

## **Effect of Work Motivation and Compensation on Employee Performance at PT.Askrindo (Persero) Cikini Central Jakarta**

**Faif Yusuf\*, Marlina Rahmi Shinta, Sonny Fransisco**

Universitas Bina Sarana Informatika Jakarta  
*\*e-mail: faif.fys@bsi.ac.id*

### **Abstract**

This study aims to determine: (1) The effect of motivation on employee performance at PT. Askrindo (Persero) Cikini, Central Jakarta. (2) The Effect of Compensation on Employee Performance at PT. Askrindo (Persero) Cikini Central Jakarta. (3) The Effect of Motivation and Compensation on Employee Performance at PT. Askrindo (Persero) Cikini Central Jakarta. This study uses a quantitative approach. This study collected primary data with a questionnaire. The questionnaire distributed is a list of written statements regarding Motivation and Compensation for Employee Performance at PT. Askrindo (Persero) Cikini Central Jakarta. To analyze the independent variable on the dependent variable, multiple linear regression analysis was performed using the help of a computer program, namely SPSS Statistics. The results showed that there was a positive and partially significant influence on Motivation with Employee Performance Performance at PT. Askrindo (Persero) Cikini Central Jakarta. A simultaneously positive and significant influence on Motivation and Compensation with Employee Performance at PT. Askrindo (Persero) Cikini Central Jakarta.

*Keywords: Motivation, Compensation, Performance.*

### **1. Introduction**

Every organization in carrying out its activities will always deal with humans as a dynamic resource and have the ability to continue to develop, where the development of humans as a workforce will affect stability. One of the factors to improve employee work is motivation. The human factor is one of the factors that must receive attention where the role of humans is very important, meaning that to achieve the goals set by an organization in carrying out management activities, it always requires other people as operational personnel who will carry out predetermined activities. Therefore, management must be able to move a group of people to work willingly to achieve the goals that have been set but seeing humans have different motives, emotions, aspirations, and interests, often management efforts to move other people face various obstacles and The difficulty in achieving organizational goals generally lies in how the organization and management can use their resources to be especially empowered and useful There is a link that can provide a motivational boost to produce capabilities that reflect excellence and produce work performance.

A person who is motivated is a person who makes substantial efforts to support the production goals of his work unit and the organization in which he works. An unmotivated person puts only the minimum effort when it comes to working. And an employee will excel when his performance is appreciated, on the other hand, if his efforts are not appreciated, he will not strive for achievement. The problem that is often faced by a leader in an organization is how work motivation and

compensation affect employee performance. This is due to a lack of motivation and compensation from the leadership so that employee performance decreases. This encourages employees to work optimally so that they can produce maximum performance and be able to carry out their duties properly.

PT. (Persero) Indonesian Credit Insurance or PT. Askrindo (Persero) is one of the State-Owned Enterprises (BUMN) which is engaged in insurance/underwriting, cannot be separated from the economic development of the Nation and the Republic of Indonesia. To be able to carry out the assigned tasks, it is necessary to have employees who have education, expertise, and have a level of discipline. and maximum responsibility in carrying out various tasks. In increasing work motivation, intellectual abilities are carried out to improve employee performance. This is based on work motivation so that employees can maximize their responsibility for their work. And able to act directed in dealing with the environment effectively. As well as the intellectual abilities that exist in employees is a form of work motivation to achieve predetermined goals. Motivation and compensation are the driving forces for someone to do something to achieve goals. The driving force for someone to do something in achieving goals. Meanwhile, performance is the result of a person's work in carrying out tasks by responsibilities to achieve organizational goals. The higher a person's work motivation, the higher the performance. vice versa.

## **2. Literature Review**

Motivation is an important element that is sometimes overlooked by the management of a company. In essence, motivation affects the performance of an employee because it is based on motivation whether or not an employee works can be measured. This motivation can arise from various factors such as expecting more compensation from the company, employee age factors, employee loyalty, and so on. Motivation usually directs employees to improve performance or increase the performance of an employee, but usually, wrong motivation can make an employee harm his own coworkers, therefore motivation should not be accompanied by ambitions that justify any means to get recognition from top management but arise because they want to improve. or improve performance.

