

**Work Productivity Through Compensation, Experiences and Welfare Benefits
PT Summit Oto Finance Surabaya**

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ABSTRACT

Competition in the business world is getting tougher. Companies must be managed dynamically, following the current trends, where the world cannot be separated from technology and the Internet. One of the basic prerequisites for creating competitive advantage is the availability of reliable and competent human resources in accordance with the characteristics of the company. The high level of employee work performance is influenced by several factors including compensation, work experience, and benefits. Compensation, work experience, and welfare benefits are seen as one of the things that can affect the work productivity of employees, because both of these things are now not viewed solely as a means of satisfying material needs but have been one of the basic needs of humans. Hypothesis testing is done based on quantitative tests with relevant statistical test tools. The results of the study state that Compensation, work experience, and welfare benefits have a significant effect on employee work productivity. This is indicated by the probability value of t-count for the variable wages, years of service, and welfare benefits. Compensation has a dominant influence on employee work productivity. This is indicated by the Beta coefficient value for the compensation variable of 0.444 greater than the value of the Beta coefficient variable work experience and welfare benefits.

Keywords: Work Productivity, Compensation, Experiences, Welfare Benefits

I. INTRODUCTION

In the current era of globalization there is a lot of competition among the business world that is growing very rapidly. Companies that are not able to compete will not be able to survive and will even be eliminated from the business world they are running. This is related to one specific objective and must be sought by each type of business from each company, which is able to maintain the survival of the company for a long period of time. In addition, as for the general purpose of the company, namely to obtain the maximum profit or profit from each of its business fields.

One of the basic prerequisites for creating competitive advantage is the availability of reliable and competent Human Resources in accordance with company characteristics, vision, mission and strategic objectives of the company is the main ability to be able to build attitudes and behaviors that are able to face future developments. A company in carrying out its activities is always dealing with humans as a dynamic resource and has the ability to develop. Besides that humans are also a key factor for the success or failure of a company in achieving its intended goals. Human Resources also have a role in increasing productivity for a company, because in a corporate environment productivity problems are emphasized on employees who play a role in it. In connection with this, it is necessary for employees who are responsible for a wide range of tasks and are authorized to complete their respective work activities.

Human Resources is also an important asset that must be owned by the company and always must be considered the

needs and desires, so that it is expected to generate high loyalty and dedication to the company that can finally achieve the company's goals. Quality employees are employees who in their jobs are able to provide good work results, in other words employees who have a high level of work performance needed by the company. The high level of employee work performance is influenced by several factors, some of which are compensation, work experience, and benefits. Compensation for employees has two benefits, namely as a reward or remuneration for its performance and as an incentive for increasing company productivity. In return, Compensation is the right of employees to the energy or thoughts that have been issued. As a stimulus for productivity, Compensation can increase the motivation of workers to work harder.

Compensation is a service for work performance to employees that is directly related to productivity. While productivity is the amount of results achieved by a worker or unit from other production factors within a certain period of time. This is because the productivity process is closely related to the survival of its employees. Empirical evidence also provides a basic reference that there is a positive link between education and training, among others carried out by [1], stating that there is a significant influence on the variable Compensation for work productivity when used partially and together or simultaneously. Then [2] engagement not only has the potential to significantly influence employee retention, productivity, and loyalty, but also is a key link to customer satisfaction, company reputation, and overall stakeholder value.

Research results from [3], shows that mandatory benefits and additional benefits are positively influenced by organizational commitment. The results further state that benefits are fully mediated in mandatory benefits when predicting organizational commitment. Then [4], highlights the significant relationship between (a) the practice of strategic compensation and affective organizational commitment, (b) affective organizational commitment and knowledge sharing, (c) the practice of strategic compensation and psychological contracts, and (d) psychological contracts and knowledge sharing. The results show that the practice of strategic compensation is positively related to affective organizational commitment and psychological contracts. In addition, the results provide evidence that affective organizational commitment and psychological contracts have a significant mediating effect on the relationship between strategic compensation practices and knowledge sharing. Managerial and practical implications of the findings are highlighted. Increasing organizational commitment among faculty members is an important element because it will ultimately result in higher employee commitment, increase retention and they will do better. [5]

