

## COMPENSATION EFFECT ON THE PERFORMANCE OF EMPLOYEES PT. BANK WOORI SAUDARA 1906 Tbk BANDUNG

Pipin Sukandi<sup>1</sup>, Melati Aprilia<sup>2</sup>, Putri Liana<sup>3</sup>

<sup>1</sup>Business and Management Faculty, Widyatama University, Bandung, Indonesia

<sup>2</sup>Business and Management Faculty, Widyatama University, Bandung, Indonesia

<sup>3</sup>Language Of Faculty, Widyatama University, Bandung, Indonesia

pipin.sukandi@widyatama.ac.id

The purpose of compensation of the company, among others to reward employee performance, ensure fairness among employees, retain employees, gain more qualified employees, and the compensation system should be able to improve the performance of employees. This study aims to determine how much influence the award of compensation to employee performance PT. Bank Woori Saudara 1906 Tbk. The method used is descriptive and verification. Based on the results of Spearman Rank correlation calculation, the value of  $r_s$  at 0.701. meaning that the correlation between the compensation with employee performance can be said to be strong. Results of determination coefficient of 49.14%, which means that the compensation form the performance of employees amounted to 49.14% in PT Bank Woori Saudara 1906 Tbk Head Office Bandung. The rest is shaped by other factors not examined by 50.86%. Based on the results of testing the hypothesis that  $t = 8.183$  bigger than  $t_{table} = 1.645$ . This means that  $H_0$  is rejected and  $H_a$  accepted, meaning that there are positive influence between the granting of compensation to employees performance at PT Bank Woori Saudara 1906 Tbk Head Office Bandung.

Keywords: Compensation, Employee Performance.

### I. INTRODUCTION

Human resource is the most important factor for any organization. Without human

resources, organizational aims and objectives will not be achieved in accordance with the plan. Therefore, the role of human resources is very important in any organization. Given the important role of human resources for any organization that is expected to improve the performance of employees, human resources need to have a reliable skills in handling every job. Human resources should be managed with a humane approach through the Human Resource Management (HRM). Human resource management can also produce a good performance in a company by way of assessment, provision of remuneration within each individual member of the organization in accordance with its capabilities.

PT Bank Woori Indonesia Saudara 1906 Tbk is a financial institution based in Indonesia. This bank is the result of a merger of PT Bank Himpunan Saudara 1906 Tbk (Bank Saudara) with Woori Bank Indonesia on December 30, 2014. The bank offers products and services consisting of financing products, which include savings, time savings, retirement savings, employee savings, time deposit.

### II. METHODOLOGY

The method used by the writer is descriptive research and verification. The research data obtained is processed, analyzed quantitatively. As well as further processed by tools such as the theoretical foundations of previously studied so as to clarify the description of the object under study and

subsequently drawn conclusions from these results.

**POPULATION**

According Sugiyono (2010: 115) says that the population is generalization region, which consists of an object or a subject that has certain qualities and characteristics that are applied by researchers to learn and then drawn conclusions. The population in this study were all employees of PT Bank Woori Saudara 1906 Tbk Head Office Bandung totaling 390 people.

**SAMPLE**

According Sugiyono (2010: 116), the sample is part of the number and characteristics possessed by the population, as the number of samples in this study was determined by using a formula Slovin in Riduwan cited by Sinta (2015) as follows.

$$n = \text{Sample}$$

$$N = \text{Population}$$

$$e = 95\% \text{ or sig.} = 0,05.$$

$$n = 200$$

Then the number of samples in this study as many as 200 people.

**Collection Techniques and Measurement Data**

Data collection techniques used are as follows:

1. Field Research (Field Research), which is a technique of collecting data by conducting site visits at the research object.
2. Interview, by question and answer directly to the parties concerned.
3. Observation, by reading, taking notes and observing directly the data contained in the company.
4. Study of Literature, namely data collection techniques by collecting data

through reading and studying the theory of the existing literature and handwritten notes that had been constituent get while in college with the subject matter is the subject of further research.

