

## ANALYSIS OF COMPENSATION AND JOB SATISFACTION, ON THE PERFORMANCE OF KPSBU LEMBANG EMPLOYEES

Nickita Hayla<sup>1)</sup>, Lutfiah Salma Abdullah<sup>2)</sup>, Anwar Hardiansyah<sup>3)</sup>, Rhena Agustina<sup>4)</sup>, Putri Permatasari<sup>5)</sup>, Wien Dyahrini<sup>6)</sup>

[nickita.hayla@widyatama.ac.id](mailto:nickita.hayla@widyatama.ac.id); [lutfiah.salma@widyatama.ac.id](mailto:lutfiah.salma@widyatama.ac.id); [anwar.hardiansyah@widyatama.ac.id](mailto:anwar.hardiansyah@widyatama.ac.id); [rhena.agustina@widyatama.ac.id](mailto:rhena.agustina@widyatama.ac.id); [permatasari.angraeni@widyatama.ac.id](mailto:permatasari.angraeni@widyatama.ac.id); [wien.dyahrini@widyatama.ac.id](mailto:wien.dyahrini@widyatama.ac.id).

<sup>1), 2), 3), 4), 5), 6)</sup> Department of Economics and Business, Widyatama University, Indonesia

Corresponding author: [nickita.hayla@widyatama.ac.id](mailto:nickita.hayla@widyatama.ac.id)

### Abstract

*Human Resources play an important role in a company. Providing the resources needed enable companies to compete with other in achieving goals. The company strives to increase employee productivity to improve employee performance. KPSBU Lembang or North Bandung Cattle Breeders Cooperative is a single primary cooperative business as an institution that has a role and provides good services for farmers in Lembang sub-district. To improve employee performance, it is necessary to analyze employee compensation and job satisfaction. Researchers conducted a survey of 104 respondents of KPSBU Lembang employees. A simple random sampling technique is a random sampling technique in the population. This study uses the proposed Multiple Linear Regression method to analyze the correctness of the data in order to know the influence between free variables and bound variables. The results of this study can be concluded that compensation variables and simultaneous job satisfaction that have a significant effect on employee performance are proven using the results of simultaneous tests (test  $f$ ) and partial tests ( $t$  test).*

**Keywords:** *compensation, job satisfaction, employee performance*

### Introduction

The more advanced the times and many changes made by the company one of them in maintaining its business. Human Resources plays an important role in a company by providing the resources needed to achieve the company's goals. This is done by the company in order to be able to compete with other companies. Every company strives to increase employee productivity. Ways and solutions need to be developed by company leaders aimed at improving employee performance. Individual satisfaction in carrying out their work can improve performance quickly and precisely. The performance of the company's operational standards and good performance in each individual will make a great contribution to the company.

According to (Abdurrahmat, 2010: 117) job satisfaction is a form of emotional attitude that is fun and loves the work he is involved in because it gets results from achieving work goals. Individual needs can be met when job satisfaction is done well, the attitude owned by employees is very related to the rewards received by employees after doing their duties. There is another factor that can shape job satisfaction, namely increased compensation.

Compensation becomes one of the crucial factors in maintaining employee performance within the company. By compensating employees who work will feel appreciated for the work that is his job, so that employees will be more motivated in doing their work and can improve performance in the company to achieve goals.

KPSBU Lembang or North Bandung Cattle Ranching Cooperative is a single primary business cooperative as an Institution that has a role and provides good services for farmers in Lembang sub-district. KPSBU was established in 1971 until now. The performance of employees at KPSBU Lembang can be seen from the results of each individual's work and responsibility for his work. In addition, the compensation provided by KPSBU in

the form of salaries, benefits, incentives, health insurance and pension funds. This can improve employee job satisfaction based on a comparison between what employees receive and what employees expect and want.

**Table 1**  
**Targets and Production Produced by KPSBU Lembang 2017 - 2020 (Liters)**

Year	Milk Production Targets	Milk Production	Information
2016	47.300.000	47.802.531	Climb
2017	57.673.000	55.495.620.60	Go down
2018	64.632.958.00	64.801.408.00	Climb
2019	64.705.462.00	64.801.493.50	Climb
2020	67.856.542.50	67.583.374.00	Go down

Source: KPSBU Lembang 2021

Based on data from the table above, it can be seen that there are fluctuations in milk production shown by KPSBU Lembang during the 2016-2020 period. Thus it can be concluded that KPSBU Lembang experienced a decrease in the achievement of targets in 2017 and 2020, it was influenced by less than optimal employee performance.

