

The Effect of Increasing Compensation on Employee Work Motivation in Multi-Business Cooperatives Prima Grathia Prosperous Lombok

Angelina sariman¹, Diah Lukitasari², Ira Dianti³

Program Studi Manajemen, Fakultas Budaya, Manajemen dan Bisnis,
Universitas Pendidikan Mataram

Article Info

Article history:

Received: 2 November 2024

Publish: 15 November 2024

Keywords:

Increasing;

Employee;

Motivation;

Grathia.

Abstract

The purpose of this research is to determine the effect of providing compensation on employee work motivation at the Prima Grathia Sejahtera Lombok Multi-Enterprise Cooperative. This research used quantitative methods with a sample size of 54 people. The research methods used are coefficient of determination and multiple linear regression. The results in this study prove that work compensation has a partially positive and significant effect on employee performance because the t-count of 4,933 is greater than the t-table of 2,009. Work motivation has a partially positive and significant effect on employees because the t-count is 4,933 and the t-count of 755 is greater. from t-table 2.009. Meanwhile, simultaneously the compensation variable has a positive and significant effect on employee motivation because the f-count value of 570 is greater than the f-table of 2.56.

This is an open access article under the [Lisensi Creative Commons Atribusi-BerbagiSerupa 4.0 Internasional](https://creativecommons.org/licenses/by-sa/4.0/)



Corresponding Author:

Angelina Sariman

Universitas Pendidikan Mandalika Mataram

Email: angelinasariman@gmail.com

1. INTRODUCTION

Human Resources are an important asset in an organization, because human resources influence efficiency and effectiveness in the organization. One effort to improve the performance and productivity of human resources in an organization is providing compensation. For companies, compensation has an important meaning because compensation reflects the efforts of the organization or company.

Where human resources have an important role in an organization in a company in addition to other supporting resources. Because a good company is a company that is able to manage the human resources in the company. Having these human resources also becomes a strength for a company to be able to increase its existence in competitive cooperatives. A company can achieve predetermined organizational goals and can develop because of appropriate and effective resource management (Pratama et al, 2015). This applies to the agricultural industry, where the number of agricultural industries both from outside and within the country itself is increasing, this makes competition very tight in the industrial world, especially cooperatives. One indicator that a company uses to see whether the human resources in a company are of good quality and able to carry out the duties and responsibilities that have been given to them is to look at the level of employee motivation at work. The higher the employee's work motivation, the better the performance will be and the opportunity to get a better career path will be easier to achieve. Motivation is efforts to achieve a goal (Sofyandi and Garniwa, 2015).

Motivation is an urge to increase efforts to achieve goals, within the limits of the ability to provide satisfaction or someone's needs. For a company, work motivation is very important to support the achievement of the company's vision and mission that has been determined by stakeholders since the company's inception, as well as in terms of achieving company goals.

One factor that can influence employee work is motivation. Lack of employee motivation can hinder employee performance. Motivation drives a person to carry out an activity in order to get the best results as expected. Motivation is important because with this motivation it is hoped that every employee will work hard and be enthusiastic to achieve high work productivity (Melayu, 2014). Companies must be able to provide more attention to employees so that they can carry out their work optimally. Of course, this requires high work motivation from the employees themselves. Where the role of providing compensation carried out by this company is often related to employee motivation in carrying out the tasks and work given to them.

This research will focus on employees of the Prima Grathia Sejahtera Lombok Multipurpose Cooperative. The employees in question are all workers who actively work in this cooperative. Based on the results of interviews conducted with cooperative employees, it was stated that there was a lack of employee work motivation so that employees tended to be lazy in completing their work. Meanwhile, cooperative employees who received the title of healthy stated the opposite, where every work result from all employees always received praise and appreciation from management after the cooperative's annual member meeting. The problem that still arises in cooperatives is the level of employee satisfaction which is not yet optimal, although cooperatives have attempted to increase employee satisfaction through various programs such as improving incentives, creating working conditions or environments that are as comfortable as possible, but the level of employee work motivation in cooperatives is still relatively small. The business activities of the Prima Grathia Sejahtera Lombok Multi-Purpose Cooperative are: the first to provide loan services with low interest, precisely and quickly as well as educating members to be able to use money wisely and productively. The second provides loans to members, prospective members, other cooperatives and/or their members. The function of the Prima Grathia Sejahtera Lombok Multi-Business Cooperative is to first improve the welfare of members of the cooperative as a business in particular and society in general. Secondly, we can build an economic order to create an advanced, just and prosperous society. The third can increase the income and welfare of cooperative members. Fourth, it meets the daily and office needs of cooperative members.

