

THE INFLUENCE OF COMPENSATION ON EMPLOYEE PRODUCTIVITY IN PANDEMIC ERA AT PT TERANG MULIA GAS MANADO*PENGARUH DARI KOMPENSASI TERHADAP PRODUKTIVITAS KARYAWAN DI ERA PANDEMI PADA PT TERANG MULIA GAS MANADO*

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Abstract: This study aims to analyze the influence of compensation on PT Terang Mulia Gas Manado productivity in pandemic era. This research is a qualitative research methodology which is descriptive research and takes about 6 informants as permanent employees who actively work in PT Terang Mulia Gas Manado. In this research, the data used in this research consist of two types of data, which is primary and secondary data. Primary data are gained from in-depth interviews and secondary data are taken from several books, journals, and previous research. Based on the results of data analysis and discussion, it can be withdrawn the conclusion that. Compensation is capable of exerting considerable influence to increase employee work productivity, at PT Terang Mulia Gas Manado. The existence of compensation will provide good benefits to the performance of employees, the Company will get and maintain the existence of employees with good quality. The company can spur employee performance by direct compensation also indirect compensation based on the company's policies and company's work motivations.

Keywords: Compensation, employee productivity

Abstrak: Penelitian ini bertujuan untuk menganalisis pengaruh kompensasi terhadap produktivitas PT Terang Mulia Gas Manado di era pandemi. Penelitian ini menggunakan metodologi penelitian kualitatif yang merupakan penelitian deskriptif dan mengambil sekitar 6 informan sebagai karyawan tetap yang aktif bekerja di PT Terang Mulia Gas Manado. Dalam penelitian ini, data yang digunakan dalam penelitian ini terdiri dari dua jenis data, yaitu data primer dan sekunder. Data primer diperoleh dari wawancara mendalam dan data sekunder diambil dari beberapa buku, jurnal, dan penelitian sebelumnya. Berdasarkan hasil analisis dan pembahasan data, dapat ditarik kesimpulan bahwa. Kompensasi mampu memberikan pengaruh yang cukup besar untuk meningkatkan produktivitas kerja karyawan, di PT Terang Mulia Gas Manado. Adanya kompensasi akan memberikan manfaat yang baik bagi kinerja karyawan, Perseroan akan mendapatkan dan mempertahankan eksistensi karyawan dengan kualitas yang baik. Perusahaan dapat memacu kinerja karyawan dengan kompensasi langsung juga kompensasi tidak langsung berdasarkan kebijakan perusahaan dan motivasi kerja perusahaan.

Kata Kunci: Kompensasi, produktivitas karyawan

INTRODUCTION

Research Background

In the current work environment, during the Covid 19 pandemic, increasing employee productivity has become a human resource (HR) issue. In a smaller scope like an organization carrying out all activities inseparable from the role of the human element as labor. This workforce needs to get special attention so that they become qualified manpower and achieve optimal productivity. One of the efforts made to make the worker can produce

optimal productivity is by providing compensation on the part of the organization or companies, this is because in general humans work for achieving income.

Compensation is one of the factors that can affect the level of work productivity. By providing balanced compensation, things can trigger employees to work more actively, and productivity levels employees will also increase. The awarding of compensation has the goal to increase employee work productivity so that it can help companies to achieve their goals. Based on the results of previous research shows that there is a significant positive influence between compensation with work productivity. From the company's point of view, the provision of compensation or repayment of services is a cost that must be incurred by the company to the Employees. Therefore, the company must conduct an assessment who are meticulous about the work performance produced by each employee. This is carried out by the company because the company requires a maximum work performance of the cost compensation they issued. Meanwhile, when viewed from the employee's point of view, compensation is seen as a tool to maintain its survival in a way economical to make ends meet because it is the undeniable fact that motivation is basic for most people being employees in an organization is to make a living.