**Table 2**  
**KPSBU Lembang Compensation Rules**

No.	Types of Compensation	Part	Information
1	Salary	Manager to Staff	Salary range rp.3.700.000/month to Rp.7.000.000/month
2	Allowances	Head of Section, Head of Sub-Section, Head of Affairs	Range above Rp.350.000/Month
3	Overtime Pay	Section Head, Sub-Staff	Greater than Rp.5.000/Hour
4	Incentive	Staff Section	Above Rp.150.000/Month
5	Health Insurance	All Employees	13% of salary

Source: KPSBU Lembang 2021 compensation rules.

Based on the table above it is known that each section has a different amount of compensation. This is because the level of position, education, and working period is different for each individual employee, so it can affect employee job satisfaction.

## Literature Review

### A. Understanding compensation

According to Hasibuan (2002: 118) states that compensation is all opinions in the form of money, direct or indirect goods received by employees in return for the services provided to the company. Compensation is expected to provide job satisfaction to employees, so it is expected to have an influence on employee performance and can achieve company goals.

According to Garry Dessler (1997: 85) states that any form of payment or reward given to the employee will arise from the employee's own work.

### **Compensation Function**

According to Samsudin (2010: 188) explained that the function of compensation is: Allocation of human resources efficiently, showing compensation to outstanding employees will encourage them to work better; More efficient and effective use of human resources; Promote stability and economic growth.

### **Compensation Indicator**

Yani (2012: 142) explained that the compensation indicator is divided into two forms, namely: Compensation in financial form, compensation directly related to work and payment; Compensation in non-financial form, i.e. indirect rewards given to employees or called benefits.

According to Veithzal Rivai (2011) indicators presented in assessing financial compensation are: Salary and wages, compensation received by employees; Incentives, additional compensation beyond salary and wages; Facilities, as supporting smooth work and motivating employees; Benefits, to improve employee welfare

Nonfinancial compensation indicators of the Mondy and Mondy theory (2008: 59). to measure non-financial compensation, there are 2 indicators, namely: Job Indicator; Work Environment Indicator

### **B. Understanding Job Satisfaction**

According to Abdurrahmat (2010: 117) job satisfaction is a form of emotionally pleasing and loving work. Employees will feel satisfied and happy with their work that has a passion in work, so that it will improve employee performance and be able to achieve company goals.

According to Stephen P. Robbins (1996:26) job satisfaction is a common behavior toward the work of a person, from the many rewards an employee receives and the many they believe in what they should receive.

#### **Aspects of Job Satisfaction**

According to Levi (2002) there are five aspects of job satisfaction, namely:

The work itself (Work it self), requires skills in accordance with the field; Supervisor, a good boss can appreciate the work of his subordinates; Co-workers, factors related between employees and their superiors and with other employees; Promotion, related to the opportunity to gain career advancement; Salary / Wage (Pay), the factor of the need for employee life.

Four aspects of measuring work satisfaction according to Jewell and Siegall (2010) are:

Psychological Aspects, related to the psyche of employees; Physical Aspects, relating to the physical state of the work environment as well as the physical condition of employees; Social aspects, related to social interaction; Financial aspects, related to the guarantee and welfare of employees.

#### **Job Satisfaction Indicators**

According to Robbins (2015: 181-182) indicators of an employee's job satisfaction can be measured as follows: Supportive working conditions; Proper salary or wages; Supportive coworkers for employees

According to (Afandi, 2018:82), the indicators of job satisfaction are as follows:

The work, the content of the work done by employees whether it has satisfactory elements; Wages, the amount of payment received from the implementation of work in accordance with the needs; Promotion, the possibility that a person can develop through promotion; Supervisor, giving orders and instructions in the work; Coworkers, always interact in the implementation of work.

