

## THE EFFECT OF COMPENSATION AND WORK MOTIVATION ON EMPLOYEE PERFORMANCE (Case Study at UD. Jaya Makmur Perkasa Banjarmasin)

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| Abstract   | Article Info   |
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| <p><i>This study aims to determine the effect of compensation and work motivation on employee performance at UD. Jaya Makmur Perkasa Banjarmasin. This study is a case study with quantitative methods. The population in this study were all employees of UD. Jaya Makmur Perkasa Banjarmasin, which amounted to 33 people. The data used in this study are primary data collected through questionnaires using saturated sampling techniques. The data analysis technique in this study is multiple linear analysis using statistical product and service solutions (SPSS) software. The results of this study indicate that compensation and motivation have a partial and simultaneous effect on employee performance.</i></p> | <p>Filed: 10-12-2024<br/>Accepted: 09-01-2025<br/>Published : 25-01-2025</p> |
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### INTRODUCTION

Humans as one of the dynamic resources and have the ability to continue to develop need to receive attention from the company. This attention is needed considering that in carrying out its activities, the company will always be faced with the human resources it has. Thus, development of human resources needs to receive great attention in a company. Human resources are very important for companies in managing, organizing, and utilizing employees so that they can function productively to achieve company goals. Human resources as the driving force of the organization in achieving its goals, then the organization's efforts in encouraging employees to work better must continue to be carried out with the presence of employees who work well, it is expected that the work results (performance) in carrying out their duties are in accordance with the responsibilities given to them.

According to Mangkunegara (2009:67) performance is the result of work produced by an employee to achieve the expected goals. Employee performance in a company is very important because if the employee's performance is not good, then the company will certainly not be able to compete with other companies. With good employee performance, it is hoped that the company will be able to compete with other companies. To create high performance, it is necessary to have optimal work improvements and be able to utilize the potential of human resources owned by employees to create organizational goals, so that it will provide a positive contribution to the development of the organization.

Performance appraisal is very important to see how much employee ability in carrying out their daily work, whether the work done is in accordance with the target and in accordance with the company's goals or can not be improved at all, in addition employee performance directly affects the company's image in the eyes of the wider community. For

this reason, companies must always pay attention to several factors that affect employee performance such as compensation and motivation provided by the company.

Compensation is very important in improving employee performance. Providing fair and appropriate compensation is needed by the company to be able to create work enthusiasm in employees which will later create work enthusiasm and certainly improve employee performance itself. According to Malayu SP Hasibuan in Hazmanan (2017:5) states that compensation is all income in the form of money, direct or indirect goods received by employees as compensation for services provided to the company or agency. Financial compensation means compensation for services provided to HR in the form of money and the like, while non-financial compensation can be in the form of assistance, facilities, positions and others.

Performance improvement is also influenced by employee work motivation. According to Sedarmayanti (2009:65) motivation is a mental condition that drives activity and provides energy that leads to achieving needs. Motivation is the drive to be able to do an activity or job. Motivation has a close relationship with the attitude and behavior of a person. With work motivation that can increase employee work enthusiasm, employee performance will increase. Employee work motivation can arise from within the individual and from outside the individual. Motivation that arises from within the individual, for example, employees who have their own work enthusiasm and initiative and are aware that the employee shows loyalty to the company. While motivation that arises from outside the individual, for example, the existence of other factors that make him more enthusiastic in working. These factors can come from leaders, from coworkers, and the provision of compensation that can foster employee enthusiasm in working.

The increasingly tight competition has resulted in many entrepreneurs establishing companies, especially in the trade sector. One of them is UD. Jaya Makmur Perkasa Banjarmasin. The company is a distributor of one of Indonesia's electronic products in the South Kalimantan area. Where UD. Jaya Makmur Perkasa Banjarmasin distributes electronic goods to shops and markets in the South Kalimantan to Central Kalimantan areas. UD. Jaya Makmur Perkasa Banjarmasin in carrying out its company activities has constraints on the performance of its employees. This is indicated by the failure to achieve the company's targets or goals. Based on the results of interviews conducted by the author, this is because employees feel unfair in the provision of compensation by the company. Where employees in getting compensation for services are not in accordance with the Regional Minimum Wage. So that it can reduce employee motivation in working. Employees of UD. Jaya Makmur Perkasa Banjarmasin who have worked for a long time also feel that they are not given appreciation while working and their career path is also unclear. Where employees who have worked for more than 5 years, only hold positions as ordinary staff and are not given the opportunity to move up to a higher level even though they have good performance. So that employees of UD. Jaya Makmur Perkasa Banjarmasin cannot develop.

Based on the description above, the author conducted a study entitled "The Effect of Compensation and Work Motivation on Employee Performance at UD. Jaya Makmur Perkasa Banjarmasin."

