

The Effect of Compensation and Digitalization on Employee Performance of PT Pelabuhan Indonesia III (Persero) In Surabaya

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ABSTRACT

This study aims to determine the effect of compensation and digitalization on employee performance of PT Pelabuhan Indonesia III (Persero) in Surabaya. This type of research uses quantitative research methods. This study involves surveys and secondary data analysis involving employees in the Archives Unit. The results of the study indicate that fair compensation and effective digitalization both contribute significantly to improving employee performance. Adequate compensation serves as the main motivator in increasing job satisfaction, while digitalization speeds up the work process and facilitates access to information. The results of this study indicate that compensation has a positive effect on employee performance and compensation and digitalization have a positive effect on employee performance at PT Pelabuhan Indonesia Regional III (Persero).

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1. INTRODUCTION

In the era of globalization and increasingly fierce business competition, the industrial and logistics sectors play a crucial role in supporting the economic growth of a country. Ports, as one of the main elements in the supply chain, hold a strategic role in facilitating the flow of goods and services (Abbas & Astuty, 2023). The performance of ports encompasses not only operational efficiency but also strong connectivity with various related stakeholders (Mora et al, 2020).

PT Pelabuhan Indonesia III (Persero), a state-owned enterprise (BUMN) engaged in port services, is headquartered at Jalan Perak Timur 620, Surabaya, East Java. PT Pelabuhan Indonesia III (Persero) manages 43 ports spread across seven provinces throughout Indonesia, with its core business being the provision of port service facilities. In 2023, PT Pelabuhan Indonesia III (Persero) employed 4,573 human resources. Human resources are essential assets for every company, as they determine the company's success in achieving its business objectives (Nuraini, 2022). The merger of PT Pelabuhan Indonesia III (Persero) with PT Pelabuhan Indonesia I, II, and IV (Persero) in 2021 represented a pivotal moment in the evolution of Indonesia's port management landscape. Renamed PT Pelabuhan Indonesia Regional III (Persero), this reorganization was intended to enhance operational efficiency and streamline processes. However, it also triggered a wave of controversies, particularly around employee rights and entitlements. Many employees voiced their concerns, feeling that their rightful compensation was inadequately addressed, leading to a growing discontent that could undermine productivity and morale (Junaedi & Digdowiseiso, 2023).

Compensation plays a critical role in shaping employee motivation and performance. As articulated by (Santoso & Irfan, 2020), financial compensation encompassing monthly salaries, bonuses, and position allowances is not merely a transactional element but a vital motivator that

influences how employees engage with their work. When employees perceive that their contributions are not adequately rewarded, it can lead to a decline in their commitment and productivity (Andika et al, 2020). This sense of entitlement is amplified in times of organizational change, such as a merger, when job security and compensation structures are often perceived as unstable or inequitable (Halilintar & Ghagho, 2018). Moreover, the relationship between compensation and performance is further complicated by the rapid technological advancements that define the contemporary workplace. As highlighted by (Sugiono et al, 2022), Information and Communication Technology (ICT) is no longer a luxury but a necessity, revolutionizing how businesses operate. Companies must harness these technological tools not only to optimize their operations but also to enhance employee engagement and communication (Sulistyaningtyas & Djastuti, 2022). For instance, digital platforms can provide employees with better access to information regarding their rights, compensation structures, and opportunities for professional development, thereby fostering a more transparent and inclusive workplace culture (Afridhamita & Efendi, 2020).

As Ardiansyah & Surjanti (2020) points out, technology is designed to simplify human activities and improve efficiency. However, its implementation must be accompanied by a commitment to fostering a positive organizational culture where employees feel valued and supported. This involves integrating technology in ways that enhance not only operational efficiency but also employee well-being (Arifin & Muharto, 2022). For example, implementing user-friendly performance management systems can provide employees with clear feedback on their performance, aligning their efforts with organizational goals and facilitating a sense of accomplishment and purpose. In an information-rich environment, companies that prioritize fair compensation alongside technological integration are better positioned to cultivate a motivated and high-performing workforce (Asepta & Maruno, 2023). The synergy between adequate compensation and effective use of technology can lead to a culture of reciprocity, where employees are more inclined to meet and exceed expectations in their roles. Ultimately, by addressing the dual challenges of compensation and technological adaptation, organizations can create a resilient workforce capable of navigating the complexities of a rapidly changing business landscape while driving sustainable growth (Astono, 2022).