Motivation is a Latin root word *move*, which means motion or thrust to move.<sup>1</sup> Motivation in English comes from words the *motive* which means the power of movement or reason. <sup>2</sup> Motivation in Indonesian, comes from the word *motif* which means the effort that drives someone does something. *Motive* can be said as the power activator from within the subject to do certain activities to achieve goals. The *motive* is the basis for the word *motivation* which can be interpreted as the driving force that has become active.

Wilson Bangun (2012) explains that motivation can come from within a person (worker) in the form of awareness of the importance of the benefits of the work being carried out. Such motivation is called intrinsic motivation. However, there is also motivation that comes from outside the person concerned which is called extrinsic motivation. Extrinsic motivation is a work motivation that comes from outside the worker, which is a condition that requires him to do a job optimally. Malayu (2014), explained that motivation is taken from the Latin word, *movere*, which means encouragement or giving a driving force that can create a person's work enthusiasm so that they want to work effectively, cooperate, and be integrated with all efforts to achieve satisfaction.

Sudarman (2016), "Starting from the word *motive*, motivation can be interpreted as a driving force that has become active. Motives become active at certain times, especially when the need to achieve goals is felt or urgent. Herzberg (in Robbins, 2007) introduces "the theory of hygiene motivation or what is often called the two-factor theory, which argues that an individual's relationship with his job is basic and that a person's attitude towards work will determine the success or failure of the individual.

Herzberg also stated that there are factors that someone wants from their work. From the categorized responses, it is known that the response of those who feel happy is different from the response of those who do not feel happy. Certain factors tend to be consistently linked to job satisfaction and others to job dissatisfaction". the indicators developed by Herzberg (in Robbins, 2007) were used, including intrinsic motivation consisting of (1) progress, (2) recognition, and (3) responsibility, while extrinsic motivation consists of: (4) supervision, (5) salary, (6) company policies and (7) working conditions. Changes in work motivation towards the higher are very important. This motivation will relate to (a) the direction of the employee's behavior, (b) the strength of the response after the employee chooses to follow certain actions, (c) behavior resistance or how long the person continues to behave in a certain way. Respondents who feel happy with their work tend to attribute this factor to themselves. On the other hand, if they are not satisfied, they tend to associate it with extrinsic factors such as supervision, salary, company policies, and working conditions.

Employees who work in an organization need compensation or compensation that is sufficient and fair, even if possible, it is quite competitive compared to other organizations or companies. A good compensation system will greatly affect the morale and productivity of a person. A good compensation system needs to be supported by a rational method that can result in a person being paid or compensated according to the work guidance. According to Hasibuan (2017) "Compensation is all income in the form of money, direct or indirect goods received by employees as compensation for services provided to the company. The establishment of an effective compensation system is an important part of human resource management as it helps to attract and retain talented jobs. Also, the company's compensation system has an impact on strategic performance".

According to Handoko (2014) "Compensation is everything that employees receive in return for their work. Compensation programs are also important for companies because they reflect the organization's efforts to maintain human resources". According to Nawawi (2011). "Compensation is an award/reward for workers who have contributed in realizing its goals, through activities called work". According to Marwansyah (2016) "Compensation is an award or reward, direct or indirect, financial or non-financial, which is fair and appropriate to employees, as a reward or contribution/services to the achievement of company goals". "There are many cases where quality human resources (HR) have come out after being obtained painstakingly due to an unattractive compensation system so that compensation is aimed not only at obtaining quality human resources, but also to maintain good human resources (HR). of such quality".

