Compensation Effect on Performance Employees at PT. People's Bank Indonesia Tbk. Office Polewali Branch

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A R T I C L E I N F O

ABSTRACT

The purpose of this study was to examine the effect of compensation on employee performance at PT. Bank Rakyat Indonesia Tbk. Polewali Branch Office. The type of data used is quantitative data and the data source in this study is primary data. This research is a research with a quantitative approach. Research data obtained from questionnaires and interviews directly by employees of PT. Bank Rakyat Indonesia Tbk. Polewali Branch Office. The sampling technique used is Simple Random Sampling with 30 respondents. The data analysis technique used is simple linear regression analysis. The results of this study indicate that compensation, in this case safety guarantees, has a positive effect on employee performance, especially enthusiasm for work and compliance with company SOPs at PT. Bank Rakyat Indonesia Tbk. Polewali Branch Office, proven by the t count, which is 11.415 > from the t table value, which is 1.703 and the significance level is smaller than the alpha value , which is 0.000 <0.05. The coefficient of determination (R^2) is 0.823 which indicates that the change in the dependent variable is 82.3% while the remaining 17.7% is explained by other factors outside the regression model that has been analyzed.

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1. INTRODUCTION

A successful company cannot be separated from the performance of the employees who work for the company. Performance is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him (Mangkunegara (2017). In addition, according to Sedermayanti (2015), performance is the work result of an employee, a management process as a whole, where the results of the work of a person must be shown in concrete and measurable evidence. Basically, the provision of compensation is the result of selling the power of employees to the company. In the sense that employees have done all their work capabilities for the company, it is only natural that the company appreciates the results of the employees' hard work by giving them appropriate compensation (Sutrisno, 2016). Compensation is

divided into two groups, namely compensation in the form of financial and compensation in the form of non-financial . According to Panggabean (2015) Financial compensation is direct compensation received by employees consisting of salaries, benefits, and incentives. Salary is the compensation paid to employees on a regular basis such as yearly, monthly, quarterly or weekly. Allowances are compensation given by the company to its employees who are considered to have participated properly in achieving company goals. Incentives are direct rewards paid to employees for their performance exceeding specified standards. In addition to financial compensation , there is also compensation in the form of non - financial . According to Sutrisno (2016) non- financial compensation Compensation is compensation that cannot be felt directly by employees. Non-financial compensation is provided by the company as a business of company to improve the welfare of its employees. Non- financial compensation can be in the form of praise from the leadership, facilities provided by the company, as well as the company's work environment. From the results of an interview with one of the employees of PT. Bank Rakyat Indonesia Tbk. Polewali Branch Office, obtained information that the level of employee satisfaction is low because the compensation provided is not optimal and sometimes experiences delays of several days, especially for contract employees. According to Ms. Masita, as a teller and temporarily representing other employees, she complained about the very high target. Based on this background, the authors are interested in conducting research entitled Effect of Compensation on Employee Performance at PT. Bank Rakyat Indonesia Tbk. Polewali Branch Office.

2. RESEARCH METHODS

2.1 Method Study

This study uses a quantitative research approach. According to Sujarweni (2014) quantitative research is a type of research that produces discoveries that can be achieved using statistical Data This research will be conducted at PT. Bank Rakyat Indonesia Tbk. Polewali Branch Office Jl. H. Andi Depu No.52, Lantora, Polewali, Polewali Mandar Regency, West Sulawesi. Because the respondents in this study were employees at PT. Bank Rakyat Indonesia Polewali Branch Office.

