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## Compensation Analysis on Employee Performance of CV. XYZ

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### **Abstract**

The company uses various ways to improve the performance of each of its employees, including education, training, compensation, creating a conducive and motivating work environment. Compensation is the right of employees and the obligation of the company to support the contribution of employees in order to achieve the goals that have been determined. Employee performance is one of the most important aspects in a company because it is one of the keys to the success of the company's targets. This type of research is descriptive with a non-statistical quantitative approach using a sample of 20 employees by observation and interview methods. The results of the study show that good performance is influenced by several factors. The factors that affect one of them are compensation. The provision of salaries, incentives and social security should be carried out according to employee performance to avoid unwanted things such as employee turnover.

**Keywords:** Compensation, Employee Performance, Improving Performance.

### **Abstrak**

Perusahaan menggunakan berbagai cara untuk meningkatkan kinerja setiap karyawannya, antara lain pendidikan, pelatihan, pemberian kompensasi, menciptakan lingkungan kerja yang kondusif dan memberi motivasi. Pemberian kompensasi merupakan hak para karyawan dan kewajiban dari pihak perusahaan untuk menunjang kontribusi para karyawan dalam rangka mencapai tujuan yang telah ditentukan. Kinerja karyawan menjadi salah satu aspek terpenting dalam sebuah perusahaan karena menjadi salah satu kunci keberhasilan target perusahaan. Penelitian ini bertujuan untuk mengetahui bagaimana kompensasi dapat mempengaruhi kinerja karyawan dan persepsi karyawan terhadap kompensasi yang ada. Jenis penelitian ini merupakan deskriptif dengan pendekatan kuantitatif non statistic menggunakan sampel sebanyak 20 karyawan dengan metode observasi dan wawancara. Hasil penelitian menunjukkan bahwa kinerja yang baik dipengaruhi oleh beberapa faktor. Adapun faktor-faktor yang mempengaruhi salah satunya yaitu kompensasi. Pemberian gaji, insentif dan jaminan sosial hendaknya dilakukan sesuai performa kinerja karyawan untuk menghindari hal-hal yang tidak diinginkan seperti turnover karyawan.

**Kata Kunci:** Kompensasi, Kinerja Karyawan, Meningkatkan Kinerja.

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## **INTRODUCTION**

The management of the power of the human race has become a surplus of problems that are very difficult for the leaders of the country to ensure the continuity of the situation in the face of the fierce competition in the era of globalization. In the process or perfection of the organization, the power of the human beings is the performance of the figures of the people of the people, the people of the people, the people, the people, the The achievement of organizational regulation or regulation does not only depend on sophisticated regulations, but also depends on the supervision of human resources that carry out the most important work. The results of organizational structure are greatly influenced by the performance of each individual. Organizations or regulations will be necessary to improve the performance of their employees in the hope that the results can be achieved.

The Ministry of Education has various ways to improve the performance of each of its employees, including education, training, competition, creating a conducive work environment and providing motivation. The government of the Republic of Korea (PR) is responsible for the rights of employees and the obligations of the government to support the contribution of employees in order to achieve the requirements that have been stated. If the employees understand and pay attention to the good work of each employee, each employee will be more motivated in caring for their work. Basically, employees who work for the salary.

Every employee of the business environment is aware of the problems and problems when working with the company. For some employees, the hope of urnturk getting us is the only reason why urnturk works, while others believe that we are just one of the many reasons for the work that is carried out through the work. Because the competition is part of the interaction between the government and the employee, then the leadership of the government can promote reciprocity through the conflict to ensure that harmony is achieved. Compassion is the something that employees receive for their knowledge and the knowledge that they have achieved (Putri & Waskito, 2021). The purpose of providing compensation includes, among others, cooperation, work satisfaction, effective procurement, motivation, employee stability, discipline, and the influence of labor unions and the government.