In contrast to Compensation, work experience is more of a person experience in a company. Work experience is the length of time an employee contributes energy to a particular company.[6] Support for empirical evidence also shows the strengthening of the relationship. In [7], also provides evidence of a positive and significant influence on work experience on the work productivity of technicians in Nissan workshops. Even [8], provides evidence of a significant influence on work experience on employee performance productivity at PTP Nusantara II Seberang Oil Palm Plantation in Langkat District, North Sumatra. There is a very close relationship between welfare benefits and employee productivity. Every employee will have a passion in work that will generate perseverance in work, if they get a good allowance or guarantee from the company where they work. Empirically [8], provides evidence of the significant influence of work experience on employee performance

II. METHODOLOGY

RESEARCH PROBLEM

Based on the description above, then the formulation of the problem in this study are:

1. Is the variable Compensation, work experience and welfare benefits having an effect simultaneously on employee work productivity at PT. Summit Oto Finance in Rungkut - Surabaya?
2. Is the variable Compensation, work experience and welfare benefits having a partial effect on the work productivity of employees at PT. Summit Oto Finance in Rungkut - Surabaya?
3. Among the variables of Compensation, work experience and welfare benefits, which variable has the dominant influence on employee productivity at PT. Summit Oto Finance in Rungkut - Surabaya?

productivity at PTP Nusantara II Seberang Oil Palm Plantation in Langkat District, North Sumatra. Productivity is very important for a company, because with productivity it is expected that most of the regulations will be adhered to by employees. To improve efficiency, it needs to be balanced with good welfare benefits.

To increase productivity, the factor of human resources must be increased continuously so that the company's activities can run smoothly as expected. So the company must meet the welfare benefits of all employees first, so that work productivity will arise from the employees themselves who will increase the high efficiency of the company. Therefore, between welfare benefits and productivity have a very close relationship. This means that for a company that wants to increase work productivity it should also increase welfare benefits, especially if the welfare benefits provided are still too low. A study of the relationship between compensation packages, work motivation and job satisfaction conducted by [9] shows that there are 3 important factors, including (1) under certain conditions, individual compensation of employees freed can be a work motivation factor; (2) flexible payments of employees who are not released do not motivate or increase job satisfaction; (3) the benefits of employees who are released and not released do not motivate or increase job satisfaction.[10]

However, empirical research by [11] shows the results of a significant negative effect on employee performance wages. Another finding is the negative influence of wages which is moderated by the quality of work life caused by the influence of intrinsic motivation (quality of work life) which is stronger than extrinsic motivation (wages). Quality of work life is a pseudo moderator that weakens the wage variable.

In addition to addressing the problem of skills and expertise, human resource management also has an obligation to build a conducive behavior of employees in relation to produce a good performance or performance. [13].

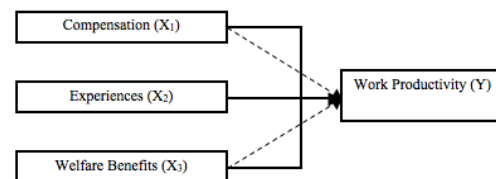


Figure 1 : Conceptual framework

III. RESULTS AND DISCUSSION

METHODS

Hypothesis testing is based on quantitative tests with relevant statistical test tools. In this case to find out the answers to each instrument item, a Likert Scale will be used. The population in this study were all employees at PT. Summit Oto Finance in Rungkut - Surabaya engaged in services, especially leasing. In this study a sample of all populations was used. When this research was conducted in June 2018 to conduct field surveys and data collection needed by researchers.

DISCUSSION

Based on the results of data analysis using regression can be seen in table 4.15, it is known that the tcount for each variable is:

a. Compensation variable (X1)

The tcount of the Compensation variable is 4.001 with a significance degree of 5% or 0.05. The values for the free division of dividers ($df = n-k-1 = 60-4-1 = 55$) are 2,004 with a significance of 0,000 <0,05. This means that $t \text{ count} > t \text{ table}$. Thus H_0 is rejected and H_a is accepted, meaning that the Compensation variable has a positive and significant effect on employee work productivity. The results of this t test prove that the second hypothesis (H_2) states that the Compensation variable (X1) significantly influences the work productivity of employees (Y) PT. Summit Oto Finance in Rungkut - Surabaya.

b. Variable work experience (X2)

The tcount value of the work experience variable is 3.352 with a significance degree of 5% or 0.05. The ttable value for divider-free degrees ($df_2 = n-k-1 = 60-4-1 = 55$) is 2,004 with a significance of 0.001 <0.05. This means that $t \text{ count} > t \text{ table}$. Thus H_0 is rejected and H_a is accepted, meaning the variable Work experience has a positive and significant effect on employee work productivity. The results of this t test prove that the second hypothesis (H_2) states that work experience (X2) significantly influences the work productivity of employees (Y) PT. Summit Oto Finance in Rungkut - Surabaya.

