

The Effect of Compensation on the Performance of KSPPS Hudatama Semarang Employees

Dyah Purwaningrum¹, Sutaat²

^{1,2} Management Study Program, Fakultas Keperawatan Bisnis dan Teknologi, Widya Husada University Semarang, Indonesia

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ABSTRACT

KSPPS Hudatama Semarang is an independent business organization that has activities to develop various productive business activities to improve the quality of economic activities carried out by small communities and entrepreneurs. Providing appropriate compensation is one way that can be used to improve performance for employees to achieve the desired performance of the company. At work, Compensation is very important for employees because the size of the compensation is a measure of employee performance. Employees always expect a more adequate income. Based on this view, researchers are interested in conducting research related to compensation for employee performance through the title ". Effect of Compensation on KSPPS Huda Tama Semarang employee performance." This study aims to determine the effect of compensation on employee performance at KSPPS Hudatama Semarang. The strategy for improving employee performance is expected to be a trigger for work enthusiasm towards the company's vision and mission and can fulfill the rights and obligations of employees at KSPPS Hudatama Semarang. The research method used is quantitative research using a simple linear regression method. The sample in this study amounted to 43 respondents using the census method. Data collection used a questionnaire and data processing used the SPSS Statistics Version 22.0 for Windows.

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Corresponding Author:

Dyah Purwaningrum,
Management Study Program, Fakultas Keperawatan Bisnis dan Teknologi,
Widya Husada University Semarang,
Jl. Subali Raya No.12, Krapyak, Kec. Semarang Barat, Kota Semarang, Jawa Tengah 50146, Indonesia.
Email: purwaningrumdyah96@gmail.com

1. INTRODUCTION

BMT (Baitul Maal Wa Tamwil) now whose name has changed to KSPPS (Syari'ah Savings and Loans Cooperative) was not originally a pure banking institution, but an Islamic Microfinance Institution which in carrying out its duties mostly like an operational system in Islamic Banking.

It is feared that the people's life that is self-sufficient at this time will lead to the erosion of beliefs. This is undoubtedly not only influenced by the weak economy of the community. The existence of BMT is expected to be able to solve this problem by fulfilling the economic needs of the community. Baitul Maal Wa Tamwil (BMT) is divided into 2 terms, namely Baitul Maal and Baitul Tamwil. Baitul Maal is more oriented towards channeling and collecting non-profit funds such as zakat, infaq, and sadaqah (ZIS). Meanwhile, Baitul Tamwil is for the business of channeling and collecting commercial funds. So from this term, BMT can be interpreted as a group of people who

aim to help each other and participate in building sources of financial services to advance and develop productive businesses and improve the standard of living of members.

With the presence of BMT in the community, BMT hopes to help small traders solve their capital problems. Because capital is one of the main problems in all types of businesses. Likewise, small traders mostly live in villages and are classified as economically weak. BMT does operate in the environment of small traders and is very helpful in solving their capital problems.

KSPPS Hudatama Semarang is an institution that collects and distributes funds to and from people who need funds. The difference between KSPPS Hudatama and conventional banks is how to collect and distribute funds. Both of these activities must be carried out by KSPPS Hudatama according to existing sharia principles. To carry out this role, KSPPS Hudatama has products that can be offered. The product is a funding product in the form of savings and a product of channeling funds in the form of financing.

Compensation is anything that is received by someone, both physical and non-physical that must be calculated and then given to someone. Compensation is a normal thing that usually happens in a company to reward their employees and compensation is similar to rewards.

But in the world of work or business, compensation is more often seen in the form of salary benefits, usually related to appreciation for employees who have supported business development positively and sustainably. For example, when someone surfs looking for information on job search sites, recruiters from a company offer many benefits to their prospective workers if they are accepted to work later. Things that are included outside of the basic salary such as free parking, health insurance, or others can be included in compensation. This compensation is an attraction that is highlighted by companies looking for new job candidates to attract qualified job seekers.

In addition to compensation factors, labor productivity is influenced by work experience and work environment factors. According to Marnis & Priyono (2008), this can be realized by doing something productive increase in work. Such a view will make people always look for improvements and work-related improvements. with the productivity of one's performance that produces dynamic creative and critical new ideas and changes. The purpose of the research conducted on KSPPS Hudatama Semarang employees was to determine the effect of compensation on employee performance.

2. RESEARCH METHOD

This research includes explanatory study research, namely research that aims to understand the phenomenon under study Grover *et al.*, (2008) and the population in this study are all employees of KSPPS Hudatama Semarang as many as 43 respondents and this research uses questionnaires in collecting and the questionnaires are arranged using a scale Likert with 5 response scales using the SPSS Statistics Version 22.0 for windows.

3. RESULTS AND DISCUSSION

Simple regression results to answer the problems that are being studied by researchers, namely to find out how much influence compensation has on employee performance

Table 1. Results Test Determinasi, Test ANOVA, Test Linier

Equation Models	R^2 Adjs	F	Beta Std	Sig
$Y = a_1 + b_1X_1 + b_2X_2 + e_1$	0,317	20.48		
Y= Employee Performance		1		
X1= Compensation			,577	0,000

The model summary above shows that the Adjusted R Square of 0.317 is obtained, meaning that 31.7% of changes in employee performance variables can be explained by the compensation variable in the model, while the remaining 68.3% is explained outside the model.

Based on the results of the analysis, compensation has a positive effect on employee performance. These results indicate that proper compensation received by employees will improve

employee performance. This is in line with research conducted by Pudjiarti, Herman, and Mahesa (2023), which explains that compensation has a positive and significant effect on performance. Compensation also contains a relationship that is professional in nature where one of the main objectives of working employees is to get compensation to meet various needs, while on the office side, they pay employees to be able to carry out work according to the wishes and expectations of the company with the main goal of being able to advance the company's business with the main goal able to advance the running of the company's business.

Here it can be seen that by providing compensation that is more appropriate and accepted by employees because it is by the energy and abilities expended and respecting the hard work of employees, employees will be more professional by working seriously and making various efforts to achieve good work results. so that the performance can be increased.

DISCUSSION

Based on the statistical analysis that has been done previously, the correlation coefficient between compensation has a significant effect on the performance of KPPS Hudatama Semarang employees with a significance level of $0.000 < 0.05$. This means that the increase in the compensation variable has a significant effect on employee performance. So these results are by previous research conducted by Kadarisman (2016), Suryani (2019), Fan, Londono and Xiao (2022), Sherlie and Hikmah (2020), Siswanto and Hamid, (2017), and Sitanggang (2021) said that compensation has a positive and significant effect on employee performance.

4. CONCLUSIONS

Based on data analysis, it can be concluded as follows that compensation has a positive effect on employee performance at KSPPS Hudatama Semarang employees, in this study it was shown from the results of a simple linear regression analysis with the a simple linear regression test obtained the regression equation $Y = 15.492 + 0.738 X$ so it can be concluded that compensation has a positive effect on the employee performance.

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