The COVID-19 pandemic has created a particularly challenging environment for human resource management (HRM) – with managers having to quickly venture into the “unknown unknowns” as they strive to help their workforce adapt to and cope with radical changes occurring in the work and social environment. For example, employees who formerly spent all or most of their time working inside their organization’s physical boundaries now must quickly adjust to remote work environments. Due to shelter-in-place orders and the closure of nonessential businesses, even those who might be well adjusted to remote working conditions are now faced with their own unique challenges due to an inability to seek alternative workspaces (e.g., cafés, libraries, working spaces) outside of the home itself. Many organizations try to improve, maintain, and develop their HR strategy for high performance and success both in the short and long term because of their motivated employees. Increased interest in the personal role of performance, motivation, and related outcomes has been shown in recent years. The predictors of work outcomes such as performance are personality as an individual factor. They strongly argued that the main mediating role between performance and personality is motivation, meaning that personality affects behavior through performance motivation such as expectations, self-efficacy, and goals.

PT. Terang Mulia Gas Manado is the company agent of PT Pertamina that distribute gas holder in Manado city. PT. Terang Mulia Gas. The main business activity of PT Terang Mulia Gas Manado is to distribute government-aided gas cylinders or subsidies to underprivileged communities through bases in each urban village. As a company that is engaged in the distribution of the goods sector, human resources are one of the centres of all activities at PT. Terang Mulia Gas Manado. Furthermore, PT Terang Mulia Gas gives priority to all the employees cause the activities operational and managerial start from marketing, distribution, admin, etc carried by the employees.

Therefore, PT Terang Mulia Gas Manado as one of the companies engaged in the distribution of gas cylinders with a level of high competition among similar companies engaged in the same field needs to increase the productivity of their employees through a motivational process realized by compensating their employees who are ultimately expected by accumulation the increase in employee productivity can also improve performance the company as a whole that can be a bargaining value for PT Terang Mulia Gas Manado to compete with other companies in gas cylinder distribution field. The researcher has presumed that compensation is one of the factors that affected the optimal result of employee productivity.

Research Objective

The research objective is to analyze the influence of compensation on PT. Terang Mulia Gas Manado productivity in pandemic era.

THEORETICAL FRAMEWORK

Human Resource Management

Human resource management is defined as a strategic and coherent approach to the management of an organization’s most valued assets, the people working there who individually and collectively contribute to the achievement of its objectives. Human Resources Management has the task of designing a Human Resources system with the hope that it can be applied in emerging industries. Human Resource Management is a method formed to regulate the resources (labor) contained in a company. This system was created with the aim of effectively maximizing the performance of everyone so that the goals and ideals of the company can be achieved.

Human Resource Management is simply the utilization of employee expertise in accordance with the field mastered and puts them in the right position. So that later it is expected that employees who are placed in a position can play a maximum role in carrying out the duties and responsibilities that have been agreed upon. Human Resources Management is a process of development of one's expertise through the development of organizations, personnel training, and development with the aim of improving performance. Human Resource Management deals with or relates to behaviors and relationships which happen to human resources only, namely employees in a company. Good human resource development certainly also affects performance organizations that have an impact on other aspects. Jalagat (2016) indicates the presence of a close relationship between improving organizational performance, such as improving employee and financial performance that has an impact on enterprise productivity.

Compensation

Compensation is made to employees for either physical or mental work, but they do not represent the income of the self-employed. Labor costs are not identical to wage and salary costs, because total labor costs may include such items as cafeterias or meeting rooms maintained for the convenience of employees. Employee compensation is generally designed for three purposes, namely: attracting skilled employees into the organization, motivating them to achieve superior performance, and creating job effectiveness (Musriha, 2019). Compensation usually includes remuneration such as paid vacations, holidays, and sick leave, as well as fringe benefits and supplements in the form of pensions or health insurance sponsored by the employer. Additional compensation can be paid in the form of bonuses or stock options, many of which are linked to individual or group performance. Theories of compensation determination and speculations on what share the labor force contributes to the gross domestic product have varied from time to time, changing as the economic environment itself has changed. Contemporary wage theory could not have developed until the feudal system had been replaced by the modern economy with its modern institutions (such as corporations). The Scottish economist and philosopher Adam Smith, in *The Wealth of Nations* in 1776, failed to propose a definitive theory of wages, but he anticipated several theories that were developed by others. Smith thought that compensation especially wages were determined in the marketplace through the law of supply and demand. Workers and employers would naturally follow their own self-interest; labor would be attracted to the jobs where labor was needed most, and the resulting employment conditions would ultimately benefit the whole of society.