Payments in compensation are those that are directly linked to performance such as wages or salaries, bonuses, and commissions so that they are often referred to as direct compensation, and there are those that are not directly linked to performance as a way to improve employee satisfaction and work satisfaction such as allowances. The provision of compensation will always be linked to the quantity, quality and benefits of services provided by employees to the company where they work. The importance of compensation for employees has a significant impact on employee behavior and performance. The higher the compensation received by employees, the higher the welfare of retirees. This motivates employees to carry out their work responsibilities and to retire if the compensation

received is low, then the welfare of retired employees will decrease and result in a decrease in work enthusiasm in the work so that this causes losses to the company because the company's honesty is not achieved optimally. A good compensation system is a system that is able to guarantee the satisfaction of the company's employees which ultimately allows the company to recruit, maintain, and employ a number of high-performing employees for the common good. Employees have various expectations from the company, and the organization also has an impact on employees. If the compensation provision runs smoothly and according to plan, then the next step that is expected to occur is an increase in employee performance. Every company needs compensation to improve the performance of its employees. In addition, compensation also affects employee performance (Sinaga & Hidayat, 2020).

Employee performance is one of the results of work carried out by individuals that is described in accordance with the individual's own role or task in the company's regulations at a certain time, with results that are always in accordance with the value and standard regulations of the company where the individual works (Supadmi, 2023). Employee performance is one of the most important aspects in a company because it is one of the keys to the success of the company's targets. In order for the company's regulations to improve their quality, it is important to improve the performance of its employees. For corporate governance, performance research is very useful for assessing the quantity, quality, motivation of employees and carrying out supervision and improvement. Optimizing employee performance is very necessary for increasing productivity and ensuring the sustainability of the company's life. However, there are still employees who show less than optimal performance. This is indicated by the fact that there are still employees who use their work time casually, their skills in completing their tasks are still lacking, and their responsibility in completing tasks is still lacking. Therefore, providing compensation can create employee work motivation. With the clash of motivations, it will be able to produce good results and performance that is of high quality.

Based on the phenomena described, this study was conducted to identify compensation and performance, and to find out how the provision of compensation affects the performance of CV XYZ employees.

## **RESEARCH METHOD**

This research is a type of non-statistical quantitative research. The performance assessment method uses the behaviorally anchor rating scale (BARS) method which is assessed directly by HRD. The tool in measuring compensation uses the benchmarking method. In conducting this research, the author emphasizes the problems related to the dependent variables consisting of compensation (financial and non-financial) and the dependent variable is employee performance. The subjects of this research are employees of CV XYZ. The population in this study amounted to 20 people who

work at CV XYZ. The sample used was Convenience sampling amounting to 3 people consisting of PIC gurdang (1 person), financier (1 person), admin (1 person) who were assessed directly by HRD. With observation data collection techniques, interviews and literature studies. In this research, the author uses four stages of data analysis research consisting of four activity flows that occur simultaneously, such as data reduction, data collection, data presentation, and drawing conclusions.

## **RESULT AND DISCUSSION**

This chapter presents the analysis and discussion of the research results regarding the analysis of compensation calculations in improving employee performance at CV XYZ. This analysis is intended to understand compensation calculations, performance assessments and compensation rewards in improving employee performance. The data analyzed were obtained from the results of observations, interviews (interviews) directed at respondents who are employees of CV XYZ and library study participants.

This study is a non-statistical quantitative study with a descriptive approach method, the data obtained from the research survey were analyzed in accordance with the non-statistical method used and then presented. The data sources of this study include PIC gurdang (1 person), financier (1 person), admin (1 person). The variables studied in this study are compensation calculations and employee performance. The data from the research results can be seen in the following description:

### **Compensation Analysis CV XYZ**

#### **Direct financial compensation**

Direct compensation is the type of compensation that employees can receive directly as a reward for the services they provide.

##### **1. Basic Salary**

Salary or also known as basic salary is the basic reward given to employees based on the type or level of their work. At CV XYZ, basic salary is paid on the 30th of each month. Basic salary is also adjusted according to the length of time the employee has worked. Basic salary at CV XYZ increases every year by Rp. 50,000. Employees receive basic salary after 7 months of work, amounting to Rp. 550,000. For employees who work 1-6 months only receive a daily salary of Rp. 87,500/day.

The following is an interview conducted by the author with Mrs. VNA as the warehouse PIC. She explained as follows: "In my opinion, the salary given is sufficient, but if you look at the current Regional Minimum Salary, the salary should be increased, especially since there is more work because the company continues to grow every day and the number of branches is also increasing" (interview results dated June 8, 2024).

The following is an interview conducted by the author with Mrs. RHM as Finance. She explained as follows: "In my opinion, the salary given is sufficient, but if you look at the current Regional Minimum salary, the salary should be increased" (interview results dated June 8, 2024).