The phenomenon that occurs at the Prima Grathia Sejahtera Lombok Multipurpose Cooperative is that employee motivation does not seem to be good, this can be seen from the lack of employee involvement in carrying out each task, only certain employees are involved in achieving goals, so that other employees do not take part. In this task, they tend to become lazy, lose motivation and even act less concerned about achieving business goals. Here also the increase in employee work compensation is also very little lacking, because employees who actively take part in their duties feel hard when they see their other colleagues not carrying out their duties well. One of the factors that influence the level of employee work motivation is the provision of appropriate and adequate compensation by the company (Sarinadi 2014). Companies must be able to provide more attention to employees so that they can carry out their work optimally. Of course, this requires high work motivation from the employees themselves. Where the role of providing compensation carried out by this company is often related to employee motivation in carrying out the tasks and work given to them.

Based on the background of the problems and phenomena that have been described, the author is interested in researching increasing compensation for employee work motivation, so the author can choose the title "The Effect of Increasing Compensation on Employee Work Motivation at the Prima Grathia Sejahtera Lombok Multi-Enterprise Cooperative".

Problem Formulation

Does increasing work compensation have a significant effect on the work motivation of Prima Grathia Sejahtera Lombok Multi-Purpose Cooperative office employees?

RESEARCH PURPOSES

Based on the problem formulation above, the objectives of the research are:

1. To determine the effect of providing compensation and motivation on the work of employees of the Prima Grathia Sejahtera Lombok Multi-Enterprise Cooperative Office
2. To determine the effect of providing compensation on employee work motivation at the Prima Grathia Sejahtera Lombok Multi-Enterprise Cooperative Office
3. To determine the effect of providing compensation and motivation simultaneously on the performance of employees of the Prima Grathia Sejahtera Lombok Multi-Enterprise Cooperative Office.

2. RESEARCH METHOD

The research design used in this research is a quantitative research method. The population in this research is all employees in the West Nusa Tenggara Province Industry Service, totaling 54 people. For the sample size, we use the theory from Arikunto (2016) which says that if the population is ≤ 100 people, then the entire sample size is taken, but if the population is ≥ 100 people, then 10%-15% or 20%-25% of the population can be taken. Because the population was ≤ 100 , the number of samples taken was 54 people. Data collection techniques use observation and questionnaires or questionnaires which are distributed directly at the West Nusa Tenggara Province Industry Service, then data processing in this research uses *SPSS Statistical Program for Social Sciences 25*.

Data analysis techniques in this research are:

1. Validity Test

This test is used to determine accuracy and determine benchmarks for a company. The validity test was carried out with the aim of testing the extent to which the questionnaire items were valid and invalid. Valid means that the instrument can be used to measure what it is supposed to measure.

2. Reliability Test

A variable is declared reliable if the Alpha coefficient is ≥ 0.60 . Meanwhile, a variable is declared unreliable if the Alpha coefficient is < 0.60 Sugiyono, (2017).

3. Coefficient of Determination

Determination analysis (R^2) is measuring how far the model's ability to explain variations in the dependent variable. The coefficients of determination values are 0 and 1. R value² small means the ability of the dependent variables is very limited. A value close to 1 means that the independent variables provide almost all the information needed to predict variations in the dependent variable (Ghozali, 2018).

4. Multiple Linear Regression Analysis

According to Arifin (2017: 156), multiple linear regression is where there are two or more independent (free) variables and one dependent (bound) variable.