### **C. Employee Performance**

According to Mangkunegara (2004: 67) employee performance is the result of quality and quantity work that can be achieved by an employee in carrying out his duties in accordance with the responsibilities given to him. Performance is important not only for employees but for the company. Thus, both parties must be responsible for the performance carried out in order to achieve optimal performance.

According to Hubeis (2007: 153) the understanding of employee performance is the result of certain work processes carried out on a planned basis.

## Performance Indicators

Martis and Jackson 2006, there are several elements of employee performance, namely:

The quantity of results can be measured by the employee's perception of the amount of activity; Quality and results can be seen from the employee's assessment of the quality of work; The timeliness of the results can be seen from the employee's assessment in his other activities; Presence, employees in the company can determine the performance of employees; The ability to cooperate, judging by the ability of employees to cooperate.

According to Robbins (2016:260) performance indicators are tools for measuring the extent of employee performance achievement. The following indicators to measure employee performance are:

Quality of Work, can be measured from the employee's perception of the resulting work; Quantity, which is the amount of work produced; Punctuality, the level of activity is resolved at the beginning of the specified time; Effectiveness, the level of use of organizational resources; Independence, carrying out work functions without receiving assistance or guidance from or supervisors.

## Framework of Thought

### Relationship of Compensation, Job Satisfaction, with Employee Performance.

#### A. Effect of Compensation on Employee Performance.

According to the journal of previous research according to Asep Achmad (2018)

The role of the company using labor must consider compensation for employees, so that it will create job satisfaction and have a positive impact on the company.

Compensation that is in accordance with employee expectations will be able to motivate to do the job better. Therefore, if the compensation provided by the company is not as expected then, the employee's performance will decrease, therefore the company in arranging compensation in a fair manner.

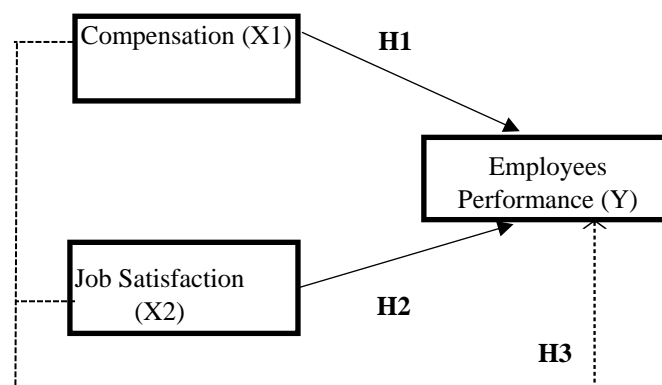
#### B. Effect of job satisfaction, on employee performance.

According to the journal of Asep Achmad's previous research (2018)

Performance is the result of work that has been achieved for employees in carrying out their duties in accordance with the company's provisions. Good performance can affect job satisfaction in employees. Worksatisfaction is seen from the increasing employee performance where employees can adjust to their work environment, and fair company, so that employees will feel satisfied and if employees are satisfied then they will be able to do their work given by the company better and responsibly.

From the statement it can be concluded that the formation of positive employee performance is seen from the compensation provided by the company that is fair and employee job satisfaction is increased in carrying out its duties. Therefore, compensation and job satisfaction can be factors in maintaining employee performance to achieve company goals.

### Research Paradigm Images



## Theoretical Framework

The theoretical framework is an abstraction of the results of thought that is useful to provide the basic framework of theory as a research foundation so as to be able to answer problems theoretically.

X1 X2 : Free variable

Y : Variables are not free

→ :Effect of the line between Variable X and Variable Y

--- → : Line of Influence between Variable X1, and X2 against Variable Y

Based on the above analysis framework, it can be known that there is an influence of compensation variables (X1), job satisfaction (X2), on employee performance (Y) on KPSBU Lembang employees in maintaining employee performance.

### Hypothesis

According to Amori Yusuf (2005:162) the hypothesis is a provisional conclusion that is not yet final, a provisional answer, a temporary conjecture, which is the researcher's construct of the study problem, which states the relationship between two or more variables.

H1: Compensation is suspected to have a positive and significant effect on the performance of KPSBU employees.

H2: Job satisfaction is suspected to have a positive and significant effect on the performance of KPSBU employees.