## LITERATURE REVIEW

### Compensation

Compensation is the total reward received by employees as a result of carrying out work in an organization in the form of money or others, which can be in the form of salary, wages, bonuses, incentives and other benefits such as health benefits, holiday allowances, meal allowances, leave money and others (Burhanuddin Yusuf, 2015:236). Compensation is all types of awards in the form of money or non-money given to employees fairly and fairly for their services in achieving company goals (Sutrisno, 2012:187).

In the research of Maheswari and Lutvy (2015) quoted from Mathis and Jackson (2006). The compensation measurement indicators are:

- 1) Salary is a fixed reward for each period regardless of the number of hours worked.
- 2) Bonuses are indirect benefits given to employees based on work performance based on relative *assessment*.
- 3) Incentives are allowances given to employees in certain work units for their work achievements in accordance with policies determined by the company.
- 4) Health/life insurance is the provision of health or work safety guarantees to employees.
- 5) Holiday allowance is compensation provided separately by the company due to religious holiday celebrations.

### Work motivation

Work motivation is a capital to move and direct employees to be able to carry out their respective jobs in achieving targets with full awareness, responsibility, and enthusiasm. Work motivation can provide energy to move all existing potentials, create high will, and increase togetherness. There are two aspects of work motivation, namely the passive aspect where work motivation is a need and at the same time a driver, and from the static aspect where work motivation is a positive effort in moving the power and potential of workers to productively succeed in achieving predetermined goals (Kusuma, 2016 in Hasibuan, 2008).

Based on the definition, it can be interpreted that work motivation is one of the factors to encourage someone both from within and from outside themselves, to do a job. Internal motivation can be in the form of satisfaction that wants to be fulfilled and external motivation can be in the form of a goal that has been set to be achieved within a certain time. So it can be interpreted that the purpose of giving motivation to employees is to increase enthusiasm in working, and as an effort to increase employee performance productivity. Consequently, the company can achieve a higher level of production with the current employees, so that it can generate more profits.

According to Afandi (2018:29), there are several indicators of motivation, namely:

- 1) Remuneration, anything in the form of goods, services and money which is compensation received by employees for their services involved in the organization.
- 2) Working conditions, conditions or circumstances of the work environment of a company that is the place of work of employees who work in that environment. Good working conditions are comfortable and support workers to be able to carry out their activities well.
- 3) Work facilities, everything in the organization that is occupied and enjoyed by employees, both in direct relation to work and for the smooth running of work.

- 4) Work performance, the results achieved or desired by everyone in working. For each person, the size is not the same because humans are different from each other.
- 5) Recognition from superiors, statements given by superiors as to whether their employees have implemented the motivation that has been given or not.
- 6) The work itself, employees who do the work themselves, can their work be a motivation for other employees.

### **Employee performance**

The achievement achieved by someone is called *actual performance* or *job performance* which we usually call performance. An employee who carries out his/her function according to the responsibilities given and succeeds in terms of quality and quantity is also called performance. A person's work achievement based on quantity and quality that have been agreed upon together is the general understanding of performance.

According to Bernardin and Russel (2003) there are four indicators for measuring employee performance:

- 1) Quality of work is the work that employees do in accordance with existing work standards, on time and accurately.
- 2) Quantity of work is the work target that has been set and successfully achieved by employees, and the volume of work that employees do is in accordance with superiors' expectations.
- 3) Knowledge is the employee's ability to understand work-related tasks, as well as the ability to complete work assigned by superiors.
- 4) Cooperation, employees are able to cooperate with co-workers, employees have a positive attitude towards team work, employees are willing to help team members in completing work.

### **Previous Research**

- 1) Siti Solihah's research (2020) entitled *The Influence of Compensation and Work Motivation on Employee Performance at the Cipamokolan Village Office, Rancasari District, Bandung City*.
- 2) Research by Roni Binsar Pasaribu (2020) entitled *The Influence of Compensation and Motivation on Employee Performance (Case Study at Taruna Jaya Company, South Tangerang City)*.
- 3) Research by Nuraini and Yusuf Budiana (2020) entitled *The Influence of Motivation Levels and Compensation on Teacher Performance at SMK LAB Bussines School, Tangerang City, 2018/2019 Academic Year*.
- 4) Suhendri's research (2018) entitled *The Influence of Compensation and Motivation on Employee Performance at PT. Tunas Jaya Utama Medan*.
- 5) Research by Nurul Astuty Yensy (2010) entitled *The Influence of Compensation and Motivation on the Performance of Teachers at State Senior High School 2 Argomakmur, North Bengkulu*.