5. T-Test (Partial Test)

The t test or partial test is carried out to find out how far an independent variable partially affects the variation in the dependent variable, Ghozali (2018: 115). The basis for drawing conclusions in the t test is that H0 is accepted and Ha is rejected, if t-count < t-table for $\alpha = 0.05$, and vice versa H0 is rejected and Ha is accepted, if t-count > t-table for $\alpha = 0, 05$.

6.F-test (simultaneous test)

According to Ghozali (2018:115), if the significant probability value is <5% then the independent variables or independent variables will have a significant effect together on the dependent variable. If the calculated F value < F table and if the probability (signification) is > 0.05(α), then H0 is accepted, meaning that the independent variables simultaneously or together do not significantly influence the dependent variable. On the other hand, if the calculated F value > F table and if the probability (signification) is smaller than 0.05(α), then H0 is rejected, meaning that the independent variable simultaneously influences the dependent variable significantly.

3. RESEARCH RESULT

Research Instrument Test Results

Validity Test Results

Table 1
Compensation Test Results

Variable	Symbol	r-count	r-critical	Information
Compensation (X1)	X1.1	0,734	0,268	Valid
	X1.2	0,834	0,268	Valid
	X1.3	0,764	0,268	Valid
	X1.4	0,614	0,268	Valid

Source: Data processed using SPSS version 26 (2024)

The results of observations in the r-table show that the sample value $df = (N-2) = 0.268$. Referring to the results of the validity test, it shows that the Compensation variable (X1) produces r-count \geq than r-table. So, it can be concluded that the instrument in this research can be said to be valid.

Table 2
Work Motivation Validity Test Results

Variable	Symbol	r-count	r-critical	Information
Motivation (Y)	Y.1	0,475	0,268	Valid
	Y.2	0,808	0,268	Valid
	Y.3	0,641	0,268	Valid
	Y.4	0,763	0,268	Valid
	Y.5	0,529	0,268	valid

The results of observations in the r-table show that the sample value $df = (N-2) = 0.268$. Referring to the results of the validity test, it was found that the employee performance variable (Y1) produced an r-count \geq than the r-table. So it can be concluded that the instrument in this research can be said to be valid.

Reliability Test Results

Table 5
Work Environment Reliability Test Results

Cronbach's Alpha	N of Items
.793	5

Source: Data processed using SPSS version 26 (2024)

Based on the results of the reliability test, it was found that the value of the work environment variable produced a Cronbach's alpha value ≥ 0.60 . So, it can be concluded that the instrument in this research is reliable.

Coefficient of Determination Test Results

Table 4.9.
Determinas Coefficient Testi

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.660 a	.435	.413	.36932

a. Predictors: (Constant), Compensation, motivation

Source: data processed with SPSS Version 26 2024

Based on the results of these calculations, it can be seen that the coefficient of determination obtained is 0.435, so (43.5%) compensation is influenced by the work motivation variable. Meanwhile, the remaining 15.6% of employee performance can be influenced by other variables not examined in this research.

Partial Hypothesis Testing (T Test)

Table 4.7. Persial Test Results (T Test)

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	18.335	3.363		4.933	.000
X1	.144	.190	.104	.755	.454

a. Dependent Variable: Motivation

Source: Data processed using SPSS version 26 2024

Based on the results of the multiple linear regression above, it can be explained as follows:

1. The constant value (a) is 18.335. This means that if there is no influence of the independent variable consisting of the work compensation variable, then the size of the dependent variable (employee work motivation) is 18.335
2. The regression coefficient value of the work compensation variable (b1) is 0.144 with a positive direction. This happens if every increase in the work compensation variable will increase the work motivation variable by 0.144 assuming the other independent variables are constant.

Simultaneous Hypothesis Testing (F Test)

Table 4.8. Simultaneous Test Results (F Test) ANOVA

ANOVA

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	3.945	1	3.945	570	.000a
Residual	359.926	52	6.922		
Total	363.870	53			

a. Predictors: (Constant), totalx2, totalx1

b. Dependent Variable: totaly1

Source: Data processed using SPSS 26 (2024)

Based on Table 4.8 above, the β value is 570 and the significance value obtained is 0.000 smaller than the value α ($\alpha = 0.05$) was used. This means that together the compensation variables have a positive and significant effect on employee work motivation.