"The definition of performance or performance is a description of the level of achievement of the implementation of an activity program or policy in realizing the goals, objectives, vision, and mission of the organization as outlined in the strategic planning of an organization. The meaning of the word performance comes from the words job performance and is also called actual performance or work performance or actual achievement that has been achieved by a career person. Moeharionto (2014).

Priansa & Suwatno (in Frimayasa 2020) "Performance is the result of work that has a strong relationship with the organization's strategic goals, customer satisfaction, and contributes to the economy". "Performance is the result of a person's or group's work/activity function in an organizational activity which is influenced by various factors to achieve organizational goals within a certain period. The function of the activity or work referred to here is the implementation of the results of the work or activities of a person or group which is the authority and responsibility of an organization. The implementation of the work results/work achievements is directed to achieve organizational goals within a certain period ". (Pabundu Tika. 2014)

"Good performance affects the overall performance of the company, if the employee's performance is low, it will reflect low work morale which is marked by a decrease in morale and enthusiasm for work. Good employee performance will affect the level of productivity and the goals expected by the

organization. Furthermore, these employee performance factors can affect the quantity, quality, and timeliness in achieving goals ”(Frimayasa, 2020). The elements used to assess employee performance as stated by Flippo in (Frimayasa 2020) consist of:

- a. Quality of work includes timeliness, accuracy, skills, and accuracy of targets.
- b. Work quantity includes output which is not only routine and regular tasks but also extra and urgent tasks.
- c. Work relationships that include job changes, coworkers, and cooperation with coworkers and superiors.
- d. Work toughness includes discipline, initiative, loyalty, and adherence to established regulations.

### **3. Methodology**

This research was conducted at PT Askrido Jakarta Cikini Branch Office which is located at Jl Cikini Raya 99-101 Cikini Menteng, Central Jakarta DKI Jakarta, RT.12 / RW.5, Cikini, Kec. Menteng, City of Central Jakarta, Special Capital Region of Jakarta 10330. The choice of research location is related to the time and energy the researcher has. The research was conducted in April 2020. In this study, samples taken were 30 respondents. Data normality testing is carried out to determine whether the data for each variable obtained is normally distributed or not.

#### **Classic assumption test**

Several assumptions must be met before using Multiple Linear Regression as a tool to analyze the effect of the variables under study. The classical assumption test used consists of the normality test, multicollinearity, and heteroscedasticity test.

#### **Multiple Regression Analysis**

The data processing method used is multiple regression with the help of SPSS 24 software. The multiple regression method is a statistical method to test the effect of several independent variables on one dependent variable. The model formed in this study is:

$$Y = a + \beta_1X_1 + \beta_2X_2$$

Information:

- Y = Employee performance
- $\alpha$  = Intercept or constant
- $\beta_1, \beta_2$  = Regression coefficient
- X1 = Motivation
- X2 = compensation
- $\varepsilon$  = Error term

### **4. Result and Discussion**

The data analysis used in this study uses a regression analysis approach, namely multiple linear regression analysis. The following is a table of the results of multiple linear regression tests.

**Table 1. Multiple Linier Regression**

<b>Model</b>	<b>B</b>	<b>Sig.</b>
Constant	4.656	.282
Motivation	.560	.000
Compensation	.403	.000

From the calculation of using SPSS version 24 for windows, the regression equation is obtained, namely:

$$Y = \beta\alpha + \beta1X + \beta2X + ei$$

$$Y = 4.656 + 0.560X1 + 0.403 X2$$

Each of these figures can be explained as follows:

- The constant value is 4.656. A positive value means that if the value of the motivation and compensation variables is fixed, then the employee's performance has a value of 4.656.
- The regression coefficient of the motivation variable (X1) is 0.560, which means that if the motivation variable has increased by 1% and the compensation variable has a fixed value, the employee's performance will increase by 0560. The coefficient is positive, meaning that there is a positive relationship between motivation and performance, the better the motivation, the higher the performance. employees.
- The regression coefficient for the compensation variable (X2) is 0.403, meaning that if the compensation variable has increased by 1% and the compensation variable has a fixed value, the employee's performance will increase by 0.403. The coefficient is positive, meaning that there is a positive relationship between compensation and performance, the better the compensation, the higher the employee's performance.