2.2 Types and Sources of Data

The type of data used in this research is quantitative data. Quantitative data is data in the form of numbers. In accordance with its form, quantitative data can be processed or analyzed with using statistical calculation techniques. For example, data obtained by researchers through answers from the results of questionnaires that have been processed to analyze the effect of compensation and motivation on employee performance at PT. Bank Rakyat Indonesia Tbk. Polewali Branch Office. The source of data from this study is primary data, namely in the form of data from questionnaires from respondents

2.3 Data Analysis Techniques

a. Validity test

 is used to measure the level of validity From a questionnaire used in research, a questionnaire is said to be valid if the questions on the questionnaire are able to reveal something that will be measured by the questionnaire . (Ghozali, 2018). Test validity on the research was conducted using the Pearson Correlation , namely by means of the significance level of the correlation results of each indicator with the total indicators, if the Sig value <0.05 then the variable is valid and said to be invalid if the Sig value > 0.05.

b. Reliability test

Is a tool to measure a questionnaire which is an indicator of change or construct. A questionnaire is said to be reliable or reliable if the respondents' answers to statements are consistent or stable from time to time. Questions answered by respondents are consistent or answers should not be random because each question will measure the same thing. Reliability test is used to measure reliability with statistical tests cronbach alpha . A construct or variable is said to be reliable if it gives a value of 0.60. Questionnaire items are said to be reliable (proper) if Cronbach alpha > 0.60 and are said to be unreliable if Cronbach alpha < 0.60. (Ghozali, 2018).

c. Normality Test

The Normality Test is intended to test whether the residual values that have been standardized in the regression model are normally distributed or not (Wulandari, 2021). The normality test aims to test whether in the regression model, the confounding or residual variables have a distribution normal. Data normality testing was carried out using the Kolmogorov-Smirnov Test , by looking at a significant level of 5%.Good research data is data that is normally distributed. The data is said to be normally distributed if the significance of the dependent variable is more than 5% or the Asymp value . Sig (2- tailed) is greater than 0.05 (Wulandari, 2021).

d.   Hypothesis Testing

According to Ghozali (2018) states that the t test is used to show the magnitude of the influence of one independent variable or independent variable (X), individually in explaining the dependent variable or dependent variable (Y). The steps in conducting the t test are as follows following:

1)   Formulate/propose a hypothesis for each group H 0 = It means that partially or individually there is no significant effect between X and YH 1 = It means that partially or individually there is a significant effect between X and Y

2)   Set a significance level of 5% (0.05)

3)   Comparing the significance level (α = 0.05) with the t significance level obtained directly using the SPSS version of the program

3.   RESULTS AND DISCUSSIONS

3.1   Validity Test

Based on the recapitulation of the validity test data table shown above, all statements are declared valid consisting of independent variable items, namely compensation (X) and the dependent variable (Y), where the independent variable consists of 8 statement items and the dependent variable consists of 7 statement items . Thus it can be declared valid because it can be seen that the r count or Pearson correlation has a greater value than r table (0.36). So it can be concluded that the questionnaires that the researchers compiled and distributed to the respondents were really good at measuring symptoms and did not make it difficult for the respondents to answer the statement items put forward by the researchers, because the sentences in the statements were easily understood by the respondents so as to produce valid data

3.2   Reliability Test

Based on the table above, it can be seen that both variables are declared reliable because it has a greater Cronbach Alpha value. Which compensation shows a Cronbach Alpha of 0.980 and employee performance shows a Cronbach Alpha of 0.990. So it can be concluded that the answers are relatively consistent. Employee choices are always constant and do not change, and respondents do not choose twice in one statement item and it is likely that the results will be the same even if the test is carried out at different times.

3.3   Simple Linear Regression Test

This study uses a simple linear regression analysis test to determine how much influence the independent variable, namely compensation on the dependent variable, namely the performance of employees at PT. Bank Rakyat Indonesia. The results of the simple linear regression test can be seen in the following table.

Table 1. Simple Linear Regression Test Results

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-,196	2,817		-,070	,945
	Kompensasi	,905	,079	,907	11,415	,000

a. Dependent Variable: Kinerja Karyawan

Sumber: Output SPSS Data Primer yang diolah, 2022

The results of the equation above can be translated as a constant of -0.196 which means that the coefficient value of the compensation variable is -0.196 the regression coefficient X is 0.905 which states that adding % of the compensation value then employee performance will increase by 0.905. The regression coefficient is positive, so it can be said that the direction of the effect of compensation (independent variable) on employee performance (dependent variable) is positive. And based on the significant value obtained from the table above, it is 0.000 <0.05 so it can be concluded that the independent variable, namely compensation, has an effect on the dependent variable, namely employee performance