**Framework**

The framework of thought is a method used to explain the relationship or connection between the variables to be studied (Notoatmojo, 2018:83). Meanwhile, according to Sugiyono (2019:95) states that the framework of thought is a conceptual model of how theory relates to various factors that have been identified as important problems. For this study, the framework of thought that was built can be seen in the following image:

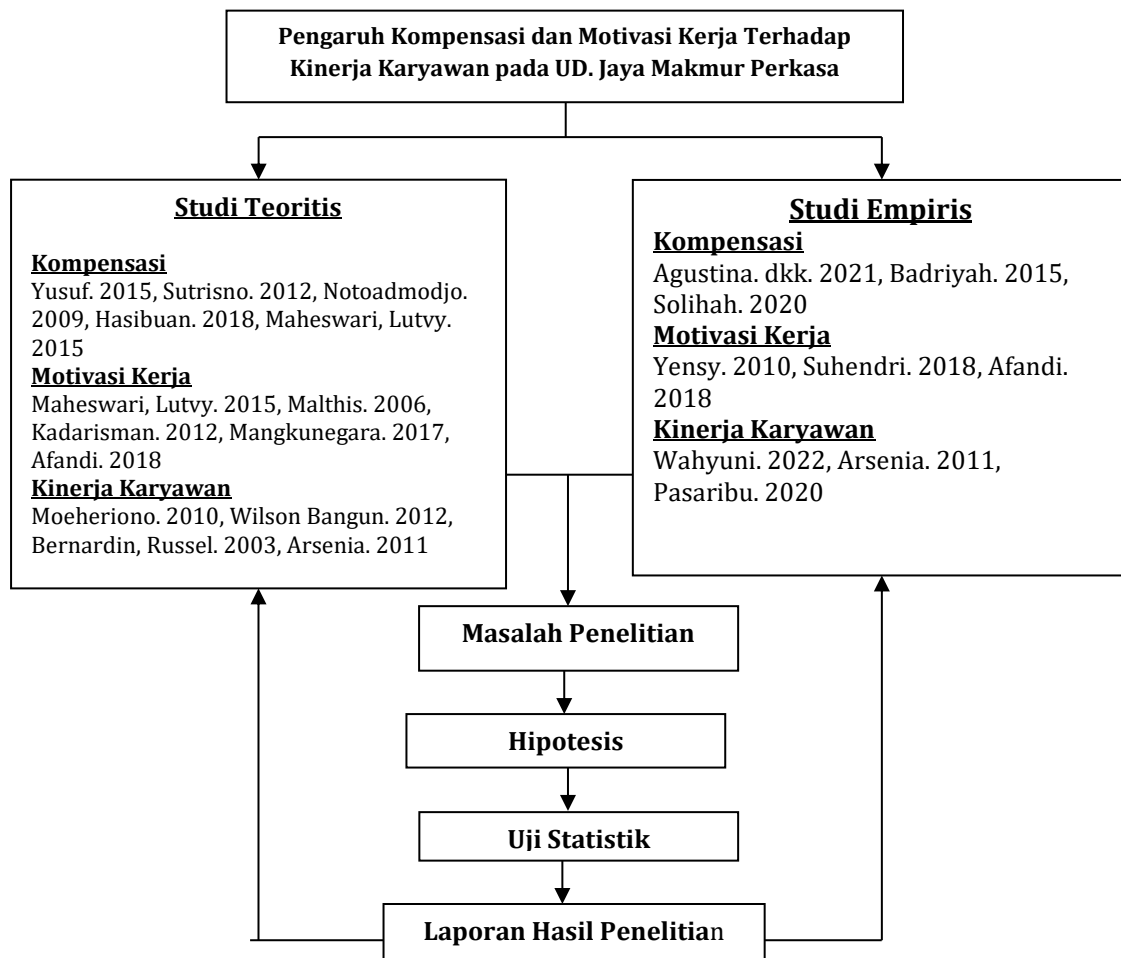


Figure 1. Framework

**Conceptual Framework**

A conceptual framework is presented to provide an overview of the relationship and influence of independent variables (work compensation and work motivation) on the dependent variable (employee performance).

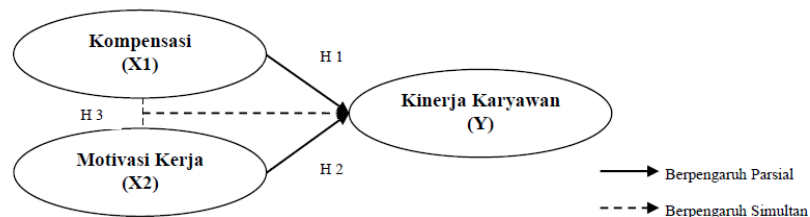


Figure 2. Conceptual Framework Model

## Hypothesis

Based on this conceptual framework, this study proposes the following hypothesis:

- 1) Hypothesis 1: It is suspected that compensation has a partial positive effect on employee performance at UD. Jaya Makmur Perkasa Banjarmasin.
- 2) Hypothesis 2: It is suspected that work motivation has a partial positive effect on employee performance at UD. Jaya Makmur Perkasa Banjarmasin.
- 3) Hypothesis 3: It is suspected that compensation and work motivation simultaneously have a positive effect on employee performance at UD. Jaya Makmur Perkasa Banjarmasin.