Information technology has become critical as many government organizations have adopted it to support their operations (Atthohiri & Wijayati, 2020). Information and technology have become so pervasive in society that it is challenging to think of public or corporate services that do not rely on information technology (Herlambang & Murniningsih, 2019). Digital technology represents a shift from operations that no longer heavily depend on human labor but instead lean towards highly automated and sophisticated systems operated through computers (Irwandi & Sanjaya, 2022).

2. METHOD

Explaining research chronological, including research design, research procedure (in the form of algorithms, Pseudocode or other), how to test and data acquisition. The description of the course of research should be supported references, so the explanation can be accepted scientifically (Ghozali, 2018).

This research is a descriptive study with a quantitative approach. The quantitative research method is based on the philosophy of positivism, which is used to study a population or sample. The population in this study consists of the Archival staff, Office Boys, and intern students at PT Pelabuhan Indonesia III in Surabaya, totaling 300 individuals. The sample consists of 100 intern students at PT Pelabuhan Indonesia III (Persero) in Surabaya. The data collection technique employed in this research is the distribution of questionnaires. The questionnaire is used to reveal data on compensation implementation with respondents including the PIC of Archival, general staff, Office Boys, and interns, measured using the Guttman scale with two alternative answers: "Yes" valued at 1 (one) and "No" valued at 0 (zero) (Sugiyono, 2017).

3. RESULT AND DISCUSSION

Based on the results of research and data processing using SPSS version 19, the results of the validity test and the results of the reliability test for each research variable including Compensation (X1) and Digitalization (X2) and Employee Performance (Y) can be seen in the following table:

Table 1. Compensation Validity Test Results

Variabel X1	Sig	Alpha	Information
Statement 1	,000	0,05	Valid
Statement 2	,000	0,05	Valid
Statement 3	,000	0,05	Valid
Statement 4	,000	0,05	Valid
Statement 5	,000	0,05	Valid
Statement 6	,000	0,05	Valid
Statement 7	,000	0,05	Valid
Statement 8	,000	0,05	Valid
Statement 9	,000	0,05	Valid
Statement 10	,000	0,05	Valid

Source: (SPSS Data Processing 19 (2024))

Table 2. Digitalization Validity Test Results (X2)

Variabel X2	Sig	Alpha	Information
Statement 1	,000	0,05	Valid
Statement 2	,000	0,05	Valid
Statement 3	,000	0,05	Valid
Statement 4	,000	0,05	Valid

Source: (SPSS Data Processing 19 (2024))

Table 3. Employee Performance Validity Test Results

Variabel X1	Sig	Alpha	Information
Statement 1	,000	0,05	Valid
Statement 2	,000	0,05	Valid
Statement 3	,000	0,05	Valid
Statement 4	,000	0,05	Valid
Statement 5	,000	0,05	Valid
Statement 6	,000	0,05	Valid
Statement 7	,000	0,05	Valid
Statement 8	,000	0,05	Valid
Statement 9	,000	0,05	Valid
Statement 10	,000	0,05	Valid
Statement 11	,000	0,05	Valid
Statement 12	,000	0,05	Valid
Statement 13	,000	0,05	Valid
Statement 14	,000	0,05	Valid
Statement 15	,000	0,05	Valid

Source: (SPSS Data Processing 19 (2024))

The table above is the result of the validity test calculation of all questions consisting of 10 statement items for the Compensation variable (X1), 5 statement items for the Digitalization variable (X2) and 15 question items from the Employee Performance variable (Y). from the calculation results using the SPSS 19 device, all statement items have a significance value smaller than the alpha value (0.05). Thus it can be concluded that 15 statement items are declared valid and suitable for use as research data instruments.