Organizational Performance

Organizational performance is a way to measure the effectiveness of the ability to achieve goals and objectives that have been set by the company. An organization represents a group of people based on the responsibility and levels in order to achieve goals and objectives by adapting to and coping with the changing environment, performance refers to the level of target achieved by an organization from individuals, groups, and organizations that implemented by the performance of job satisfaction, personal adjustment, group levels that refers to the morale, cohesion, efficiency, productivity, absenteeism rate, turn-over rate, and adaptability. Most companies are seeking to improve their performance in any way possible. The winning card can be held by those who endeavor to innovate, to obtain and sustain performance. Thus, competing in a continuously changing environment is very necessary to comprehend and monitor performance. Bititci, Carrie, and McDevitt (1997: 522-534) described performance management as a process wherein the organization manages its performance to match its corporate and functional strategies and objectives. Organizational performance as deeply dependent on the employees' performance quality. In order to guarantee a high-quality organizational performance, it is essential to have regular exposure of the workers of the company to new and up-to-date knowledge and skills, which would, in turn, help them keep up with the new changes happening in the market, and, ultimately, increase the quality of organizational performance.

Productivity

Productivity is normally defined as the ratio between the output of production and the input of production factors/means (Björkman, 1992). Productivity as an economic measure of output per unit of input. Inputs include labor and capital, while output is typically measured in revenues and other components such as business inventories. Productivity measures may be examined collectively (across the whole economy) or viewed industry by industry to examine trends in labor growth, wage levels, and technological improvement. Besides that, productivity as the ability of an organization to utilize its available resources to produce profitable goods or services as desired by customers or clients. It is the productivity that measures the performance of an organization,

and it can also be used by companies themselves to assess their own progress. Productivity increases the overall efficiency of an organization. When the efficiency of the organization increases, the production capacity of the company is utilized to the optimum level. Thus, all resources are used in an effective and efficient manner to get the best possible results. Traditionally, productivity was a measure of output over time. The term originated in the nineteenth century and centered on agricultural output. Productivity was used to describe what types of soil, plots of land, or varieties of plants produced the greatest yield. This information was tracked over time to determine what to plant where, and at what time of the year. In business, we usually use “productivity” to account for work completed, the quality of that work, and whether it is worth it in terms of organizational objectives. Importantly, productivity is related to the number of hours worked or the money invested. In this way, productivity is almost always quantitative. Ideally, companies are looking for the highest possible outcome (productivity) for the minimum amount of input.

Previous Research

Jean, Ngui, and Robert (2017) established the effect of compensation strategies on employee performance: a case study of Mombasa Cement Limited. The study utilized three research objectives. The first being to determine the effect of salary on the performance of employees, secondly, to find out the effect of benefits on the performance of employees and to establish the effect of recognition on the performance of employees. The study used survey research method. The population of this study was all employees of Mombasa Cement Limited based at the headquarters, Athi River, who totalled to 153. A stratified sampling technique was used to select respondents. This research study used questionnaires as the primary research instrument for the collection of data from the selected respondents. Quantitative data collected was analysed, presented and interpreted using descriptive statistics. Statistical Package for Social Sciences (SPSS) version 20 was used to analyse quantitative data into descriptive statistics such as means, standard deviation, frequencies and percentages. For advanced analysis, the study used Pearson correlation method which evaluated the linear relationship between two continuous variables in the study. The study found that reasonable salary, benefits in form of bonuses and allowances and recognition through certification or verbally promoted employee performance

Tetteh, Mohammed, and Azumah (2017) examined the influence of wages and supervision on employee’s productivity for Sunyani Technical University using standard Ordinary Least Square method (OLS). The findings of the study indicate that wages and supervision have influence on productivity; however, supervision is ranked higher to influence productivity than wages. The management of higher institutions should consider the findings of the study to ensure that workers are appropriately supervised, and well paid to improve productivity and performance. Further studies should replicate the current study in a comparative study using private and public institutions in a causal study using structural modelling method.