DISCUSSION OF RESEARCH RESULTS

4.3.1. The Effect of Compensation on Employee Work Motivation

Based on the research results, it was found that work motivation has a positive and significant effect on employee performance at the multi-business cooperative Prima Grathia Sejahtera Lombok. This is proven by the results of the multiple linear regression test which obtained a regression coefficient value of 0.064 and the t test which obtained a tcount value smaller than ttable ($460 < 2.007$) and the level of significance value was greater than 0.05 ($0.000 > 0.05$). From these criteria it can be interpreted that the work compensation variable has a positive and significant effect on employee work motivation at the Prima Grathia Sejahtera multi-business cooperative. Employee work motivation will increase depending on the work compensation that employees receive. Providing work compensation is one of the factors in how employees can work and complete their work well so that employees can improve organizational performance.

According to the cashier, compensation is remuneration provided by the company to employees, both financial and non-financial. Therefore, this position and relationship is very good if the development of individual employee performance starts from increasing work motivation. Employees and companies are two things that cannot be separated. Employees play a major role in running the company's life. If employees have high productivity and motivation, the wheels

will run fast. With the speed of these wheels, it will ultimately result in good performance and achievements for the company. On the other hand, how can a company run well if its employees work unproductively?

This means that employees do not have high morale, are not tenacious at work, and have low morale.

The ideal function of carrying out employee duties in a work unit is the service function. Therefore, management orientation must focus on members/customers, thus, in this context, the direction of implementing employee duties should be to provide services to members/customers, both internal and external. However, this is not easy. Therefore, the front line in providing services are employees with various problems. In such circumstances, it is not impossible for customers to get a bad image of the organization/institution due to poor service provided by employees.

The results of distributing questionnaires regarding the variable provision of work compensation show that respondents have a tendency to agree with the questions in the questionnaire. This means that the majority of respondents agree that they receive work compensation as indicated by the provision of compensation from the company for employees to work well, wages and salaries for providing compensation, as well as several statement items on the questionnaire related to providing work compensation. The high level of work compensation given to employees of the multi-business cooperative Prima Grathia Sejahtera Lombok makes employees more capable of completing work well, increases the level of employee efficiency, and ultimately will influence their work motivation. These results are consistent with the respondents' answers, where employee motivation is included in the high category. In addition, the results of research based on age characteristics, employees of the Prima Grathia Sejahtera Lombok multi-business cooperative, most of whom are <20-25 years old, are still really need motivation from a superior. Apart from age, educational background factors also influence a person's work drive, because the higher a person's educational background, the higher his or her motivation. This is also consistent with the answers of respondents who have a high school educational background in the Prima multi-business cooperative. Grathia Sejahtera Lombok.

The results of this research support previous research conducted by Lusri (2017) who conducted research at PT. Borwita Citra Prima Surabaya. The results of his research show that providing work compensation has a significant effect on employee work motivation. Research conducted by Larasati and Gilang (2024) who conducted research in the Telkom area of North West West Java (Wintel Bekasi).

The results of his research show that compensation has a significant effect on employee performance. Research conducted by Setiawan (2015) who conducted research in the Operations Division of PT. Pusri Palembang. The results of his research show that work compensation has a significant effect on employee work motivation. Furthermore, research was conducted by Susanto (2019) who conducted research on the Sales Division of PT. Rembaka. The results of his research show that work compensation has a significant effect on employee work motivation.

However, different results were shown by Adha, et al. (2019) who conducted research at the Jember Regency Social Service. The results of his research show that work compensation has no significant effect on employee work motivation. Research conducted by Purwati (2017) who conducted research at PT. Aninda

Mitra International Yogyakarta. The results of his research show that work compensation does not have a significant effect on employee work motivation. Furthermore, research was carried out by Mujiatun (2017) who conducted research at PT. Rajawali Nusindo Medan. The results of his research show that work compensation has no significant effect on employee motivation.