## RESEARCH METHODOLOGY

This research uses an associative and quantitative approach, this is because each object studied has a relationship or connection with each other.

This research was conducted at UD. Jaya Makmur Perkasa located at Jl. Kolonel Sugiono No. 15B, Sungai Baru Village, Central Banjarmasin District, Banjarmasin City, South Kalimantan Province. The research was conducted for approximately 3 months starting from March to June 2024.

The population in this study were all employees of UD. Jaya Makmur Perkasa Banjarmasin, totaling 33 people. This study was conducted using the saturated sample method. Saturated sampling is a sampling technique when all members of the population are used as samples. The sample taken in this study was the entire research population, namely 33 employees at UD. Jaya Makmur Perkasa Banjarmasin, so it is called a saturated sample.

The type of data is quantitative data and the data sources used are primary data and secondary data. Primary data is obtained using a questionnaire containing a list of statements related to the research variables, while secondary data is obtained from books, journals and the use of internet media to obtain information, as well as the necessary data.

The data collection technique used was a questionnaire that was distributed directly to respondents and measured using a Likert scale.

The data analysis techniques used in this study are data quality testing, classical assumption testing, and multiple linear regression analysis processed using the SPSS version 25 program.

## RESULT AND DISCUSSION

### Respondent Response Description

**Table 1. Respondent Response Description Results**

| Variables                 | N  | Average |
|---------------------------|----|---------|
| Compensation ( $X_1$ )    | 33 | 3.89    |
| Work Motivation ( $X_2$ ) | 33 | 4.23    |
| Employee Performance (Y)  | 33 | 4.08    |

Source: Processed data (2024)

Based on table 1 above shows the results of the description of the responses of 33 respondents regarding the compensation variables ( $X_1$ ), work motivation ( $X_2$ ) and employee performance (Y). Overall, the average compensation score ( $X_1$ ) is 3.89, the

average work motivation score (X<sub>2</sub>) is 4.23 and the average employee performance score (Y) is 4.08.

**Data Analysis Results**

**Validity Test**

**Table 2. Validity Test Results**

| Variables                         | Statement Items | R (Table) | R (Count) | Information |
|-----------------------------------|-----------------|-----------|-----------|-------------|
| Compensation (X <sub>1</sub> )    | X1.01           | 0.344     | 0.401     | Valid       |
|                                   | X1.02           | 0.344     | 0.367     | Valid       |
|                                   | X1.03           | 0.344     | 0.796     | Valid       |
|                                   | X1.04           | 0.344     | 0.658     | Valid       |
|                                   | X1.05           | 0.344     | 0.484     | Valid       |
|                                   | X1.06           | 0.344     | 0.507     | Valid       |
|                                   | X1.07           | 0.344     | 0.710     | Valid       |
|                                   | X1.08           | 0.344     | 0.813     | Valid       |
|                                   | X1.09           | 0.344     | 0.763     | Valid       |
|                                   | X1.10           | 0.344     | 0.814     | Valid       |
|                                   | X1.11           | 0.344     | 0.721     | Valid       |
|                                   | X1.12           | 0.344     | 0.809     | Valid       |
|                                   | X1.13           | 0.344     | 0.547     | Valid       |
|                                   | X1.14           | 0.344     | 0.717     | Valid       |
|                                   | X1.15           | 0.344     | 0.690     | Valid       |
| Work Motivation (X <sub>2</sub> ) | X2.01           | 0.344     | 0.442     | Valid       |
|                                   | X2.02           | 0.344     | 0.706     | Valid       |
|                                   | X2.03           | 0.344     | 0.591     | Valid       |
|                                   | X2.04           | 0.344     | 0.686     | Valid       |
|                                   | X2.05           | 0.344     | 0.607     | Valid       |
|                                   | X2.06           | 0.344     | 0.607     | Valid       |
|                                   | X2.07           | 0.344     | 0.720     | Valid       |
|                                   | X2.08           | 0.344     | 0.772     | Valid       |
|                                   | X2.09           | 0.344     | 0.415     | Valid       |
|                                   | X2.10           | 0.344     | 0.760     | Valid       |
|                                   | X2.11           | 0.344     | 0.794     | Valid       |
|                                   | X2.12           | 0.344     | 0.517     | Valid       |
|                                   | X2.13           | 0.344     | 0.814     | Valid       |
|                                   | X2.14           | 0.344     | 0.747     | Valid       |
|                                   | X2.15           | 0.344     | 0.688     | Valid       |
|                                   | X2.16           | 0.334     | 0.707     | Valid       |
|                                   | X2.17           | 0.334     | 0.720     | Valid       |
|                                   | X2.18           | 0.334     | 0.707     | Valid       |
| Employee Performance (Y)          | Y.01            | 0.344     | 0.786     | Valid       |
|                                   | Y.02            | 0.344     | 0.581     | Valid       |
|                                   | Y.03            | 0.344     | 0.832     | Valid       |
|                                   | Y.04            | 0.344     | 0.633     | Valid       |
|                                   | Y.05            | 0.344     | 0.669     | Valid       |
|                                   | Y.06            | 0.344     | 0.766     | Valid       |
|                                   | Y.07            | 0.344     | 0.777     | Valid       |
|                                   | Y.08            | 0.344     | 0.811     | Valid       |
|                                   | Y.09            | 0.344     | 0.844     | Valid       |
|                                   | Y.10            | 0.344     | 0.820     | Valid       |
|                                   | Y.11            | 0.344     | 0.790     | Valid       |
|                                   | Y.12            | 0.344     | 0.423     | Valid       |

