). Productivity is a measure of productive efficiency. A comparison between the output and input. Input is often limited by labor, while output is measured in physical units, forms, values. Indicators of work productivity are as follows: Ability, improve the results achieved, morale and self-development. Edy Sutrisno, (2016: 98).

According to Edwin B Flippo in the book Malayu S.P Hasibuan (2013: 145), motivation is "a skill, in directing employees and organizations to want to work successfully, so that the wishes of employees and organizational goals are simultaneously achieved". According to Malayu S.P Hasibuan (2013:143) said that work motivation is: "Giving a driving force that creates one's work enthusiasm so that they want to work together, work effectively, and integrate with all their efforts to achieve satisfaction". According to Bernard Berelson and Gary A.Sainer in Suwanto (2012:147), "Motivation is a mental state and human mental attitude that provides energy, encourages activity/movement and directs or channels behavior towards

achieving needs that give satisfaction or reduce dissatisfaction. balance”. According to Sedarmayanti (2017: 154) Motivation is a force that encourages a person to take an action or not which essentially exists internally and externally, positive or negative, to direct it, depending on the toughness of the leader. Indicators of work motivation according to Sedarmayanti (Marjuni 2017:104) are salary, supervision, working conditions, work environment, responsibility, rewards and the work itself.

Methodology

The research design used in this research is descriptive quantitative. According to Anwar Sanusi (2016:13) quantitative descriptive research design is a research design that is structured to provide a systematic overview of scientific information originating from the subject or object of research.

The type of data used in this study is quantitative data, quantitative data is a type of data that can be calculated directly and expressed in the form of numbers or numbers (Sugiyono, 2012: 137). Sources of data in this study according to Anwar Sanusi (2016:104) are primary data and secondary data. Primary data is data that was first recorded and collected by researchers. Namely data obtained directly from respondents, respondent data is needed to find out respondents' responses regarding employee compensation and work motivation in increasing employee work productivity at Perum DAMRI Lampung Branch. In this case the data is obtained directly by giving questionnaires or a list of questions to employees, Secondary data is data that is available at the company where the research was conducted and also available outside the company or research location. Namely data obtained through books, journals, and articles, and as a support for primary data.

This research was conducted at the Public Company (Perum) DAMRI Lampung Branch having its address at Jln. Captain Abdul Haq No.28, Gedong Meneng, Kec. Rajabasa. Bandar Lampung City. The population in this study were all employees registered at Perum Damri, totaling 215 employees. While the number of samples in the study amounted to 70 respondents. The sampling technique used is simple random sampling.

Data collection techniques used in this study using a questionnaire. Sudaryono (2017:207) suggests that the questionnaire is an indirect data collection technique (researchers do not directly ask and answer questions with respondents). The data collection tool is also called a questionnaire containing the number of questions or statements that must be answered or responded to by respondents. In this case the questionnaire serves as an interview guide. The purpose of distributing the questionnaire is to find complete information about a problem from the respondent without feeling worried if the respondent gives answers that are not in accordance with reality in filling out the list of questions.

Data analysis was carried out using the Partial Least Square (PLS) method using SmartPLS version 3. PLS is one of the modes of solving Structural Equation Modeling (SEM) which in this case is more than other SEM techniques. SEM has a higher degree of flexibility in research that connects theory and data, and is able to perform path analysis with latent variables so it is often used by researchers focusing on social sciences. Partial Least Square (PLS is a fairly strong analytical method because it is not based on many assumptions. The data also does not have to have a multivariate normal distribution (indicators with categorical, ordinal, interval to ratio scales can be used in the same model), the sample does not have to be large (Gozali , 2012).

In this study, the data analysis used was validity test, reliability test and hypothesis testing with SmartPLS on 3 (three) variables. The formation of latent variables in this study are all reflective, which means that the three latent variables affect the indicators.

Findings & Discussion

The Effect of Compensation on Motivation

Based on the results of hypothesis testing, t -statistics = 16,820 Koef. Beta = 0.728 P-value = 0.000. This shows that the compensation variable (X) has a positive and significant influence on work motivation at Perum Damri Lampung Branch.

