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The Effect of Compensation and Motivation on Employee Satisfaction and Performance at PT Pasma Karya Indonesia

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Abstrak. Basic performance is necessary to maintain employees with a decent standard of living, but compensation also provides a tangible measure of an individual's value to the company. Human resource management according to the author is a protest to regulate existing human resources within an organization so that it is effective and efficient and is carried out through existing functions to achieve sales, employee, and community goals. the authors use an error tolerance limit of 5%, the population used in this study are employees of PT. Pasma Karya Indonesia. The HR Division, namely the HRD Section, totaled 100 people. The results of the study show that compensation, motivation have positive and significant direct effect on job satisfaction and employee performance.

Keywords: Compensation; Motivation; Employee Performance; Job Satisfaction.

INTRODUCTION

Human Resources is a very important element in determining the success of a company because humans are creatures that have thoughts, feelings, needs, and certain expectations. This really requires special attention, because these factors will affect the competence of employees which will produce Automatically high company performance will also produce employees with high performance. Employee performance can be seen from the aspects of quantity and quality of work which include timeliness of execution of work, accuracy of work, level of service provided, error rate of work, competency of analyzing data, and competence of evaluating.

Basic performance is necessary to maintain employees with a decent standard of living, but compensation also provides a tangible measure of an individual's value to the company. Compensation is a strategic human resource function that has a significant impact on other human resource functions. (Andika et al., 2022)

The research object was conducted at PT Pasma Karya Indonesia which is located in West Jakarta City, this company was founded in 2015 and according to a notarial deed the company is engaged in trading goods and contracting construction work. The company is currently concentrating on the Construction and Goods Trading services business, one example being an authorized dealer throughout Indonesia for the sale of Air Conditioning brands Daikin, LG, Panasonic, Mitsubishi Electric, and others.

PT Pasma Karya Indonesia has been directly involved in the competence of several government or private project jobs in various regions of Indonesia. With very strict competence in the field of business involved in which there are many similar competitive companies, companies are required to have employees who always have high performance for the sake of the continuity of the company's competence in doing business.

The aim of this research is to investigate the influence of compensation and motivation on employee satisfaction at PT. Pasma Karya Indonesia. Additionally, this study will examine whether compensation, motivation, and employee job satisfaction have a significant impact on employee performance at PT. Pasma Karya Indonesia. Furthermore, the research will explore whether employee satisfaction mediates the relationship between compensation and employee performance at PT. Pasma Karya Indonesia. Finally, this study will test whether employee satisfaction mediates the relationship between motivation and employee performance at PT. Pasma Karya Indonesia.

LITERATUR REVIEW

The definition of Human Resource Management (MSDM) according to Marwansyah namely human resources can be interpreted as empowering human resources within the organization, which is carried out through the functions of human resource planning, recruitment and selection, human resource development, planning and career development, compensation and welfare, safety and health, employment and industrial relations (Badriyah, 2015). HR Management according to Hasibuan (Hasibuan, 2012)Human Resource Management

(MSDM) is the science and art of managing relationships and the role of the workforce effectively and efficiently helping to realize corporate, employee, and community goals. According to Frans Sudirjo it is quoted that the science of human resource management is a sacred relationship in achieving a target by satisfying the desires of every human element in the organization or company (Halilintar & Ghagho, 2018).

Based on the statement above, it can be concluded that human resource management according to the author is a protest to regulate existing human resources within an organization so that it is effective and efficient and is carried out through existing functions to achieve sales, employee, and community goals.

Direct Effect of Compensation on Job Satisfaction

There are consequences when employees like and when employees don't like their work Robbins and Judge (Robbins, n.d.) state that there are four framework responses that are consequences of employee job dissatisfaction that differ from one another along with two dimensions: constructive/destructive and active/passive.

These responses are defined as follows:

a) Exit is intended by leaving the organization.

b) Aspiration (Voice) actively and constructively seeks to improve conditions, including suggesting improvements or discussing problems with superiors.

c) Loyalty passively but optimistically waiting for conditions to improve, including defending the organization

when faced with criticism and trusting the organization and its management.

Effect of Compensation on Employee Job Satisfaction

Compensation for employees greatly influences work motivation and provides its job satisfaction for employees, if an employee gets appropriate compensation for what has been done at a food company, of course, an employee will also get good job satisfaction, this is also reinforced by Hasibuan's theory in Kadarisman (Kadarisman, 2012) that the purpose of providing compensation (remuneration) is as a bond of cooperation, job satisfaction, effective procurement, motivation, employee stability, discipline and influence of labor unions and government

The Effect of Motivation on Employee Performance

Work motivation will greatly affect employee performance. If an employee works in a company every day and has good work motivation will certainly have a positive impact on employee loyalty and performance and of course, the employee will also have good job satisfaction because work motivation itself has a positive impact on job satisfaction, this is in strengthen also by the theory of Mc. Gregor in As'ad (Kristiwardhana et al., 2017) states that a person works because work is an innate condition such as playing or resting to be active and do something.