5. Questioner, namely data collection techniques done by filing a written statement to the list of respondents. Beads of statements contained in the questionnaire is given weight by measurement based on the Likert scale (Teguh, 2004) the following:

**Table 1  
Likert Scale**

Answer	Score
Strongly Agree (SS)	5
Agree (S)	4
Quite Agree (CS)	3
Disagree (TS)	2
Strongly Disagree (STS)	1

**VALIDITY AND RELIABILITY**

**VALIDITY**

There are two important conditions that apply to a questionnaire that is valid and reliabelnya existing instruments in the questionnaire, it is necessary to test the validity and reliability testing. Validity test is done to see the extent to which an instrument can be used to measure what should be measured (Sugiyono, 2010: 109). Before the questionnaire used to collect data, it must first be tested validity to the respondent by using the formula Pearson correlation technique, Umar (2010: 114) as follows:

$$r_{\text{count}} = \frac{N(\sum XY) - (\sum X \sum Y)}{\sqrt{(N(\sum X^2 - (\sum X)^2)(N \sum Y^2 - (\sum Y)^2)}}$$

Information :

r = Correlation product moment / Pearson

X = Each item in question

Y = The number of each question

**RELIABILITY**

Reliability test is used to look at the extent to which an instrument when used several times to measure the same object, will generate the same data. (Sugiyono, 2010: 109).

In examining the reliability of the authors use the technique split (split half method) even where researchers grouped odd numbered bullet score as parts of the first odd and even as parts of the grain group second. The formula used by Umar (2010: 118) is using the Spearman-Brown formula:

$$r_i = \frac{2 \times r_b}{1 + r_b}$$

Information :

ri = internal reliability of the entire instrument.

rb = Product Moment Correlation between the first and second parts. For questionnaires that have many items (Multi items questionnaire) is generally measured by Cronbach Alpha. The reliability of measurement used by the author is the one shoot or measurements once that is done once and the measurement results are then compared with the total score. SPSS gives the facility to measure reliability, with a Cronbach alpha statistic test. According to Umar (2010: 120) A construct or variable is declared reliable if it gives Cronbach alpha values > 0.6

**III. RESULTS**

**PROFILE OF RESPONDENTS**

The data analyzed in this study were 194 respondents, namely employees at PT. Woori Bank Saudara 1906 Tbk Head Office Bandung. Data on the characteristics of the respondent is presented as follows:

**Table 2**  
**Respondents by Gender**

Gender	Frequency	%
Male	110	57%
Female	84	43%
Total	194	100%

**Table 3**  
**Respondents By Age**

Age (years)	Frequency	%
21 – 25	44	23
26 – 30	41	21
31 – 35	52	27
36 – 36	28	14
41 – 45	17	9
46 – 50	7	4
51 – 55	5	2
Total	194	100

**Tabel 4**  
**Respondents by Education**

Level Of Education	Frequency	%
Senior High School	16	8
Diploma	39	20
Bachelor	131	68
Post Graduate	8	4
Total	194	100

**Table 5**  
**Respondents by Years of Service**

Length Of Works	Frequency	%
< 1 years	9	5
1-5 years	45	23
6-10 years	57	29
>10 years	83	43
Total	194	100

**THE VALIDITY OF TEST RESULTS**

The validity of test results of each questionnaire item are as follows:

**Table 6**  
**Validity Test “Compensation”**

Item	r <sub>count</sub>	r <sub>table</sub>	Results
1	0.410	0.138	Valid
2	0.613	0.138	Valid
3	0.677	0.138	Valid
4	0.608	0.138	Valid
5	0.677	0.138	Valid
6	0.593	0.138	Valid

7	0.751	0.138	Valid
8	0.695	0.138	Valid
9	0.645	0.138	Valid
10	0.751	0.138	Valid

Source : processed data

**Table 7**

**Validity Test “employee performance”**

Item	$r_{count}$	$r_{table}$	Results
1	0.463	0.138	Valid
2	0.549	0.138	Valid
3	0.704	0.138	Valid
4	0.739	0.138	Valid
5	0.548	0.138	Valid
6	0.724	0.138	Valid
7	0.560	0.138	Valid
8	0.606	0.138	Valid

Source : processed data

**RELIABILITY TEST RESULTS**

The test result reliability was obtained as follows:

**Table 8**

**Reliability Test Variable X**

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.895	.896	10

For variable compensation (X) obtained by Cronbach's Alpha of 0.895, the questionnaire for this variable is declared reliable because  $> 0.60$ .