Source: Processed data (2024)

Based on table 2 above, it shows that the R count for each statement item is greater than the R table value, which is 0.344, which means that all statements are declared valid so that the questionnaire is considered suitable for use in research.

**Reliability Test**

**Table 3. Reliability Test Results**

| Variables            | Chronbach's Alpha | N of Item | Information |
|----------------------|-------------------|-----------|-------------|
| Compensation         | 0.906             | 15        | Reliable    |
| Work motivation      | 0.926             | 18        | Reliable    |
| Employee performance | 0.929             | 12        | Reliable    |

Source: Processed data (2024)

Table 3 shows the *Cronbach's alpha value* for the compensation variable of 0.906. Work motivation of 0.926. Employee performance of 0.929. Thus, it can be concluded that the statements in this questionnaire are reliable because they have a *Cronbach's alpha value* of more than 0.60. This shows that each statement item used will be able to obtain consistent data, meaning that if the statement is submitted again, the answer will be relatively the same as the previous answer.

**Normality Test**



**Figure 3. PP Plot Normal Curve**

Based on Figure 3 above, it can be seen that in the normal probability plot graph, the points are spread around the diagonal line, and the spread is not too far or wide. In this case, the graph shows that the regression model is normally distributed (according to the assumption of normality), and is suitable for use. Then, the normality of the data can also be seen using the Kolmogorov-Smirnov test. This method is used to find out whether the residual data is normally distributed or not. The residual is normally distributed if the significance is more than 0.05. The following are the results of the Kolmogorov Smirnov test:

**Table 4. Kolmogorov-Smirnov Test Results**

| One-Sample Kolmogorov-Smirnov Test   |                |                         |            |
|--|----------------|-------------------------|------------|
|  |                | Unstandardized Residual |            |
| N  |                |                         | 33         |
| Normal Parameters <sup>a,b</sup>   | Mean           |                         | .0000000   |
|  | Std. Deviation |                         | 3.07104967 |
| Most Extreme Differences   | Absolute       |                         | .144       |
|  | Positive       |                         | .067       |
|  | Negative       |                         | -.144      |
| Test Statistics  |                |                         | .144       |
| Asymp. Sig. (2-tailed) <sup>c</sup>  |                |                         | .082       |
| Monte Carlo Sig. (2-tailed) <sup>d</sup>   |                | Sig.                    | .081       |
| 99% Confidence Interval  | Lower Bound    |                         | .074       |
|  | Upper Bound    |                         | .088       |
| a. Test distribution is Normal.  |                |                         |            |
| b. Calculated from data.   |                |                         |            |
| c. Lilliefors' Significance Correction.  |                |                         |            |
| d. Lilliefors' method based on 10000 Monte Carlo samples with starting seed 957002199. |                |                         |            |



Looking at table 4, the data in this study has a significance value of 0.082 ( $0.082 > 0.05$ ). This means that the data in this study is normally distributed data.

**Multicollinearity Test**

**Table 5. Multicollinearity Test Results**

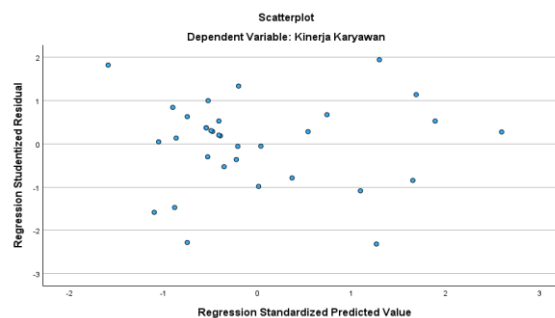
| Coefficients <sup>a</sup> |                 |                             |            |                           |       |       |                         |       |
|---------------------------|-----------------|-----------------------------|------------|---------------------------|-------|-------|-------------------------|-------|
| Model                     |                 | Unstandardized Coefficients |            | Standardized Coefficients | t     | Sig.  | Collinearity Statistics |       |
|                           |                 | B                           | Std. Error | Beta                      |       |       | Tolerance               | VIF   |
| 1                         | (Constant)      | -2,200                      | 7.302      |                           | -.301 | .765  |                         |       |
|                           | Compensation    | .265                        | .111       | .314                      | 2.377 | .024  | .721                    | 1.386 |
|                           | Work motivation | .468                        | .107       | .577                      | 4.371 | <.001 | .721                    | 1.386 |

a. Dependent Variable: Employee Performance

Source: Processed data (2024)