Table 4. Kolmogorov-Smirnov Normality Test Results
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		100
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	1.19033889
Most Extreme Differences	Absolute	.083
	Positive	.082
	Negative	-.083
Test Statistic		.083
Asymp. Sig. (2-tailed)		.087 ^c

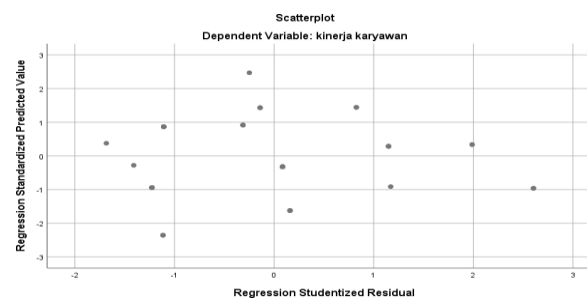
a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Source: (SPSS Data Processing 19 (2024))

Based on the test results obtained using the Kolmogorov-Smirnov test, the data is considered normally distributed if the significance level of each variable is greater than 0.05, while if the significance is less than 0.05, the data is not normally distributed. The normality test results show a significance level of 0.16 (>0.05), indicating that the regression model meets the assumption of normality. It can be concluded from the Kolmogorov-Smirnov normality test that Compensation (X1), Digitalization (X2), and Employee Performance (Y) are normally distributed.



Source: (SPSS Data Processing 19 (2024))

Figure 5. Scatterplot Heteroscedasticity Test Results

Based on the output of Figure 5, it is known that the data points are spread above or below the number 0 and the distribution of the data points does not form a wavy, widening or narrowing pattern, so it can be concluded that there is no heteroscedasticity problem in the two test variables.

Table 5. Summary of Multicollinearity Test

Variable	Tolerance	VIF
Compensation (X1)	0,985	1,015
Digitalization (X2)	0,985	1,015

Source: (SPSS Data Processing 19 (2024))

Tolerance for both variables (Compensation and Digitalization) is close to 1, indicating that multicollinearity is not a significant problem. The VIF for both variables is 1.015, which is very low and indicates that there is no multicollinearity problem in this model. With these results, you can conclude that the independent variables Compensation and Digitalization do not show any significant signs of multicollinearity in your regression model. Your regression model is most likely stable and its coefficients can be interpreted quite accurately.

Table 6. Summary of Linearity Test Results

			ANOVA Table				
			Sum of Squares	df	Mean Square	F	Sig.
KINERJA	Between	(Combined)	98.015	5	19.603	13.476	.000
KARYAWAN	* Groups	Linearity	5.649	1	5.649	3.883	.052
Digitalization		Deviation from Linearity	92.366	4	23.092	15.875	.000
Within Groups			136.735	94	1.455		
Total			234.750	99			

Source: (SPSS Data Processing 19 (2024))

Table 7. T-Test Results Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients		t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta				Toler	VIF
1	(Constant)	-,351	,120			-2,936	,005		
	Compensation	2,002	,081	2,156		24,677	,000	,072	13,903
	Digitalization	-,981	,067	-1,279		-14,640	,000	,072	13,903

Source: (SPSS Data Processing 19 (2024))

Based on the table in table 7, the Standardized Coefficients Beta of the Compensation Variable (X1) shows a positive direction of 2.156 with a significant value of 0.05, so Ho is rejected and Ha is accepted. So Compensation (X1) has a positive and significant effect on Employee Performance (Y) at PT. Pelabuhan Indonesia III. Thus, the first hypothesis is proven true. The Standardized Coefficients Beta of the Digitalization Variable (X2) shows a negative direction of -1.279 with a significant value of 0.000 which is greater than α (real level) = 0.05, so Ho is accepted and Ha is rejected. So Digitalization (X2) has a negative and insignificant effect on Employee Performance (Y) at PT Pelabuhan Indonesia III.

The F test is used to determine the significance given by the independent variables, namely the Compensation variable (X1) and Digitalization (X2) to the dependent variable, namely Employee Performance (Y) together.