H3: Compensation and job satisfaction are suspected to have a significant effect on the performance of KPSBU employees.

### Research Methods

The research method used is quantitative method. Quantitative research is research that is used to examine populations or samples and can measure certain traits. The data collection was conducted in August 2021 using questionnaires to receive the necessary information to KPSBU Lembang employees.

The population in this study was a permanent employee at KPSBU Lembang which amounted to 104 respondents. The size of the sample in this study was determined using the slovin formula which is one of the formulas commonly used in the field of statistics, especially when calculating data in the form of surveys with a relatively large population.

$$n = \frac{N}{1 + Ne^2}$$

Description =

n : the number of samples sought

N : population size

e : the margin of error value of the population size

In this study it was determined e was 10% while N was 200 so the minimum sample taken by researchers was 66.66 rounded to 67 respondents as a minimum sample of employees. But to get more valid results, then in this study taken 104 respondents.

### Results and Discussions

#### Validity Test

Validity tests are used to estimate the accuracy and validation of an instrument. By comparing the values r calculates with the r table for *degree of freedom* (df) = n-2, the number of samples in this study is (n) = 104. Then the magnitude of df can be calculated by 104-2 = 102. With df = 102 and *alpha* = 0.05 obtained table = 0.1927. (Source: Junaidi 2015)

**Table 3**  
**Correlations**

Variable	Item Code	R - Count	=	R - Table	Conclusion
----------	-----------	-----------	---	-----------	------------

Compensation	X1_1	0,594	>	0,1927	Valid
	X1_2	0,669	>	0,1927	
	X1_3	0,556	>	0,1927	
	X1_4	0,631	>	0,1927	
	X1_5	0,679	>	0,1927	
	X1_6	0,691	>	0,1927	
Job Satisfaction	X2_1	0,673	>	0,1927	Valid
	X2_2	0,757	>	0,1927	
	X2_3	0,733	>	0,1927	
	X2_4	0,778	>	0,1927	
	X2_5	0,421	>	0,1927	
Employee Performance	Y_1	0,835	>	0,1927	Valid
	Y_2	0,831	>	0,1927	
	Y_3	0,839	>	0,1927	
	Y_4	0,784	>	0,1927	
	Y_5	0,729	>	0,1927	

From the table above, it can be concluded that questionnaire items that have been distributed to participants, namely KPSBU Lembang employees can be said to be reliable and reliable to be a data collection tool in this study.

### Reliability Test

The Reliability Test is used to measure the consistency of the questionnaire.

**Table 4**  
**Reliability Statistics**

Variable	Nilai Cronbach's Alpha	=	0,6	Conclusion
Compensation	0,734	>	0,6	Reliable
Job Satisfaction	0,704	>	0,6	Reliable
Employee Performance	0,778	>	0,6	Reliable

The SPSS output shows the Table reliability coefficients seen as Cronbach's Alpha of a whole of more than 0.60 so it can be concluded that all questions used are reliable.

Reliability test criteria: It can be said that cronbach's Alpha value > 0.60

### Results of Multiple Linear Regression Equation Analysis

Multiple Linear Regression Equation Analysis is used to look at the relationship between dependent variables and independent variables.

**Table 5**  
**Multiple Linear Regression Test Results**

type		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
1	(constant)	-4.349	1.905		-2.283	.025
	Compensation (X1)	.385	.087	.326	4.427	.000
	Work Satisfaction (X2)	.691	.092	.552	7.496	.000

Source: primary data after processing, 2021

Sourced from data analysis using SPSS 20, it obtained the following regression equation results:

$$Y = -4,349 + 0.385X_1 + 0.691X_2 + e$$

The regression equation above shows the relationship between independent variables and partial dependent variables, from the equation can be concluded that

1. The constant value is -4,349 meaning that if there is no change in compensation and job satisfaction variables (the values X1 and X2 are 0) then the employee performance at KPSBU Lembang is -0.4349 units.
2. The value of the compensation regression coefficient is 0.385 meaning that if the compensation variable (X1) increases by 1% assuming the job satisfaction variable (X2) and constant (a) is 0 (zero), then employee performance in KPSBU Lembang employees increases by 0.385. This shows that the compensation variables provided contribute positively to employee satisfaction, so that the higher the compensation provided by KPSBU employees, the higher the level of employee performance.
3. The value of the job satisfaction regression coefficient is 0.691 meaning that if the job satisfaction variable (X2) increases by 1% assuming the compensation variable (X1) and constant (a) is 0 (zero), then employee performance in KPSBU Lembang employees increases by 0.691. This shows that the job satisfaction provided contributes positively to employee performance, so that the greater the job satisfaction, the more soaring employee performance.