Alam, et al. (2020) observed the relationship among wages and benefits, welfare facilities, employee work motivation and employee productivity. The study was conducted under the positivism philosophy for which Maslow’s Hierarchy of Needs Theory was used for framing the hypotheses. A deductive approach, explanatory research design and a quantitative methodology was followed in order to conduct the study. Through a questionnaire survey, twenty-five items were taken from existing literature to measure the variables. By a systematic probability sampling technique, 500 samples were collected from the target population. Thereafter, SPSS and SEM using Smart-PLS were utilized for analyzing and developing the model. The outcome of the analysis revealed that all seven hypotheses were supported. These findings will assist the policymakers, the government of Bangladesh, factory owners, managers and other stakeholders to formulate new policies and practices.

Conceptual Framework



Figure 1. Conceptual Framework

Source: Data Processed (2022)

RESEARCH METHOD

Research Approach

This research is qualitative research methodology which is descriptive research. Qualitative research usually does use some form of quantification, but statistical forms of analysis are not seen as central. Accordingly, qualitative research uses a wide range of unrelated methods, hoping to always get a better settled on the subject matter at hand. Qualitative research is empirical research where the data are not in the form of numbers.

Social Situations, Informants, and Sampling Technique

In qualitative research do not use the terms population and sample as used in quantitative research, but by Spradley is called "social situation" or social situation consisting of three elements namely: place, actors, and activities that interact synergistically. The social situation in this research is 10 employees of PT. Terang Mulia Gas Manado who actively work by distributing the gas holder to their agents. Research informants are research subjects from which of them data research can be obtained, have extensive and in-depth knowledge regarding research problems so as to provide useful information. This research will take about 6 informants as permanent employees who actively work in PT. Terang Mulia Gas Manado.

Sampling Techniques

Sample method that can be used for this research is purposive sampling method. Purposive sampling can be defined as identifying and selecting individuals or groups of individuals that are especially knowledgeable about or experienced with a phenomenon of interest. The reason for using the Purposive Sampling technique is because not all samples have criteria that are in accordance with the phenomenon under study. Therefore, the authors chose the Purposive Sampling technique that sets certain considerations or criteria that must be met by the samples used in this study.

Data Collection Method

In this research, the data used in this research consist of two types of data, which is primary and secondary data. Primary data are gained from in-depth interview and secondary data are taken from several books, journals, and previous research. The interviews were held directly through meetings or by phone call.

Operational Definition of Research Variables

Table 1. Variable Definition

Operational	Definitions	Indicators
Compensation	Compensation is all form of payment or gift given to the employee and appeared from their work. There are basically two ways to create financial payments to employees, that is, direct payments and indirect payments.	- Direct Compensation - Indirect Compensation Dessler (2007: 46)
Employee Productivity	Productivity is how to produce or increase the yield of goods and services as high as possible by utilizing sources human power efficiently. Productivity is an achievement of work results of employees in an effort to achieve the goals of the organization that have been set. To that end, there are two important aspects of work productivity.	- Management policy - Work motivation Sedarmayanti (2004: 72)

Source: Data Processed, 2022

Validity and Reliability

Validity is the extent to which a concept, conclusion, or measurement is well - founded and corresponds accurately. Reliability is the overall consistency of a measures and is a way of assessing the quality of the measurement procedure used to collect data.

RESULT AND DISCUSSION**Result****Table 2. Informants Data**

Gender	Age	Positions	Status
Male	46	Manager	Permanent Employee
Female	29	Admin	Permanent Employee
Male	35	Driver	Permanent Employee
Male	40	Driver	Permanent Employee
Male	39	Driver	Permanent Employee
Male	40	Driver	Permanent Employee