The Effect of Job Satisfaction on Employee Performance

In an organization or company, job satisfaction is an important factor that must be formed in the work environment. Because job satisfaction will have an impact on one's performance. Spector states job

satisfaction as an attitude that describes how a person feels about his work as a whole and towards various aspects of his work.

One form that can be used as a benchmark for one's job satisfaction is absenteeism. Behavior absent from work (absent) tends to show a negative correlation with job satisfaction, meaning that employees with high levels of job satisfaction tend to be absent rarely or in other words are always present for work. Conversely, employees with low levels of job satisfaction are more likely to be absent from work (absent), but the correlation is not too strong. This of course greatly affects the productivity of the organization or company Satisfaction at work can lead to better work performance or performance can determine job satisfaction. Individuals who like their work will work better, therefore they display their work well too.

Indirect Effect of Compensation on Employee Performance Through Job Satisfaction

Compensation is something employees receive instead of their service contribution to the company. Every employee in an organization has a desire to get compensation according to their expectations. If these expectations are met, then the employee will always be enthusiastic at work.

(Handoko, 2008) states that the personnel department designs and administers employee compensation. If the compensation provided is appropriate, employees are more satisfied and motivated to achieve organizational goals. As (Simamora, 2012) said, a good compensation system is a compensation system that is responsive to situations and a system that can motivate employees. In this case, the compensation system should satisfy the needs of employees, ensure fair treatment of them and provide rewards for their performance.

Indirect Effect of Motivation on Employee Performance Through Job Satisfaction

Hotgets and Luthans in (Susanto, 2016) state that motivation is a psychological process through unsatisfied desires, which are directed and encouraged to achieve goals or incentives. The basic process of motivation begins with the existence of a need (needs). Needs are created when there is an imbalance physiologically and psychologically.

From this description, motivation has a positive and significant effect indirectly on compensation through job satisfaction.

From the description above, it can be described as a paradigm of the influence of compensation and motivation on job satisfaction, and its impact on employee performance is as follows:
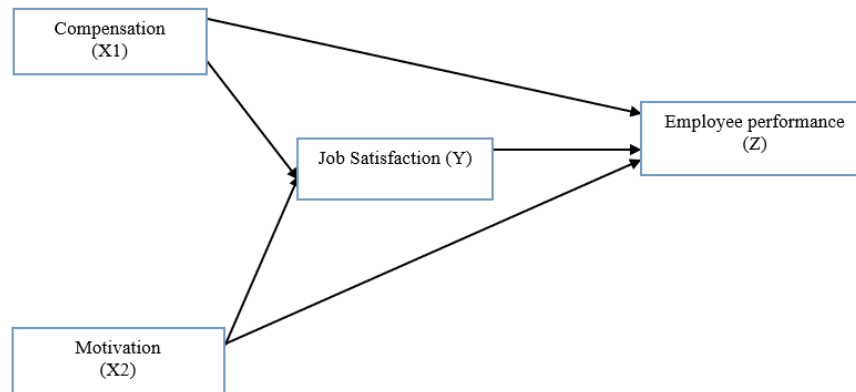
Table 1. Mindset

Information :
Independent Variable : Compensation (X1)
Motivation (X2)
Employee Satisfaction (Y)
Dependent Variable : Employee Performance (Z)

Based on the theories stated above, the authors conclude that compensation has an impact on job satisfaction and a good image will provide satisfaction to employees which is a reference for employee performance. In this study, employee performance is positioned as a mediating variable for the three dependent variables.

Hypothesis

Based on the following framework of thinking, the following hypotheses will be presented:

H1 : There is a direct positive and significant effect between Compensation with job satisfaction at PT. Pasma Karya Indonesia

H2: There is a direct positive and significant influence between motivation and job satisfaction at PT. Pasma Karya Indonesia

H3: There is a direct positive and significant effect between Compensation and Performance of employees at PT. Pasma Karya Indonesia

H4: There is a direct positive and significant influence between motivation and employee performance at PT. Pasma by Indonesia

H5: There is a direct positive and significant effect between job satisfaction and employee performance at PT. Pasma Karya Indonesia

H6: There is an indirect positive and significant effect between Compensation and Performance of employees at PT. Pasma Karya Indonesia

H7 : There is a positive and significant indirect effect between Employee Motivation and Performance at PT. Pasma Karya Indonesia.