c. Welfare Allowance Variable X3

The t-count value of the Welfare Allowance variable is 3.509 with a significance degree of 5% or 0.05. The table value for divider-free degrees ($df_2 = n-k-1 = 60-4-1 = 55$) is 2,004 with a significance of 0.001 <0.05. This means that $t \text{ count} > t \text{ table}$. Thus H_0 is rejected and H_a is accepted, meaning that the welfare benefit variable has a significant effect on employee work productivity. The results of this t test prove that the second hypothesis (H_2) states that the work environment (X3) significantly influences the work productivity of employees (Y) PT. Summit Oto Finance in Rungkut - Surabaya.

Effect of Compensation on Work Productivity

In testing regression the regression coefficient of the Compensation variable is equal to 0.740 with a significance value of 0.000 <0.05, meaning that Compensation has a positive and real effect on work productivity, meaning that if there is a 1% increase in the value of compensation the company can increase the level work productivity of 0.740%. Compensation has a significant effect on organizational motivation and commitment, but has no significant effect on employee performance. Organizational commitment and motivation have a significant effect on employee performance, as well as a significant influence on organizational commitment to employee performance. [12] The same finding was made by [13] which stated that compensation had a positive impact on employee performance.

Effect of work experience on work productivity

In testing regression the regression coefficient of the work experience variable is equal to 0.642 with a significance

value of 0.001 <0.05, meaning that work experience has a positive and real effect on employee work productivity, meaning that if there is an increase of 1% in the duration of work experience, it will can also increase the level of employee productivity by 0.642%. The results of the study showed that there was a positive and significant influence (1) work experience and job satisfaction on employee work productivity, (2) work experience on employee job satisfaction, (3) work experience on employee work productivity, and (4) employee job satisfaction on employee productivity in the weaving industry in Kalianget Village.

Effect of Welfare Benefits on Work Productivity

In regression testing the regression coefficient value of the welfare benefits variable is 0.316 with a significance value of 0.001 <0.05 meaning that welfare benefits have a positive and real effect on employee work productivity, meaning that if there is an increase in value of 1% in providing welfare benefits by the company it can increase also the level of employee work productivity is 0.316%.

To test the third hypothesis or dominant seen from the highest beta coefficient. This can be seen from table 4.15 with beta compensation coefficient (X1) of = 0.444; Work experience (X2) of = 0.381; and Welfare Allowance (X3) = 0.216. Thus Compensation has a dominant effect on Work Productivity. So that it can be said that the provision of Compensation at PT. Summit Oto Finance in Rungkut - Surabaya was very influential on the progress of this company. If Compensation is given well, then the quality of HR at PT. Summit Oto Finance in Rungkut - Surabaya will be more qualified and the company will achieve success in accordance with the objectives of the company.

Supported by respondents' responses, for the Compensation variable (X1) the respondent's response value is higher than the respondent's response to the Work Experience variable (X2) and the Benefit Allowance (X3). This conclusion is in accordance with the third hypothesis which states that compensation has a dominant influence between work experience and welfare benefits on work productivity at PT. Summit Oto Finance in Rungkut - Surabaya. So, the third hypothesis in this study has been proven.

IV. CONCLUSION

Based on the discussion of the results of the study, according to the hypothesis carried out by multiple linear regression analysis, conclusions can be drawn as follows:

1. The results of the F test analysis obtained $F_{\text{count}} 88.847 > F \text{ table } 2.77$ at the significance level of 5%. Then the Compensation variable (X1), work experience (X2) and welfare benefits (X3) simultaneously or together have an influence on employee work productivity (Y) at PT. Summit Oto Finance in Rungkut - Surabaya.
2. The results of the t test analysis are obtained by the value of tcount for each variable, namely the Compensation variable (X1) of 4.001; work experience (X2) of 3,352 and welfare benefits (X3) of 3,509 greater than ttable 2,004. Then it can be concluded that the variables Compensation, work experience and welfare benefits partially or individually have an influence on employee

work productivity at PT. Summit Oto Finance in Rungkut - Surabaya.

3. The highest beta coefficient value is obtained for the Compensation variable (X1) of 0.444; work experience (X2) of 0.381 and welfare benefits (X3) of 0.216. So that the Compensation variable (X1) has a dominant influence on employee productivity at PT. Summit Oto Finance in Rungkut - Surabaya.

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