These results indicate that with the right compensation policy and accepted by employees, it will increase the work motivation of employees of the Damri Public Company (Perum) Lampung Branch. This is in line with research conducted by Jericho Hargantara Sembiring (2018) which explains that compensation has a significant effect on employee motivation. Compensation also contains a professional relationship where one of the main goals of employees working is to get rewards to meet various needs, while on the company side they pay employees so that employees can carry out work in accordance with the wishes and expectations of the company with the main goal of being able to advance the company's business. Hasibuan (2017: 120) says that the purpose of providing compensation is to provide motivation, if the remuneration provided motivates subordinates is large enough, then the company will more easily motivate its employees in completing their duties and responsibilities at work. Here it can also be seen that with the provision of compensation that is more appropriate and accepted by employees because it is in accordance with the energy and abilities issued and appreciates the hard work of employees, employees will be professional by working in earnest and making various efforts to achieve better work results. so that work productivity can be increased. With better work productivity, it will certainly advance the company's business.

Effect of Compensation on Work Productivity

Based on the results of hypothesis testing, t -statistics = 3.789 Koef. Beta = 0.448

P-value=0.000. This shows that the Compensation variable (X) has a positive and significant influence on Work Productivity at Perum Damri Lampung Branch. These results indicate that by providing appropriate compensation and accepted by employees, it will increase the work productivity of employees of the Public Company (Perum) Damri Branch Lampung. This is in line with research conducted by Dhea Nur Fitriani (2018) that compensation is one of the factors that can affect employee work productivity. given to employees and companies also need to pay attention to other factors that can affect work productivity, Panji Anoraga, in Nimas (2007: 240) says that the factors that affect work productivity are the level of income or compensation, the higher the employee's work performance at work, the wages or the compensation received will be even greater. With sufficient income will provide satisfaction to employees and make these employees have high morale in order to achieve company goals.

The Effect of Motivation on Work Productivity

Based on the results of hypothesis testing, t -statistics = 3.515 Koef. Beta = 0.397

P-value=0.000 . This shows that the motivation variable (Y1) has a positive and significant influence on work productivity at Perum Damri Lampung Branch. These results indicate that the greater the motivation given will increase work productivity. This is in line with research conducted by Desi Rahmawati (2013) saying that motivation is one of the factors that can affect employee work productivity, based on the results of this study indicate that motivation has a significant positive effect on work productivity, the strongest work motivation factors are the fulfillment of basic needs to sustain life, namely food, drink, shelter and the like. According to Sondang P. Siagian (1985:128) said that the whole process of providing motivation to subordinates is to give bonuses to each employee.

The Effect of Compensation on Work Productivity of Damri Public Company Employees Through Motivation as a Mediation Variable.

Based on the results of hypothesis testing, t -statistics = 0.278 Koef. Beta = 0.020 P-value = 0.781. This shows that the results of the fourth hypothesis in this study are not proven that motivation does not have a moderate effect (moderation/mediation) on the relationship between compensation and work productivity. In general, moderators are qualitative or quantitative variables that affect the direction or strength of the relationship between independent variables or predictors and independent variables or criteria (Baron and Kenny, 1986). The mediating effect is tested on this hypothesis for this fourth hypothesis, the independent variable is compensation, the mediating variable is motivation, and for the dependent variable, namely, work productivity. Based on the results obtained, it proves that motivation is not proven to have a moderate or significant mediating effect between the relationship between compensation and work productivity, so this hypothesis is rejected. that all motivations in the 10 items of this statement do not moderate/mediate the relationship between compensation and work productivity. This is in line with the research of Ignatius Ario Sumbogo (2017) that motivation does not mediate competence and training. The results of hypothesis testing show that competence and training together have no significant effect on motivation. The results of this study are in accordance with Frederick Herzberg's theory of motivation (Siagian, 2007: 286-294), namely that motivational entities are more closely related to human needs than compensation and work productivity factors. In the theory of motivation according to Frederick Herzberg, none of the various kinds of human needs mentions the effect of productivity on motivation. In the case of this research with the dimensions and indicators that have been compiled, it is proven by Frederick Herzberg's view, that there is no relevance between increasing compensation and work productivity with increasing motivation. This is because it cannot be separated from the nature of motivation which tends to be uncertain and can change at any time influenced by various needs, both physically and psychologically (Nurleli, 2011). In short, in this study the findings show that motivation to either use the mediation effect or not to use it still increases the work productivity of employees in the public company (perum) Damri Lampung branch. This finding complements previous research conducted by Ignatius Ario Sumbogo (2017).

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