Table 8. F Test Results

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	,366	2	,183	884,281	,000 ^b
	Residual	,011	53	,000		
	Total	,377	55			

Source: (SPSS Data Processing 19 (2024))

Based on the analysis results in table 7 above, the calculated F value is 884.281 and the significance of F is 0.000 < 0.05. This shows that Compensation and Digitalization simultaneously have a significant effect on employee performance. This also means that all independent variables included in the model have a real effect together on the dependent variable so that the model test can be continued. From the results of the research and analysis that have been studied regarding the Influence of Compensation and Digitalization on Employee Performance at PT Pelabuhan Indonesia III using SPSS 25 and 19 software, the researcher can interpret the discussion as follows:

The results of the Hypothesis Test show that the Compensation variable has a positive and significant effect on Employee Performance. This means that the more compensation is given, the employee performance of PT Pelabuhan Indonesia III will also increase.

(Lestari & Yuningsih, 2022) in Jayawijaya tested and analyzed the effect of compensation on employee performance using quantitative methods, data collection methods by interviewing, filling

out questionnaires. The results of the study showed that compensation had a very strong positive and significant effect on employee performance. By paying attention to this study which shows the Compensation variable which contributes a positive relationship to employee performance in this case has an impact on the final results of the work. Therefore, there are compensation indicators that are proven to provide employee encouragement to be able to optimally in their work processes both in terms of quantity and quality (Rahayu & Surjanti, 2019).

The author found that in PT Pelabuhan Indonesia III in the archiving section there was encouragement and motivation for employees to be able to actualize the results of their work which were their job duties in accordance with their job duties and functions, thus PT Pelindo has a remuneration structure and system in accordance with the conditions and structure of the wage market desired by employees (Shidqi & Darmastuti, 2022).

The results of the Hypothesis Test show that the Digitalization variable has a negative effect on employee performance. This means that the better the digitalization at PT Pelabuhan Indonesia III does not affect Employee Performance.

However, (Salsabila & Mulyanai, 2022) research contradicts the results of this study, and states that there is a very strong relationship between Employee Performance and Digitalization.

By paying attention to this study which shows the Digitalization variable which contributes a positive relationship to employee performance in this case has a positive impact on the final results of the work. Therefore, to support the achievement of a company's goals, there needs to be a supporting factor for employees in achieving success in working, namely by digitizing the work system. The author found that at PT Pelabuhan Indonesia III in the archiving section, there was a positive relationship between digitalization and employee performance, where in the archiving section, digitalization greatly influenced the running of a job and made it very easy to find data needed by employees (Ritonga & Digidowiseiso, 2023).

The results of the Hypothesis Test show that the Compensation and Digitalization variables simultaneously have a positive and significant effect on employee performance. By considering this, compensation has a very positive effect on employee performance, where at PT Pelindo, especially in the archiving section, it can be interpreted that the influence of compensation and digitalization on employee performance is not only received in physical form but can also be digital.

(Setyawati & Nugroho, 2023) conducted a study aimed at determining the effect of compensation and digitalization on employee performance. The results of the study showed that compensation affected employee performance by 33.7% while digitalization was 58.1%. This states that there is a very strong relationship between digitalization and employee performance.

4. CONCLUSION

Based on the research results that have been described in chapter VI, the conclusions related to the Influence of Compensation and Digitalization on Employee Performance at PT Pelabuhan Indonesia III in this study are as follows: 1) Compensation affects employee performance. Based on the interpretation of the Standardized Coefficients Beta, the Compensation Variable (X1) shows a positive direction of 2.156 with a significant value of 0.05; 2) Digitalization does not affect employee performance. Based on the interpretation of the Standardized Coefficients Beta, the Digitalization Variable (X2) shows a negative direction of -1.279 with a significant value of 0.000 which is greater than α (real level) = 0.05, so H_0 is accepted and H_a is rejected. So Digitalization (X2) has a negative and insignificant effect on Employee Performance (Y) at PT Pelabuhan Indonesia III.

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