### Hypothesis Test

#### Partial Hypothesis Test (Test t)

Based on Table 5 by looking at rows, columns t and sig can be explained as follows:

##### 1) Effect of Compensation Variables on Employee Performance (H1)

The compensation variable (X1) has a positive and significant effect on the performance of KPSBU Lembang employees. This is evident from the significant compensation (X1) of  $0.000 < 0.05$ , and the value of  $t_{table} = t(\alpha/2; n-k-1) = t(0.05/2; 104-2-1) = (0.025; 101) = 1.98373$ . This means that the  $t_{count}$  value is greater than the  $t_{table}$  (4,427 > 1.98373), then H0 is rejected and H1 is accepted. So that the hypothesis that reads there is an effect of compensation on employee performance is partially accepted.

##### 2) Effect of Job Satisfaction Variables on Employee Performance (H2)

The job satisfaction variable (X2) has a positive and significant effect on the performance of KPSBU Lembang employees. This is evident from the significant job satisfaction (X2) of  $0.000 < 0.05$ , and the  $t_{table}$  value  $= t(\alpha/2; n-k-1) = t(0.05/2; 104-2-1) = (0.025; 101) = 1.98373$ . This means that the  $t_{count}$  value is greater than the  $t_{table}$  (7.496 > 1.98373), then H0 is rejected and H2 is accepted. So that the hypothesis that reads there is an effect of job satisfaction on employee performance is partially accepted.

#### Simultaneous Hypothesis Test (Test F)

The F test is used to recognize that independent variables have a significant effect on dependent variables.

**Table 6 Test Results F**  
**ANOVA<sup>a</sup>**

type		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1019.806	2	509.903	73.170	.000 <sup>b</sup>
	Residual	703.848	101	6.969		
	Total	1723.654	103			

a. Dependent Variable: Employee Performance (Y)

b. Predictors: (Constant), Job Satisfaction (X2), Compensation (X1)

Source: Primary data after processing, 2021

Based on the test results in the table above can be seen in the value of  $F_{\text{calculated}}$  at 73,170 with the value of  $F_{\text{table}}$  is 3.09 so that the value of  $F_{\text{calculated}} > F_{\text{table}}$  or  $73,170 > 3.09$ , and a significant level of  $0.000 < 0.05$  then  $H_0$  rejected and  $H_1$  received, it can be concluded that the variable compensation (X1) and job satisfaction (X2) simultaneously have a significant effect on the performance of KPSBU Employees Lembang.

### Determination Coefficient Test

The Determination coefficient test is applied to measure the model's ability to explain dependent variables (Ghozali, 2015).

**Table 7 Results of the Coefficient of Determination Test**  
Model Summary

Type	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.769 <sup>a</sup>	.592	.584	2.63985

a. Predictors: (Constant), Job Satisfaction (X2), Compensation (X1)

Source: Primary data after processing: 2021

Based on Table 7 it can be known that the coefficient of determination is in the *Adjusted R Square* value of 0.584. This means that the ability of free variables to explain bound variables by the remaining 58.4% of the remaining 41.6% is explained by other variables not discussed in the study.

### Conclusion

Based on the results of a study of 104 respondents on the effect of compensation and job satisfaction on employee performance, can be concluded as follows:

1. Compensation has a positive and significant effect on employee performance, where every 1% increase in compensation will increase by 0.385 times the performance of KPSBU employees. This means that compensation has a role in supporting the improvement of performance in KPSBU Lembang employees.
2. Job satisfaction has a positive and significant effect on employee performance, where every 1% increase in employee satisfaction will increase by 0.691 times the performance of KPSBU employees. This means that low job satisfaction can cause employee performance to decrease in KPSBU Lembang employees.
3. Testing jointly or simultaneously illustrates that compensation and job satisfaction have a significant effect of 58.4% on the performance of KPSBU Lembang employees.