The following is an interview conducted by the author with Mrs. FRD as Admin. She explained as follows: "In my opinion, the salary given is not sufficient and also the work is getting more and more because the company continues to grow every day and the number of branches is also increasing" (interview results dated June 8, 2024).

From the interview results, it is indicated that the basic salary is still lacking and is considered inadequate to meet the needs of employees' lives. And also, when viewed with similar retail benchmarking such as Indomaret, the salary of CV XYZ employees is still far below Indomaret's Regional Minimum Salary of Rp. 5,061,387.

2. Incentive or bonus

Incentives are a way for companies to provide compensation to employees in addition to salary or monthly wages as a reward for their hard work. Incentives are intended to encourage, maintain, and improve the work spirit and performance of employees for the company.

From the results of the interview based on the level of absence if 1 full employee without absence will be given an absence bonus. If 1 full employee has absence, then the absence bonus is not given. In addition, bonuses are also given during Eid al-Fitr in the form of allowance bonuses. Usually, full allowance bonuses are given to employees who have worked for more than 1 year. While employees who have worked for less than 1 year are given allowance bonuses according to their length of service. From the table 1, it can be seen bonus CV. XYZ.

Indirect Financial Compensation

Indirect compensation given to employees as members of the organization, such as health insurance, payment for time off and pensions.

Table 1. Bonus CV. XYZ

Bonus	Total
Attendance	Rp. 300.000
Allowance	>1 year = full basic salary <1 year = working hours/12 x salary

## 1. Health Allowance

Health Allowance is a cost incurred by the company as a work allowance related to health. Based on the results of the interview, the health allowance is given every month together with the basic salary on the 30th of Rp 30,000. Employees who are registered for Health Allowance are only employees who have worked for more than 2 years.

The following author conducted an interview with Mrs. VNA as PIC of the warehouse, she explained as follows: *"I only get health benefits, there used to be vacations from the office but now there are none anymore"* (interview results dated June 8, 2024).

The following is an interview conducted by the author with Mrs. RHM as Finance. She explained as follows: *"I only get health benefits, there used to be vacations from the office but now there are none anymore"* (interview results dated June 8, 2024).

The following is an interview conducted by the author with Mrs. FRD as Admin. She explained as follows: *"I have not received health benefits because benefits are only given to employees who have worked for 2 years or more"* (interview results dated June 8, 2024).

## 2. Leave of Absence

A leave of absence is a period of time that is allowed to be taken off work. At CV XYZ, a leave of absence is granted after the employee has worked for 2 years.

## Non-Financial Compensation

Non-financial compensation is a reward that can provide comfort, pleasure, and satisfaction through non-material things such as work (interesting tasks, responsibility, recognition and a sense of achievement). Work environment (healthy policies, pleasant relatives, comfortable work environment). Based on the results of interviews with informants, employee compensation given varies based on length of service and work bonuses (absences). The company provides direct compensation to its employees in the form of salary, incentives, bonuses, and health benefits. Based on the results of interviews with informants, the compensation given by CV XYZ to its employees is still far below the Regional Minimum Salary set by the government, which is Rp. 5,061,387, so it still depends on daily workload.

The following is an interview conducted by the author with Mrs. VNA as the warehouse PIC. She explained as follows: *"In my opinion, compensation has an impact on improving employee performance and if salaries follow the minimum wage like other retail stores (Indomaret), employees will work harder"* (interview results dated June 8, 2024). The following is an interview conducted by the author with Mrs. RHM as Finance. She explained as follows: *"In my opinion, compensation has quite an impact on improving employee performance and if salaries follow the minimum wage like other retail stores (Indomaret), employees will work harder"* (interview results dated June 8, 2024).

The following is an interview conducted by the author with Mrs. FRD as Admin. She explained as follows: "In my opinion, compensation has an impact on improving employee performance and if the salary is in accordance with the workload, employees will work comfortably" (interview results dated June 8, 2024). Compensation can be a motivation for an employee to work and affect the morale and discipline of employees. The provision of compensation is very important for employees because the amount of compensation is a measure of employee performance, so if the compensation system provided by CV XYZ is better for its employees, it will encourage employees to do their jobs better and be more responsible for their work.