3.4   Hypothesis Testing

Table 2. T Test Results (Partial)

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-,196	2,817		-,070	,945
	Kompensasi	,905	,079	,907	11,415	,000

a. Dependent Variable: Kinerja Karyawan

Sumber: Output SPSS Data Primer yang diolah, 2022

Based on the table above it is known that the calculated t value of 11.415 is greater than the t table value of 1.703 with a significance value of 0.000 <0.05. It can be concluded that compensation has a positive and significant effect on employee performance at PT. Bank Rakyat Indonesia Polewali Branch Office because the calculated t value is greater than t table and significantly less than 0.05 so that H 0 is rejected and H 1 is accepted. So this shows that the compensation at PT. Bank Rakyat Indonesia Polewali Branch Office has a positive and significant influence on the performance of employees at PT. Bank Rakyat Indonesia Polewali Branch Office

3.5 Test of the Coefficient of Determination (R ^{2})

The coefficient of determination test (R^2) is used to estimate how much the independent variable (X) contributes to the dependent variable (Y). The value of the coefficient of determination is between 0 and 1. A value that is close to one means that the independent variables provide almost all the information needed to predict the variation of the dependent variable. Conversely, a small coefficient of determination indicates that the ability of the independent variable to explain the variation in the dependent variable is very limited.

Table 3. Test Results for the Coefficient of Determination (R ^{2})

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.907^a	,823	,817	2,865

a. Predictors: (Constant), Kompensasi

b. Dependent Variable: Kinerja Karyawan

Based on the results of the table above, it explains that the magnitude of the relationship value (R) is equal to 0.907. From this output, the coefficient of determination (R Square) is 0.823 which implies that the effect of the independent variable, namely compensation on the dependent variable, is employee performance of 82.3%.

3.6 Discussion

Based on the results of the analysis, it is known that compensation has a partial positive effect on employee performance at PT. Bank Rakyat Indonesia Polewali Branch Office, meaning that every time there is an addition to the independent variable, namely compensation, it will increase the performance of employees at PT. Bank Rakyat Indonesia Indonesia Branch Office. Then if there is a decrease in the independent variable, namely meal compensation, it will reduce the performance of employees at PT. Bank Rakyat Indonesia Polewali Branch Office. This is supported and strengthened by a significantly smaller value than *alpha* which is 0.000 <0.05 indicating that H 1 , namely compensation has a positive effect on employee performance at PT. Bank Rakyat Indonesia Polewali Branch Office. Then it can be seen that the results of the t count are greater than the t table, namely 11.415 > 1.703. This indicates that H 0 is rejected and H 1 is accepted. So this shows that compensation has a positive influence on employee performance at PT. Bank Rakyat Indonesia Polewali Branch Office. Based on the test results, it is known that compensation has a positive and significant effect on employee performance. This means that the increase in compensation will be followed by a significant increase in employee performance. Based on the results of interviews with the HR from PT. Bank Rakyat Indonesia can also be concluded that the compensation provided by the company includes salaries, benefits, incentives/bonuses, to guarantees for safety and health which will ultimately affect the performance of employees at PT. Bank Rakyat Indonesia Polewali Branch Office positively and significantly, the better the compensation in this case the employee guarantee, the better the employee performance in terms of enthusiasm for work and compliance with company SOPs. This is shown by the discipline of employees who are getting better and more professional, and the achievement of employee targets is increasing. With that performance good will also certainly affect loyalty and financial performance in this case profit so that it can advance the running of the company.

4.   CONCLUSION

Conclusions from research regarding the effect of compensation on employee performance at PT. Bank Rakyat Indonesia Tbk. Polewali Branch Office is Compensation has a positive and significant effect on employee performance, in this case compensation in the form of guarantees
safety and health can improve employee performance, especially regarding enthusiasm for work and better fulfillment of company SOPs. This can be seen from the questionnaire data tabulation which states that the safety guarantee indicator in the compensation variable of 63% can affect employee performance, especially in terms of enthusiasm for work and compliance with company SOPs

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