Based on research conducted by researchers where compensation and job satisfaction had an effect of 58.4% on the performance of KPSBU employees while 41.6% were affected by other variables that were not tested in the study.

### Managerial Implications

The implications of this research for KPSBU companies are:

The existence of compensation in accordance with the work done will make employees become more loyal to the company, and not only in the form of financial compensation that needs to be considered to improve the

performance of KPSBU employees, but with a good relationship between superiors and subordinates and vice versa, it will form good job satisfaction to achieve the company's goals.

### Confessions

Thank you very much to: The management of KPSBU Lembang along with the entire ranks of section heads and all employees of KPSBU Lembang.

### References

- Andani, P. (2019). *Pengaruh Kompensasi dan Lingkungan Kerja Terhadap Kinerja Karyawan pada Koperasi Peternak Sapi Bandung Utara (KPSBU) Lembang*. Bandung.
- Damayanti, R., Hanafi, A., & Cahyadi, A. (2018). Pengaruh Kepuasan Kerja Terhadap Kinerja Karyawan (Studi Kasus Karyawan Non Medis RS Islam Siti Khadijah Palembang). *Ilmiah Manajemen*.
- Ghozali, I. (2011). *Aplikasi Analisis Multivariate dengan Program IBM SPSS 18*. Semarang: Badan Penerbit Universitas Diponegoro.
- Hendro, T. (2018). Pengaruh Kompensasi dan Kepuasan Kerja Terhadap Kinerja Karyawan Tetap CV. Karya Gemilang. 1-8.
- Ivancevich, J. M., & Matteson, M. T. (2006). *Perilaku dan Manajemen Organisasi*. Jakarta: Erlangga.
- Laila, F. M., Konopaske, R., & Matteson, M. T. (2019). The Effect of Work Strees, Compensation and Job Satisfaction on Employee Performance at Mojang Nova. *Ilmiah Bidang Manajemen dan Bisnis*.
- Luthans, F. (2006). *Perilaku Organisasi, Alih bahas V.A Yuwono*. Yogyakarta: Andi Offset.
- N, L. S. (2020). Pengaruh Kompensasi dan Kepuasan Kerja Terhadap Kinerja Karyawan Pada PT. Mitra Agung Persada Di Jakarta. *Ilmiah, Manajemen Sumber Daya Manusia*, 1-11.
- Putra, I. A., Bagia, I. W., & Suwendra, I. W. (2016). Pengaruh Kompensasi dan Kepuasan Kerja Terhadap Kinerja Karyawan. *manajemen*, 1-9.
- Rifai, A. A. (2018). Kontribusi Peningkatan Tingkat Kepuasan Kerja, Keadilan Prosedural dan Kompensasi Pada Kualitas Kinerja Karyawan BCA Cabang Sukabumi Masa Pandemi Copid 19. *Ekonomedia*, 1-10.
- Rusliana, R. R., & Drs. Sumitro. (2020). Pengaruh Lingkungan Kerja, Kompensasi dan Kompetensi Terhadap Kepuasan Kerja Karyawan di Sekolah Tinggi Media Komunikasi Trisakti. *Ekonomi*, 1-17.
- Sekaran, U. d. (2017). *Metode Penelitian untuk Bisnis Pendekatan Pengembangan Keahlian*. Jakarta: Salemba.
- Toni, M. S. (2021). Pengaruh Kompensasi dan Kepuasan Kerja Terhadap Kinerja Karyawan Pada PT. Winsen Kencana Perkasa. *Ekonomi & Ekonomi Syariah*, 1-11.
- Ulinuha, A. M. (2017). *Pengaruh Kompetensi dan Kompensasi Terhadap Kinerja Pegawai di Koperasi Peternakan Sapi Bandung Utara Kabupaten Bandung Barat (KPSBU JABAR)*. Bandung.
- Widyastuti, D. (2020). *Pengaruh Kompetensi dan Kompensasi Terhadap Kinerja Karyawan PT.Arifindo Mandiri Pati*. Surakarta.