The results of table 5 above the calculation of the *variance inflation factor* (VIF) value show that the compensation VIF is 1.386 and the work motivation VIF is 1.386. This shows that no independent variable has a VIF value of more than 10. So it can be concluded that there is no multicollinearity between the independent variables in the regression model. The calculation results also show the tolerance value of each variable, namely compensation 0.721 and work motivation 0.721. This means that there are no independent variables that have a tolerance value of less than 0.10. So according to the tolerance value, there is no multicollinearity in the regression model. This is in accordance with the statement of Imam Ghozali (2012) that the *cut-off value* commonly used to assess the presence of multicollinearity is if the VIF value  $<10$  or the tolerance value  $> 0.10$ .

**Heteroscedasticity Test**



**Figure 4. Scatter Plot**

Based on Figure 4, it can be seen that the points are spread randomly both above and below the number 0 (zero) on the Y axis. These results indicate that there is no heteroscedasticity in the regression model. In other words, this regression model is suitable for use for compensation variables, work motivation, and employee performance.

**Multiple Linear Regression Analysis**

**Table 6. Multiple Linear Regression Results**

| Coefficients <sup>a</sup> |                             |            |                           |      |       |                         |      |
|---------------------------|-----------------------------|------------|---------------------------|------|-------|-------------------------|------|
| Model                     | Unstandardized Coefficients |            | Standardized Coefficients | t    | Sig.  | Collinearity Statistics |      |
|                           | B                           | Std. Error | Beta                      |      |       | Tolerance               | VIF  |
| 1                         | (Constant)                  | -2,200     | 7.302                     |      | -.301 | .765                    |      |
|                           | Compensation                | .265       | .111                      | .314 | 2.377 | .024                    | .721 |
|                           | Work motivation             | .468       | .107                      | .577 | 4.371 | <.001                   | .721 |

a. Dependent Variable: Employee Performance

Source: Processed data (2024)

Based on table 6 above, the following multiple linear equations can be obtained:

$$Y = -2,200 + 0.265X_1 + 0.468X_2$$

Where:

Y = Employee Performance

X<sub>1</sub> = Compensation

X<sub>2</sub> = Work Motivation

- The constant value (a) shows the value of employee performance (Y). This states that if there are no compensation and work motivation variables, the value of the performance variable is -2,200.
- The regression coefficient of the compensation variable (X<sub>1</sub>) is 0.265, which states that there is an influence between compensation and employee performance. If the compensation is better, employee performance will increase positively.
- The regression coefficient of the work motivation variable (X<sub>2</sub>) is 0.468, which states that there is an influence between work motivation and employee performance. If employee work motivation is better, employee performance will increase positively.

**Partial Regression Coefficient Test (T-Test and Significance Test)**

**Table 7. T-Test Results (Partial Test)**

| Coefficients <sup>a</sup> |                             |            |                           |      |       |                         |      |
|---------------------------|-----------------------------|------------|---------------------------|------|-------|-------------------------|------|
| Model                     | Unstandardized Coefficients |            | Standardized Coefficients | T    | Sig.  | Collinearity Statistics |      |
|                           | B                           | Std. Error | Beta                      |      |       | Tolerance               | VIF  |
| 1                         | (Constant)                  | -2,200     | 7.302                     |      | -.301 | .765                    |      |
|                           | Compensation                | .265       | .111                      | .314 | 2.377 | .024                    | .721 |
|                           | Work motivation             | .468       | .107                      | .577 | 4.371 | <.001                   | .721 |

a. Dependent Variable: Employee Performance

Source: Processed data (2024)

Looking at the SPSS output in table 7 coefficients in the t-test above and comparing the calculated t with the t<sub>table</sub> of 1,697 obtained from the t table with df = nk (33-3) which is 30 and alpha 0.05. The following is a discussion of the partial test between the dimensions of

compensation and work motivation on employee performance at UD. Jaya Makmur Perkasa Banjarmasin.

**Hypothesis 1: The Effect of Compensation on Employee Performance**

The results of the t-test for the compensation variable (X1 ) on employee performance (Y) show that the  $t_{\text{calculated}}$  is greater than the  $t_{\text{table}}$  ( $2.377 > 1.697$ ). A positive t value indicates that the variable X1 has a relationship in the same direction as Y. So the conclusion drawn is that  $H_{a1}$  is accepted and  $H_{01}$  is rejected. This means that compensation has a partial positive effect on employee performance at UD. Jaya Makmur Perkasa Banjarmasin.