### **Employee Performance Appraisal Analysis CV XYZ**

In improving employee performance, all new employees and permanent employees of CV XYZ always carry out training activities for 1 week at the branch store to increase knowledge, improve skills, determine attitudes, and improve employee competence. All employees of CV XYZ always carry out routine training every few months, including carrying out performance assessments. The following aspects are assessed in performance assessments:

#### **Work Discipline**

Work discipline is the awareness and willingness of employees to obey all organizational/company regulations and applicable social norms. The indicators assessed in CV XYZ's work discipline are attendance and discipline in coming to work. In improving discipline at CV XYZ, the company provides bonuses for employees who are never absent and on time. So as to motivate employees to always be present and on time.

#### **Responsibility**

Responsibility is a collection of tasks that are an obligation for individuals and need to be handled until completion, of course with good results. The responsibilities assessed in CV XYZ are actions in carrying out tasks, initiatives in facing difficulties and continuing to develop abilities in order to improve self-quality and company quality.

#### **Attitude**

Work attitude as an action that will be taken by employees and obligations that must be carried out in accordance with the responsibilities whose results are comparable to the efforts made. The attitude assessed in CV XYZ is being able to manage time as well as possible so that work can be completed quickly and well. The attitude that is assessed next is work motivation, if an employee has

work motivation and learning motivation, then the tasks carried out will feel enjoyable and not become a burden.

### Competence

Competence has been defined by many figures, dictionaries, and laws. However, in general, the definition of competence is a combination of skills, behavior, attitudes, and knowledge shown by an employee who has done his job with good results. To improve the competence of CV XYZ employees, they hold training for new employees and permanent employees. Creativity is also a benchmark in assessing competence and productivity is also included in the assessment of CV XYZ employees.

### Innovative

Innovative is a system that is intended to introduce new systems or is innovative. Innovation is needed in assessing the performance of CV XYZ because new ideas are needed to develop the company. From the table 2, it can be seen that the employee performance assessment of Interviewee 1 has a very good value in attitude. Based on the interview, Interviewee 1 is an old employee who has worked for 3 years and routinely carries out training. This is the basis for assessing his performance quite well.

**Table 2. Employee Performance Assessment for resource person 1 period May 2024**

No	Performance assessment aspects	Score value
I. Discipline		
1	Absence	3
2	Work Hour discipline	3
II. Responsibility		
1	Perform Task	4
2	Inisiative	4
3	Developing Skills	3
III. Attitude		
1	Time Management	4
2	Work and Learning Motivation	4
IV. Competence		
1	Knowledge	4
2	Skill	4
3	Creativity & Productivity	3
V. Innovative		
1	Having innovative	3



The following is an interview conducted by the author with Mrs. VNA as the warehouse PIC. She explained as follows: "In completing my work, I have followed the existing SOP and worked according to the specified working hours and if I have not completed my work, I will work overtime. And in terms of performance appraisal, in my opinion, sometimes the weakness of the leader is that they assess based on closeness, either personally or at work, and the advantage of the performance appraisal is that employees will be more active in working. To improve employee performance, in my opinion, compensation can be increased again because if salaries increase, employees will be enthusiastic about working" (interview results dated June 8, 2024).

From the table 3, it can be seen that the employee performance assessment of interviewee 2 has a poor score. Interviewee 2 is an old employee who has worked for 3 years. The performance assessment of interviewee 3 decreased due to the unsatisfactory balance between the salary received and his performance.

The following is an interview conducted by the author with Mrs. RHM as Finance, she explained as follows: "In completing my work, I have followed the existing SOP and worked according to the specified working hours. And in the performance assessment, the weakness in my opinion is that sometimes the leader assesses based on closeness, either personally or at work, and the advantage of the performance assessment is that it can increase employee enthusiasm. To improve employee performance, I think the compensation can be increased again because if the salary increases, employees will be enthusiastic about working and the work environment also has an effect on improvement because if employees are comfortable, employees can work better" (interview results dated June 8, 2024).

From the table 4, it can be seen that the employee performance assessment of interviewee 3 has a poor score. Based on the interview, interviewee 3 is an old employee who has worked for 2 years. The performance assessment of interviewee 3 decreased due to the unsatisfactory balance between the salary received and his performance.