**Table 9**

**Reliability Test Variabel Y**

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.863	.862	8

**Table 10**  
**Analysis of Respondents Regarding Granting Compensation In Overall**

Item	SS	S	CS	TS	STS	Average
1	87	54	35	15	3	4.07
2	61	55	46	27	5	3.72
3	77	50	49	15	3	3.94
4	96	33	23	39	3	3.93
5	58	87	29	15	5	3.92
6	55	79	42	9	9	3.84
7	63	80	22	25	4	3.89
8	31	85	44	26	8	3.54
9	44	75	39	32	4	3.63
10	42	96	22	33	1	3.75

Source : processed data

**Table 11**

**Analysis of Respondents Regarding Employee Performance Overall**

Item	SS	S	CS	TS	STS	Average
1	48	81	49	16	0	3.83
2	64	66	37	24	3	3.85
3	59	79	33	18	5	3.87
4	79	64	29	16	6	4.00
5	60	67	44	19	4	3.82
6	63	60	51	17	3	3.84
7	62	87	27	14	4	3.97
8	75	74	25	14	6	4.02

Source : processed data

**Table 12**

**Calculation of Spearman Rank Correlation variable X and variable Y**

Correlations		
Spearman's rho	Kompensasi	Kinerja ...
	1.000	.731**
		.000
		.194
		.731**
		.000
		.194

\*\* . Correlation is significant at the 0.01 level (1-tailed).

**COEFFICIENT OF DETERMINATION**

To determine the extent of the effect of the provision of compensation to the performance of employees at PT Bank Woori Saudara 1906 Tbk Bandung Headquarters in percentage form, then use

the calculation of the coefficient of determination with the following formula:

$$\begin{aligned} Kd &= r^2 \times 100\% \\ &= (0,731)^2 \times 100\% \\ &= 53,44\% \end{aligned}$$

From the above calculation that the independent variables able to explain changes in the performance of employees amounted to 53.44%, which means that the compensation form the performance of employees amounted to 53.44% in PT Bank Woori Saudara 1906 Tbk Head Office Bandung. The rest is shaped by other factors not examined by 46.56% which is the influence of other factors beyond the provision of variable compensation.

### HYPOTHESIS TESTING

To determine the acceptance or rejection of the hypothesis, then tested the one hand with the hypothesis as follows:

Ho:  $r \leq 0$ , meaning that there are no positive influence between the granting of compensation to employee performance  
 Ha:  $r > 0$ , means that there are positive influence between the granting of compensation to employee performance.  
 Comparing t arithmetic with t table with the following criteria:

- If t arithmetic  $\geq$  t table then Ho is rejected and Ha accepted
- If t < t table then Ho is accepted and Ha rejected.

Where the degrees of freedom (df), according Sugiyono, (2013: 99) are:

$$\begin{aligned} dk &= n - 2 \\ &= 194 - 2 \\ &= 192 \end{aligned}$$

Where the error rate ( $\alpha$ ) which is used by 5%. To set the value of t used the following formula:

$$\begin{aligned} t_{hitung} &= rS \frac{\sqrt{n-2}}{1-r_s^2} \\ &= 0.731 \frac{\sqrt{194-2}}{\sqrt{1-0.731^2}} \\ &= 14,844 \end{aligned}$$

$$\begin{aligned} t_{table} &= t(\alpha; df) \\ &= (0,05; 192) \\ &= 1,645 \end{aligned}$$

From the above calculation, it can be seen that  $t = 14.844$  bigger than  $t_{table} = 1.645$ . This means that Ho is rejected and Ha accepted, meaning that there are positive influence between the granting of compensation to employees performance at PT Bank Woori Saudara 1906 Tbk Head Office Bandung.