**Hypothesis 2: The Influence of Work Motivation on Employee Performance**

The results of the t-test for the work motivation variable (X2 ) on employee performance (Y) show that the  $t_{\text{calculated}}$  is greater than the  $t_{\text{table}}$  ( $4.371 > 1.697$ ). A positive t value indicates that the variable X2 has a relationship in the same direction as Y. So the conclusion is that  $H_{a2}$  is accepted and  $H_{02}$  is rejected. This means that partially work motivation has a positive effect on employee performance at UD. Jaya Makmur Perkasa Banjarmasin.

**Simultaneous Regression Coefficient Test (ANOVA/F Test and Significance)**

**Table 8.F Test Results**

| ANOVA <sup>a</sup> |            |                |    |             |        |                    |
|--------------------|------------|----------------|----|-------------|--------|--------------------|
| Model              |            | Sum of Squares | Df | Mean Square | F      | Sig.               |
| 1                  | Regression | 498,197        | 2  | 249,098     | 24,761 | <.001 <sup>b</sup> |
|                    | Residual   | 301,803        | 30 | 10,060      |        |                    |
|                    | Total      | 800,000        | 32 |             |        |                    |

Source: Processed data (2024)

**Hypothesis 3 : The effect of compensation and motivation on employee performance**

Based on table 8 above, the  $F_{\text{calculated}}$  is 24.761. To determine the use of the F table statistical attachment, using a significance level of 0.05, with df 1 (number of variables -1) or  $3-1 = 2$  and df 2 (nk-1) or  $33-2-1 = 30$ . Then the  $F_{\text{table}}$  result is 3.32. This means that the  $F_{\text{calculated}} > F_{\text{table}}$ , which is  $24.761 > 3.32$ . Thus it can be concluded that  $H_0$  is rejected and  $H_a$  is accepted, which means that the independent variables, namely compensation and work motivation, simultaneously have a positive effect on the dependent variable, namely employee performance at UD. Jaya Makmur Perkasa Banjarmasin.

**Test of Determination Coefficient ( R<sup>2</sup> )**

**Table 9. Results of the Determination Coefficient Test (R<sup>2</sup>)**

| Model Summary <sup>b</sup>                               |                   |          |                   |                            |               |
|--|-------------------|----------|-------------------|----------------------------|---------------|
| Model  | R                 | R Square | Adjusted R Square | Std. Error of the Estimate | Durbin-Watson |
| 1  | .789 <sup>a</sup> | .623     | .598              | 3.172                      | 1,572         |
| a. Predictors: (Constant), Work Motivation, Compensation |                   |          |                   |                            |               |
| b. Dependent Variable: Employee Performance              |                   |          |                   |                            |               |

Source: Processed data (2024)

Through table 9 it can be seen that the R value is 0.789 and *R-Square* is 0.623 or 62.3% and the adjusted determination coefficient ( *Adjusted R Square* ) is 0.598 or 59.8%. The greater the *Adjusted R Square number*, the stronger the relationship between the three variables in the regression model. It can be concluded that 59.8% of performance variables

can be explained by compensation variables, work motivation, The difference (100-59.8) 40.2% is influenced or explained by other variables not included in the study.

## **Discussion**

### **The Influence of Compensation on Employee Performance at UD. Jaya Makmur Perkasa Banjarmasin**

Employee performance is inseparable from the compensation given to employees, because with compensation they become more enthusiastic to work as hard as possible, because by getting compensation they feel that their efforts are rewarded or rewarded properly. The results of this study indicate that compensation partially affects the performance of employees of UD. Jaya Makmur Perkasa Banjarmasin. The effect of compensation on performance is explained by several factors. The highest indicator of compensation is in the basic salary and bonus indicators.

The low basic salary and bonuses given by UD. Jaya Makmur Perkasa Banjarmasin are indicated to be able to reduce employee performance. The decrease in employee performance of UD. Jaya Makmur Perkasa Banjarmasin is indicated by not completing work on time, often being absent from work and delaying rest time. Employees of UD. Jaya Makmur Perkasa Banjarmasin feel that their work is not appreciated because the results they get are not appropriate.

The results of this study are in line with the results of previous studies from (Hidayat, Imam; Agustina, 2020) ; also the results of research (Norfiana, Agustina, & Alfiannor, 2021) ; and the results of research (Didi, Adha, & Asriyah, 2019) that compensation, both financial and non-financial, has a positive and significant effect on employee performance.

The results of this study are also in accordance with the theory put forward by Kasmir (2016) where employees who have good performance will certainly receive compensation, such as salary increases or other benefits. So that performance will affect employee compensation in a company. From the results of the study, UD. Jaya Makmur Perkasa Banjarmasin can increase the provision of compensation to employees so that it can later improve Employee Performance.

### **The Influence of Work Motivation on Employee Performance at UD. Jaya Makmur Perkasa Banjarmasin**

Employee performance is inseparable from the work motivation given, an employee will work optimally if his needs are met and he gets encouragement from the surrounding environment to achieve the goals that have been set. The results of this study indicate that work motivation partially affects employee performance. Rewards and recognition from superiors are the highest indicators for work motivation.