Source: Data Processed, 2022

Table 3. Table of Coding Categorizing

Indicators	Description	Interpretation
Informant 1	Informant 1 is a 46-year-old manager who directly controls and organizes all the employees in the field.	The compensation that the company has provided to employees are in the form of benefits, workload, clear compensation, health insurance, credit provision, comfort, work safety, stress management, and employee emotional health.
Informant 2	Informant 2 is a 29-year-old admin. In general, her job in a company is to take care of all matters related to administrative governance, such as taking care of files, making reports, managing records, financial arrangements, and inputting company data.	Company provided compensation in the form of services to employees and their families as much as possible so that employees can be calm at work.
Informant 3	Informant 3 is a 35-year-old driver in the company. His task is to distribute the company's gas cylinders to the public or customers.	Compensation that the company provides to them is like employee proficiency training, a comfortable work environment, professional and competent supervision, a solid and supportive work team, a definite career path, more leave, flexible working hours, and appreciation of employee achievements.
Informant 4	Informant 4 also is a 40-year-old truck driver in the company. His task is to distribute the company's gas cylinders to the public or customers.	What he gets from the company is not only the salary, the company also often provides compensation for employees in the form of rewards.
Informant 5	Informant 5 is a 39-year-old employee that works as an assistant for the truck drivers. His task is to assist the driver in distributing the gas cylinder to make it easier and faster.	The company pays insurance premiums every month, while employees benefit from the program in the form of medical expenses or old-age benefits.
Informant 6	Informant 6 also is a 40-year-old employee that works as an assistant for the truck drivers. His task is to assist the truck driver in distributing the gas cylinders to make them easier and faster.	During the Covid-19 pandemic company give him compensation including all sorts of job rewards that are in the form of money.

Source: Data Processed, 2022

Discussion

Compensation is the sum of the overall wages that workers receive in lieu of the administration it had been granted. Many businesses invest considerable money in developing resources the human being so that it can be compensated as needed. Human Resource Management manages several types of individual awards in exchange for organizational performance. Compensation payment is one of the functions of Human Resources Management.

As a result, during the Covid-19 Pandemic, organizations had to adjust compensation to meet the demands of employees who work with the company's needs so as not to cause losses for both the company and employees, as well as have a beneficial impact on companies. Compensation in the form of salaries, incentives, bonuses, benefits, employment, and work environment are the main components that serve as the basis for the organization to improve the implementation of work. The representative execution rate may be affected by large or small compensation. Gift proper compensation will have an impact on employees, so it can help them work get better and be more creative at work.

Compensation variables have a favorable influence on employee performance. The main motivation of employees in a company is to find a source of income or livelihood, which is obtained from the results of utilizing their knowledge, energy, skills, and time to produce certain works or jobs to get certain rewards in the form of compensation. It's a different story with a pandemic like today, the motivation for employees to work is no longer just working but also surviving.

The application of the provision of compensation cannot be attached to each type of giving compensation. Because the company's capabilities are limited to financial and the economy of the company itself. Thus, the company is not able to meet all types of compensation, however, employees need compensation that is directly related with the life of a person himself.

By providing compensation according to needs expected to be able to represent different types of decent compensation given to employees. So, it is important for the company to analyze what is most needed by Employees. For example, the employee needs support to make it easier for their children to go to school, the company provides benefits or compensation related to convenience attended school the child of the employee. Therefore, there is a clear link between Compensation and employee productivity where compensation is able to have sufficient large influence to increase employee work productivity, especially during a pandemic so this support to accept the objectives proposed in this research is to measure the extent and how much influence compensation for the work productivity of employees at PT Terang Mulia Gas Manado.

CONCLUSION AND RECOMMENDATION**Conclusion**

Based on the results of data analysis and discussion, it can be withdrawn the conclusion that:

1. Compensation is capable of exerting considerable influence to increase employee work productivity, at PT. Terang Mulia Gas Manado.
2. The existence of compensation will provide good benefits to the performance of employees, the Company will get and maintain the existence of employees with good quality.
3. Company can spur employee performance by direct compensation also indirect compensation based on company's policies and company's work motivations.

Recommendation

Based on the result and analysis, the recommendation given in this research that can be useful for managerial purpose and its developments. The recommendations from researcher for PT. Terang Mulia Gas Manado:

1. To be even better at providing compensation to its employees, so that in the future the productivity of employee's can be improved, and the company's strategic goals can be achieved.
2. In order to have maximum work productivity of employees, PT Terang Mulia Gas Manado should pay more attention of the company direct compensations and indirect compensations to improving employee prosperity.
3. Company should pay more attention to work motivations for every employee also policies that can affect employee productivity.

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