4. CONCLUSION

The results of the research on the effect of providing compensation on the work motivation of employees of the Prima Grethia Sejahtera Lombok multi-business cooperative can be drawn as follows:

1. Work compensation has a positive and significant effect on providing employee compensation. This means that good attention to employee compensation and employee job satisfaction will be able to improve their performance better. On the other hand, if employee work compensation is not paid attention to properly, their performance results will decrease.
2. Work motivation has a positive and significant effect on employee performance. This means that if employee motivation is higher, employee performance will increase. Conversely, if employee work motivation is lower, employee performance will decrease.
3. Based on the Hypothesis Results Using multiple regression analysis, the partial value (t test) shows that the significant value for constant (a) is 18.335. This means that if there is no influence of the independent variable which consists of the variable providing work compensation, then the size of the dependent variable (employee work motivation) is 18.335. So, it can be concluded that H1 is accepted, which means there is a partial positive and significant influence of compensation on work motivation.
4. Based on the Hypothesis Results Using multiple regression analysis, the partial value (t test) shows that the significant value for the regression coefficient value of the work compensation variable (b1) is 0.144 with a positive direction. This happens if every increase in the work compensation variable will increase the work motivation variable by 0.144 assuming the other independent variables are constant.
5. Based on the results of hypothesis testing using simultaneous multiple liner regression analysis (f test), it is known that the β value is 570 and the significance value obtained is 0.000 smaller than the value α ($\alpha = 0.05$) is used. This means that together the compensation variables have a positive and significant effect on employee work motivation.

5. BIBLIOGRAPHY

- Adib Badruzzaman. 2012. *Pengaruh Sistem Upah Terhadap Motivasi Dan Karyawan. Tugas Akhir. Tidak diterbitkan. Fakultas Syariah: IAIN Syekh Nurjati Cirebon.*
- Changgriawan, S.G. 2017. Pengaruh pemberian kompensasi kerja terhadap Motivasi Kerja Karyawan Di One Way Production. *Agora*, Vol 5 No 52-59
- Damyanti R, Hannafi A, Cahyadi A. 2018. Pengaruh pemberian kompensasi Kerja Terhadap motivasi Karyawan (Study Kasus Karyawan Non Medis RS Islam Siti Khadijah Palembang). *Jurnal Ilmiah Manajemen Bisnis Dan terapan*. Vol 2 No 82-84
- Harahap, L. 2014. *Analisis Hubungan Kompensasi Finansial dengan Prestasi Kerja Karyawan PDAM/ITrita Pakuan Kota Bogor*. Skripsi pada Departemen Manajemen Fakultas Ekonomi dan Manajeme, Institut Pertanian Bogor, Bogor.
- Harry AMCH. 2014. *Pengaruh Kompensasi, Status/Pengakuan, dan Ksempatan Berkembang terhadap Tingkat Employee Engagement pada karyawan Universitas Sanata Dharma* {Tesis}. Yogyakarta [ID]: Universitas Atmajaya Yogyakarta.
- Hasibuan, M. 2015. *Manajemen Sumberdaya Manusia*. Edisi Revisi. Bumi Aksara, Jakarta.

- Hasibun, Melayu S.P. 2014. *Manajemen Dasar, Pengertian Dan Masalah*. Jakarta: PT. Bumi Askara.
- Kusuma, Y. B., Swasto, B., & AL-Musadieq, M. 2014. *Pengaruh Kompensasi Terhadap Motivasi Kerja, Kepuasan Kerja, dan Kinerja Karyawan (Studi pada Karyawan Tetap PT. Otsuka Indonesia di Lawang, Malang)*.
- Sugiyono (2019). *Metode Penelitian Kuantitatif, Kualitatif, dan R&D*.
- Sunyoto, D.(2015)*Penelitian Sumber Daya Manusia: Teori Kusioner, Alat Statistik, dan contoh Riset*.Yogyakarta [ID]:CAPS (Center of Academic Publishing Service