Rewards and recognition from superiors can reduce employee performance. With long working hours and a fairly high workload, employees of UD. Jaya Makmur Perkasa Banjarmasin want to be appreciated by their superiors. The lack of appreciation given by superiors makes employees of UD. Jaya Makmur Perkasa Banjarmasin feel that their performance is not appreciated. Employees of UD. Jaya Makmur Perkasa Banjarmasin who are dissatisfied with the organization will feel that the tasks and rewards received are not

appropriate, so that their performance decreases. This is indicated by the lack of employee responsibility for their work.

The results of this study also support the results of previous studies from (Affandi & Aisjah, 2016) ; also the results of research (Anwar, 2017) ; and the results of research from (Hidayat & Agustina, 2020) , and the results of research (Noor & Agustina, 2019) that employee work motivation greatly influences the performance produced in supporting the smoothness and success of the organization. Therefore, UD. Jaya Makmur Perkasa Banjarmasin must also pay attention to the work motivation of its employees so that performance continues to improve.

The results of this study are also in accordance with the theory put forward by Juliansyah (2013: 280) which states that if a person's work motivation is low, then their performance will also be low even though their abilities are there and good, and the opportunities are available. A person's work motivation is high but the opportunities to utilize their abilities are not there, then their performance will be low. Likewise, if their work motivation is high, opportunities are available, but abilities and expertise are not improved, then their performance will also be low. Based on the results of the study, UD. Jaya Makmur Perkasa Banjarmasin must increase the provision of Work Motivation to employees so that it can later improve the Employee's Performance.

### **The Influence of Compensation and Work Motivation on Employee Performance at UD. Jaya Makmur Perkasa Banjarmasin**

Employee performance cannot be separated from the compensation and work motivation given, as described above, compensation and work motivation are very important in order to achieve maximum employee performance. If both elements are applied together, employee performance will be more optimal.

The results of this study indicate that compensation and work motivation simultaneously affect the performance of employees of UD. Jaya Makmur Perkasa Banjarmasin. The inconsistency of expectations and results obtained and differences of opinion regarding solutions in determining conflict resolution reduce employee performance. This is indicated by work targets that are increasingly not met, there is no sense of mutual support between employees who work in teams, making employees frustrated or no longer have high work enthusiasm. This is indicated by the attitude of employees who are often absent or ask for permission not to come to work.

The problem of lack of basic salary and bonus for employees of UD. Jaya Makmur Perkasa Banjarmasin will decrease employee performance. It is shown by the behavior of superiors who are less concerned with employee requests for salary increases given by the company. This creates a sense of being unappreciated among employees of UD. Jaya Makmur Perkasa Banjarmasin, they feel they are being treated unfairly and have been given a heavy burden in their work, so that employee performance decreases.

Lack of appreciation from superiors can reduce employee performance. The management of UD. Jaya Makmur Perkasa Banjarmasin does not respect the contribution of employees, so employees of UD. Jaya Makmur Perkasa Banjarmasin have a sense of displeasure in working. This displeasure creates a sense of indifference between employees

of UD. Jaya Makmur Perkasa Banjarmasin, they feel they are not part of the company, so employee performance decreases. This is indicated by low work responsibility.

The results of this study are also in line with the results of previous studies from (Hidayat & Agustina, 2020) and the results of research from (Hidayat, Imam; Agustina, 2020) , as well as the results of research from (Wahyuni & Maretasari, 2022) that compensation and work motivation have a joint effect on employee performance.

Based on the research, it can be seen that compensation and work motivation together have a positive influence on employee performance, so that to improve employee performance, UD. Jaya Makmur Perkasa Banjarmasin must provide compensation and work motivation together so that employee performance will increase.

### **CLOSING**

Based on the data obtained in the study on the influence of compensation and work motivation on employee performance at UD. Jaya Makmur Perkasa Banjarmasin. Respondents in this study amounted to 33 employees, then analyzed, the conclusions are as follows:

1. Compensation partially affects the performance of employees of UD. Jaya Makmur Perkasa Banjarmasin by 29.8%.
2. motivation partially influences the performance of employees of UD. Jaya Makmur Perkasa Banjarmasin by 30%.
3. Compensation and work motivation simultaneously affect the performance of employees of UD. Jaya Makmur Perkasa Banjarmasin by 59.8%.

### **SUGGESTION**

From the results of this study, several suggestions can be put forward as follows:

#### 1) Practical Advice

For UD. Jaya Makmur Perkasa Banjarmasin, the results of this study should be used as a consideration to improve employee performance. The results of this study show a positive value, which means that if compensation and motivation are increased, performance will also increase, so it is better for leaders to always provide good compensation and increase motivation.

#### 2) Theoretical Suggestions

- a. It is recommended for other researchers to use this as a guideline/reference for conducting more in-depth research on the contribution of compensation and motivation variables to performance.
- b. It is recommended for further researchers to conduct research by looking at the correlation of factors that influence employee performance.

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