MATERIALS AND METHODS

This research falls under the category of causal associative research. The data collection technique used is a questionnaire consisting of several questions given to respondents to be filled out based on their actual situation. The population for this study is the employees of PT. Pasma Karya Indonesia, and a sample size of 80 was determined using the Slovin formula based on a 5% error tolerance limit. The sampling technique employed is Simple Random Sampling. The research

variables include independent variables such as Motivation (X1), Discipline (X2), and Job Satisfaction (Y), and the dependent variable is Productivity (Z). Operational definitions and indicators were established for each variable to ensure clarity and consistency in data collection and analysis.

The data sources used in this study include primary data obtained from interviews and distributed questionnaires, as well as secondary data gathered from employees at PT. Pasma Karya Indonesia and various reading sources such as books, journals, newspapers, magazines, and other information media. A literature study was conducted to gain theoretical knowledge and expert opinions related to the research topic. The research design employed is associative research, aiming to determine the relationship between multiple variables. The research method used is a survey. Data collection techniques included a literature study, questionnaire administration, and interviews.

The measurement scale used was the Semantic Differential scale, which assigns scores to statements based on respondent answers. Data analysis involved both descriptive statistics and inferential statistics. Descriptive statistics were used to present data for each variable individually, while inferential statistics were utilized to test research hypotheses. Descriptive statistics included calculating average scores, median, mode, standard deviation, frequency tables, and histograms.

RESULTS AND DISCUSSION
Validity Test

A validity test is a measure to assess whether the measuring instrument used can provide the value of the variable you want to measure. Testing the validity of each item used item analysis, namely correlating the score of each item with the total score which is the sum of the scores for each item. If the r-count > rtable value is obtained, the statement item is declared valid.

The validity test in this study was used to test the validity of the questionnaire. Validity shows the extent to which the accuracy and accuracy of a measuring instrument performs the functions of its measuring instrument (Saifuddin, 2013). The questionnaire is said to be valid if it can represent or measure what is to be measured. The next step is statistically, the correlation number is obtained by looking at the asterisks in the total score results or comparing it with the correlation-free number, the r value which indicates valid. In this study, the validity test will be carried out with the help of the SPSS (Statistical Package for Social Sciences) version 22.0. The formula is:

$$r_{xy} = \frac{n\sum xy - \sum x \sum y}{\sqrt{\left\{n\sum x^2 - \left(\sum x\right)^2\right\}\left\{n\sum y^2 - \left(\sum y\right)^2\right\}}}$$

Information:
rxy = Correlation coefficient
n = Number of trial respondents
X = Score of each item
Y = Scores of all test respondent items.
(Saifuddin, 2013).

To determine valid and invalid item numbers, it is necessary to consult the product moment table r. Criteria for evaluating the validity test are:

a. If r count > r table, then the questionnaire items are valid.
b. If r count <r table, it can be said that the questionnaire items are invalid.

Then, to test the significance of the correlation results, we use the t-test for criteria to determine significance by comparing the t-count and t-table values. If t-count> t-table, we can conclude that the item is valid. The formula for finding the t-count used is:

$$t_{hit} = \frac{r_{xy}\sqrt{(n-2)}}{\sqrt{(1-r_{xy}^2)}}$$ (Saifuddin, 2013)

Reliability Test

Reliability measurement aims to determine the level of instrument reliability. Saifuddin Azwar [24] said that reliability refers to an understanding that the instruments used in research to obtain the desired information can be trusted (reliable) as a data collection tool and can reveal actual information in the field. An internal reliability test is a way to test a measuring tool for once data collection. The reliability test used in this study is Alpha Cronbach. This formula is used to see the extent to which a measuring instrument can provide results that are relatively indifferent or consistent when repeated measurements are made of a social phenomenon.

To find out if the questionnaire is reliable, a questionnaire reliability test will be carried out with the help of the SPSS computer program. The reliability test assessment criteria are:

a. If the results of the Alpha coefficient are greater than the significance level of 60% or 0.6 then the questionnaire is reliable.
b. If the Alpha coefficient results are smaller than the 60% or 0.6 significance level, the questionnaire is not reliable.[24]

Interpretation of the reliability coefficient (r11) for the Guilford reliability test in (Ruseffendi, 2005):
1. 0.00 – 0.20: Small
2. 0.20 – 0.40: Low
3. 0.40 – 0.70: Moderate
4. 0.70 – 0.90: High
5. 0.90 - 1.00: Very high

Classical Assumption Test

Before testing the hypothesis, it must first go through the classical assumption test. This test is carried out to obtain valid and reliable parameters. Therefore, it is necessary to test and clean up violations of basic assumptions if they do occur.

Data Normality Test

The Normality test is used to determine whether the data is normally distributed or not. Parametric analysis such as linear regression requires that the data must be normally distributed. The data normality test in this study uses the SPSS for Windows application to test the sample data for each variable. To detect the normality of the data through the normal curve graph output p-p plot. A variable is said to be normal if the distribution image with data points is spread around the diagonal line, and the distribution of data points follows the diagonal line (Nugroho, 2005).