### **T-test (partial)**

This t test technique is used to test and find out whether the independent variable individually has a significant effect on the dependent variable. The t test is intended to determine the level of significance of the effect of each independent variable on the dependent variable with the assumption that the other independent variables do not change. If the statistical test results show sig <alpha 0.05, then Ha is accepted, it means that the independent variable has a significant effect on the dependent variable. Conversely, if the calculation results show that sig> alpha 0.05, then Ha is rejected, which means that the independent variable does not have a significant effect on the dependent variable. Here are the results of the t-test (partial).

The first hypothesis is that there is a partially positive and significant influence on Motivation with Employee Performance at PT. Askrindo (Persero) Cikini Central Jakarta. The motivation variable (X1), shows a significance of 0.000 smaller than 0.05, and the regression coefficient (B) is positive. So it can be concluded that the motivation variable has a positive and partially significant effect on employee performance at PT. Askrindo (Persero) Cikini Central Jakarta. This means that Ha1 is accepted.

The second hypothesis is that there is a partially positive and significant influence on Compensation with Employee Performance at PT. Askrindo (Persero) Cikini Central Jakarta. The compensation variable (X2), shows a significance of 0.000 less than 0.05, and the regression coefficient (B) is positive. So it can be concluded that the compensation variable has a positive and significant partially effect on employee performance at PT. Askrindo (Persero) Cikini Central Jakarta. This means Ha2 is accepted.

**F Test (Simultaneous)**

Used to determine the significant effect simultaneously, hypothesis testing is carried out simultaneously with the criteria if  $F_{count} > F_{table}$  then  $H_0$  is rejected.  $H_a$  is accepted, meaning that there is a significant influence between the independent and dependent variables. And if  $F_{count} < F_{table}$  then  $H_0$  is accepted  $H_a$  is rejected, meaning that there is no significant influence between the independent and dependent variables. The following is a table of the results of the F Test (Simultaneous):

**Table 2. ANOVA**

Model	F	Sig.
Regression	27.091	.000

Based on the results of the data in the table above, it can be seen that this equation model has a significance value of 0.000. Because it has a significance value  $< 0.05$ , which is equal to 0.000 where  $0.000 < 0.05$  indicates that together (simultaneously) the Motivation Variable (X1) and the Compensation Variable (X2) have a significant effect on the Employee Performance variable (Y). This proves that the third hypothesis is proven where there is a positive and significant effect simultaneously on Motivation and Compensation with Performance at PT. Askrindo (Persero) Cikini Jakarta.

**Determination Coefficient (R2)**

The coefficient of determination is used to determine how much influence competence and ability have on employee performance. The following is a table of the results of the determination coefficient test (R2).

**Table 3. Determination Coefficient**

R	R Square	Adjusted R Square	Std. Error of the Estimate
.817	.667	.643	1.686

The table above shows that the coefficient of determination is shown from the Adjusted R-Square value of 0.667. This means that 66.7% of the dependent variable, namely employee performance, can be explained by two independent variables, namely motivation, and compensation, while the remaining 35.7% of employee performance is explained by other variables or other causes outside of this mode.

**5. Conclusion**

Based on the results of the study, the conclusions of this study are, first, the results show that there is a significant influence on the independent variable of motivation on the dependent variable of performance, any increase in motivation will increase performance. Second, the research results show

that there is a significant effect of the independent variable compensation on the dependent variable performance. each increase in Compensation will increase performance. Third, motivation and compensation together have a significant effect on the dependent variable performance. Fourth, a positive relationship between motivation and compensation with performance is in a strong category. The contribution of Motivation and Compensation together to performance was 66.7%, the remaining 33.3% was caused by other factors. such as organizational culture, workload, job satisfaction, and so on.

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