### REFERENCES COMPENSATION

Compensation is one of the functions of human resource management is the most difficult and confusing, not only because compensation is one of the most complex tasks but also one of the aspects that matter most to employees and organizations and companies. Although the compensation should have the basic logical, rational and defensible, this involves a lot of emotional factor from the viewpoint of the employees. The compensation aims to provoke the performance of employees in their work. The purpose of financial compensation according to Hasibuan (2010: 120), are:

1. Cooperation Association  
Which means that with the granting of compensation there grew a formal cooperation ties between employers and employees. The employee must perform his duties well, while the employer or the employer is obliged to pay compensation in accordance with the treaty agreed.
2. Job Satisfaction  
Which means that the remuneration of employees will be able to meet the needs of

the physical, social status, and egoistic so as to obtain job satisfaction from office.

### 3. Effective Procurement

Which means that if the compensation program set quite large procurement of qualified employees for the company will be easier.

### 4. Motivation

Which means that if the remuneration given large enough to be easy to motivate subordinates manager.

### 5. Stability Employees

Which means that the compensation program on the principles of a fair and reasonable as well as external consistency kompentatif, then stability is guaranteed because the employee turn over is relatively small.

### 6. Discipline

Which means that with the provision of remuneration which is big enough then the better the employee discipline. They will be aware of and abide by the regulations in force.

### 7. Effect of Trade Unions

Which means that by doing good compensation program penaruh trade unions can be avoided and employees will concentrate on his work.

### 8. Effect of Government

Which pales in conducting compensation programs in accordance with labor legislation in force (such as the minimum wage limit), the government intervention can be avoided.

## PERFORMANCE

Performance comes from the actual job performance or the performance which means the actual performance or achievements attained by a person. Definition of performance (performance) is the result of the quality and quantity of work accomplished by an employee in performing its functions in accordance with the responsibilities given to him. According Scermerhorn, Hunt dan

Gibsonyang cited by Aditya (2013) there are three factors that can affect performance are:

### 1. Individual Attributes

With the various attributes attached to an individual will be able to distinguish individuals from one another. This factor is an individual's ability to accomplish the tasks that have been determined (capacity to perform) consists of:

- a. Demographic characteristics such as: age, gender and others.
- b. Characteristics of the competition, for example: talent, intelligence, abilities and skills.
- c. Psychological characteristics, attitudes and personality.

### 2. Ability to Work

With a variety of attributes attached to individuals showed their equal opportunity to achieve a feat, only to achieve good performance required effort or willingness to work hard as a whim is a strength in individuals that can stimulate work effort and may provide a direction and persistence.

### 3. Support Organization

In achieving high employee performance required also to the support or the opportunity of organization / company. This is to anticipate the limitations of both employees and companies. For example: completeness of equipment and supplies clarity in providing information. According Khaerul Umam (2010: 101), suggests that: Contributions assessment is a highly useful for policy planning organization, in detail, the performance assessment for the organization are:

1. Adjustments compensation
2. Improvements in performance
3. The need for training and development
4. Decision-making in terms of placement, promotion, transfer, termination, dismissal, and workforce planning
5. For the purposes of employee research

6. Helping to design error diagnosis employees.

#### IV. DISCUSSION

The research showed the following data, based on the results of Spearman Rank correlation calculation, the obtained value of  $r_s$  at 0.731. meaning that the correlation between the compensation with employee performance can be said to be strong. Of the coefficient of determination that the independent variables able to explain changes in the performance of employees is 53.44%, which means that the compensation form the performance of employees amounted to 53.44% in PT Bank Woori Saudara 1906 Tbk Head Office Bandung. The rest is shaped by other factors not examined by 46.56% which is the influence of other factors beyond the provision of variable compensation. Based on the results of testing the hypothesis that  $t = 14.844$  bigger than  $t_{table} = 1.645$ . This means that  $H_0$  is rejected and  $H_a$  accepted, meaning that there are positive influence between the granting of compensation to employees performance at PT Bank Woori Saudara 1906 Tbk Head Office Bandung.

#### V. CONCLUSION

Based on the research results can be concluded as follows:

1. Should the company provides health insurance benefits in accordance with the needs of employees, as this will enhance job satisfaction so that employees will strive to improve its performance.
2. Employees should further increase to cooperate in order to become a more solid team that purpose the company quickly achieved.
3. For further research is recommended to add other variables that can affect the performance of employees.

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