Multicollinearity Test

Multicollinearity is a condition where there is a perfect or near-perfect linear relationship between two or more independent variables in the regression model. A good regression model requires no multicollinearity problem. To detect the presence or absence of multicollinearity, there are several methods including looking at the Tolerance and VIF values.

Heteroscedasticity Test

Heteroscedasticity is a condition where there is an inequality of variance from the residuals in the regression model (Yudiaatmaja, 2013). A good regression model requires no heteroscedasticity problem. To detect whether there is heteroscedasticity, the authors use Spearman's rho test method.

Hypothesis Testing

F test

This test is to find out whether the independent variables jointly affect the dependent variable. This test has the following steps:

Ho: $\beta_i = 0$ (regression coefficient is not significant)

Ha :$\beta_i \neq 0$ (significant regression coefficient)

Where the value of F can be calculated as follows (Yolanda, 2017)

If F-hit > F-tab with a certain significant level (eg 5%) then Ho is rejected and Ha is accepted. If F-hit < F-tab with a certain significant level (eg 5%) then Ho is accepted and Ha is rejected.

Partial test/t-test

The t-test is used to determine the effect of each independent variable on the dependent variable. The t-test is done by comparing the t count with the t table. To determine the value of the t table is determined with a significance level of 5% with degrees of freedom df = (n-k-1) where n is the number of respondents and k is the number of variables.

Mediation Test

Sobel Test

According to Baron and Kenny a variable is called an intervening variable if it influences the relationship between the predictor variable (independent) and the criterion variable (dependent) (Ghozali, 2006).

Testing the mediation hypothesis can be carried out using a procedure developed by Sobel (1982) and known as the Sobel test. The Sobel test is carried out by testing the strength of the indirect influence of the independent variable (X) on the dependent variable (Y) through the intervening variable (M).

Coefficient of Determination

Significant variable testing then found its determination or the value of R2 (R-Square). If the coefficient of determination is zero, it means that the independent variable has absolutely no effect on the dependent variable. If the value of the coefficient of determination gets closer to one, it can be said that the independent variable.

CONCLUSIONS

From the results of the research and analysis as a whole, the authors can draw the following conclusion the results of the study show that compensation has a positive and significant direct effect on job satisfaction. Based on the results of the analysis, the variable path coefficient (Beta) of motivation on the job satisfaction

variable is 0.405 with a significance of 0.000.

The results of the study show that motivation has a positive and significant direct effect on job satisfaction. Based on the results of the analysis, the path coefficient (Beta) of the discipline variable to the job satisfaction variable is 0.545 with a significance of 0.000.

The results of the study show that compensation has a positive and significant direct effect on work productivity. Based on the results of the analysis, the path coefficient (Beta) of the motivational variable to the work productivity variable is 0.324 with a significance of 0.000.

The results show that motivation has a positive and significant direct effect on employee performance. Based on the results of the analysis, the path coefficient (Beta) of the motivation variable to the employee performance variable is 0.671 with a significance of 0.000.

The results of the study show that job satisfaction has a positive and significant direct effect on acceptable employee performance. Based on the results of the analysis, the path coefficient (Beta) of the Job Satisfaction variable to the Employee Performance variable is 0.743 with a significance of 0.000.

The results of the study show that indirect compensation has a positive and significant effect on employee performance. Based on the results of the analysis, the path coefficient (Beta) of the organizational culture variable to the Employee Performance variable is 0.303.

The results of the study show that indirect motivation has a positive and significant effect on employee

performance. Based on the results of the analysis, the path coefficient (Beta) of the discipline variable to the Employee Performance variable is 0.405.

The results of the study show that compensation and motivation simultaneously can explain 63.5%. While the remaining 36.5% is explained by other variables outside the study.

The results of the study show that the coefficient of determination in sub-structure 2 is 0.924 or 92.4%. While the remaining 7.6% is explained by other variables outside the study.

Based on the conclusions described above, the suggestions that the writer can describe are as follows:

1. Research variable Motivation is still very limited both in theory and in other research. Suggestions for future research to further enrich theoretical knowledge by searching for related literature and collecting existing research results.

2. Preferably PT. Pasma Karya Indonesia can further improve employee performance where employees are always faced with heavy work demands and high work rhythms requiring good cooperation between employees and leaders to expedite the performance of company employees.

3. Concerning Job Satisfaction, companies should pay attention to harmonious communication with employees, especially the availability of facilities and infrastructure in the daily work of employees, so that they can carry out work properly and precisely.

4. And for the Compensation variable the company pays attention to the needs of

employees in a salary that is following the expertise of the minimum workforce under the Provincial Minimum Wage for DKI Jakarta.

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