The following is an interview with Mrs. FRD as Admin, she explained as follows: "In completing my work, I have followed the existing SOP and worked according to the specified working hours and if I have not completed my work I will work overtime. And in the performance assessment, in my opinion, sometimes the weakness of the leader is to assess based on closeness, either personally or at work, and the advantages of a good performance assessment are to improve oneself so that the performance results are even better. To improve employee performance, in my opinion, compensation can be increased again because if the salary increases, employees will be enthusiastic about working and the work environment can be accustomed to communication between employees/superiors again" (interview results dated June 8, 2024).

**Table 3. Employee Performance Assessment for resource person 2 period May 2024**

No	Performance assessment aspects	Score value
<b>I. Discipline</b>		
1	Absence	3
2	Work Hour discipline	3
<b>II. Responsibility</b>		
1	Perform Task	3
2	Inisiative	3
3	Developing Skills	2
<b>III. Attitude</b>		
1	Time Management	3
2	Work and Learning Motivation	2
<b>IV. Competence</b>		
1	Knowledge	3
2	Skill	4
3	Creativity & Productivity	3
<b>V. Innovative</b>		
1	Having innovative	2

**Table 4. Employee Performance Assessment for resource person 3 period May 2024**

No	Performance assessment aspects	Score Value
<b>I. Discipline</b>		
1	Absence	3
2	Work Hour discipline	3
<b>II. Responsibility</b>		
1	Perform Task	3
2	Inisiative	2
3	Developing Skills	2
<b>III. Attitude</b>		
1	Time Management	3
2	Work and Learning Motivation	3
<b>IV. Competence</b>		
1	Knowledge	3
2	Skill	3
3	Creativity & Productivity	2
<b>V. Innovative</b>		
1	Having innovative	3

From the results of this analysis, it can be interpreted that compensation includes direct financial compensation and indirect financial compensation to improve employee performance. Employee compensation given also varies based on length of service, daily work and also work bonuses (absences). Length of service is a factor in the difference in compensation because the longer the service, the greater the basic salary given. In addition, for employees who have never been absent and are too punctual will be given an absence bonus. This indicates that the level of compensation given to employees affects work motivation and learning motivation. Compensation is needed to increase employee work enthusiasm which has an impact on the level of performance produced. The amount of compensation can affect employee work performance, motivation and work satisfaction. The desire

of employees to reduce this workload can motivate someone to carry out the workload including carrying out work or working.

Compensation is very important for employees because the amount of compensation is a measure of employee performance, so if the compensation system provided by the company is fair enough for employees, it will encourage employees to do their jobs better and be more responsible for each task given by the company. The fairness of compensation carried out by the company includes appreciating employee performance, ensuring fairness among employees, retaining employees, getting more qualified employees and the compensation system must be able to motivate employees to improve employee performance. Therefore, the compensation given by CV XYZ can improve the performance of its employees. The compensation given will increase work motivation and learning motivation so that employees can develop their abilities to improve the quality of the company.

## CONCLUSION

Based on the results of research through observation and interviews with CV XYZ sources regarding compensation for employee performance, it can be concluded that:

1. The results of the author's observations related to the compensation system provided by CV XYZ are in the form of direct and indirect financial compensation and there is also non-financial compensation. Direct financial compensation is in the form of basic salary and incentives while indirect financial compensation is in the form of health benefits and work leave. Non-financial compensation is in the form of a comfortable working environment and healthy policies. In the interview, several employees felt satisfied with the compensation they received, but there were also several employees who felt less satisfied. This is because each employee's level of compensation composition has different flexibility. This indicates that it will not be optimal. Therefore, providing fair compensation is very necessary in order to improve employee performance. The compensation that has been given by CV XYZ has an important role in improving employee performance. Because with the compensation obtained, employees will be more enthusiastic in carrying out their work and the better the results obtained by the company.
2. Based on the results of interviews with 3 sources, according to the perception of the sources, the compensation system of CV XYZ needs to be improved again, when compared to other retail stores such as Indomaret, CV XYZ employee salaries are still far from the Regional Minimum Salary. And the impact on employee performance is reduced enthusiasm for work so that it can affect the results obtained by the company.
3. Employee performance at CV XYZ, there are employees who experience a decline, caused by employees feeling that their responsibility for their work is not comparable to the

compensation given, but some employees have stable performance. Based on the results of the interview, compensation, responsibility, skills, and leadership can affect the improvement of employee performance. This indicates that employee performance is already good. If the compensation given is sufficient, employees will complete their tasks optimally.

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