

The Effect of Financial Compensation, Work Motivation and Work Discipline on The Performance of Permanent Employees of PT Outsource Indonesia

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Abstract

This research aims to analyze how much influence Financial Compensation, Work Motivation and Work Discipline on employee performance. In this research using primary data obtained from questionnaires to 116 employees as respondents in companies jabbek. This research uses descriptive analysis and inferential analysis methods. Data were analyzed using multiple linear regression correlation analysis, test instruments, test the feasibility of the model, and the t test. The results of this study indicate a positive and significant effect on Employee Performance, which is generated from the results of the regression equation model in the Coefficients Y table = $5.653 + 0.508 + 0.082 + 0.234$. In the model feasibility test results obtained significant value of 0,000 which means the model is said to be significant and the model is said to be feasible to use in this study. On the results of the t-test hypotheses obtained sig value on the variable Financial Compensation of 0,000, the sig value on the Work Motivation variable is 0.046, and the sig value in the Work Discipline is 0,000. Then it can be concluded that the partial meaning of the three variables has a positive and significant influence on the dependent variable of employee performance.

Keywords: Financial Compensation, Work Motivation, Work Discipline and Performance of Employee.

INTRODUCTION

Every corporate organization, both in the field of services and manufacturing, is generally divided into several management functions, namely the marketing function, financial function, production function and personnel function or human resources. Of course, some of these functions have a relationship between one and the other so that it becomes a unity to form a good organization in various fields of corporate organizations that have the same goal, namely seeking profit or profit.

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In a company or organization The existence of human resources plays a very important role. The potential of every human resource in the company must be utilized as well as possible so that it can provide optimal output. Organizational activities will not run without the involvement of human elements in it. The achievement of company goals

does not only depend on modern equipment, complete facilities and infrastructure, but rather depends more on humans who carry out the work, because the element of control is in humans, so that in the end compared to other factors, humans are the element that most determines the success or failure of an organization in carrying out various activities in order to achieve goals and various objectives company.

Therefore, a qualified employee is an employee who carries out his work and is able to provide good work results or has high work performance needed by the company to achieve common goals. The high work of employees will have an impact on the high performance of the company itself. According to Handoko (2011: 14) "Human Resource Management is the withdrawal, selection, development, maintenance, use of human resources to achieve the goals of both individuals and organizations. That is, human resource management is to organize all workers effectively and efficiently by developing the capabilities they have in realizing the goals of the company, employees, and society.

In this era of increasingly fierce and competitive globalization competition, human resources in organizations are not just tools to achieve organizational targets, but human resources (HR) are organizational assets that must be maintained and developed. Companies need participatory management and also a directed work team in order to maximize the potential of its employees and also to improve employee performance. To achieve these goals requires a series of activities known as the management process, which consists of planning, organizing, actuating and controlling actions carried out to determine and achieve predetermined goals through the use of human resources and other resources. These actions are interrelated and it is the duty of every leader to organize the people in them to carry out various jobs in order to achieve the goals of the company. From the opinion above, it can be explained that performance is the result of work that can be achieved both individuals and groups in an organization or company in accordance with the responsibilities of each individual in order to achieve organizational goals that have been planned and targeted by the company concerned.

In addition, companies must also think about how to improve the performance of their employees in order to achieve company goals well. One way is through performance appraisal or performance management. To achieve good performance, the most dominant element is human resources, although planning has been arranged well and neatly but if the person or personnel who carry out it is not qualified and does not have high morale, then the planning that has been prepared will be less effective.

As a developing country, Indonesia is intensively carrying out development in various sectors, in Jakarta itself as the capital of the country which is the center of economic activities must require a lot of human resources that are not small. Various companies both in the field of services and manufacturing certainly require a lot of labor. In 2015 the era of globalization began to narrow and focus on becoming the Asean Economic Community (AEC) which made competition not only in the business world but also on the competition of resources owned. Different companies also have different human resources needed, as well as the recruitment process between one company and another varies depending on the analysis of the HR needs needed, In recruiting HR, companies make special criteria needed by the company.

As a company engaged in the provision of manpower supply, HRD management and recruitment services for other companies, PT. Outsource Indonesia, which is one of the many outsourcing service providers domiciled in the Central Jakarta area, already has several fairly large clients, namely BCA, BCA finance, BINUS University, OCBC Bank and United Tractors and others. Like businesses in general that cannot be separated from risks and problems, PT. Outsource Indonesia is also like companies in general that have their own problems. In its business development, PT Outsource Indonesia experienced fluctuations in the level of internal productivity in fulfilling client operational needs and the availability of the number of employees for placement in unstable clients from one period to another which caused the company's profit to decrease dramatically. Meanwhile, the cost burden that must be borne, especially general and administrative costs, tends to continue to increase in line with the increase and development of price increases in general. In order for the company to continue to exist and maintain its business continuity, therefore management that is fully responsible for this must always run the business with various strategies, both marketing strategies and operational strategies appropriately and efficiently so that the goals and needs of stakeholders can be met.

Many things can be seen and measured in looking for problems in terms of performance. Such as evaluating the performance carried out by the R&D division of PT Outsource Indonesia by looking at the results of the KPI evaluation which showed a decrease in performance shown in the final assessment results of the evaluation in 2018 compared to the previous year. From this data, it can be one of the measuring tools in the success or failure of the program or actions taken by management so far, showing success or failure can be seen from the performance of both at the employee and management levels in the company.

Many factors can affect the performance of an employee. In this study, factors that affect the performance of PT. Outsource Indonesia, researchers only discuss on a few variables such as: financial compensation, work motivation and work discipline. Of the three variables, it will be analyzed which factor is the biggest in influencing performance both in terms of employees and management, which may be able to help in decreasing the performance of employees at PT. Outsource Indonesia.

One of the factors that can affect an employee's performance is compensation, compensation is not the only factor that affects employee performance, compensation is still recognized as one of the determining factors in order to improve employee performance. When associated with job evaluation, employees will be more enthusiastic and maximize their work, because they feel valued for their work. The employees crave that performance will be positively related to compensation, compensation provided by the company. Employees determine expectations regarding the compensation received if a certain level of performance is reached. There have been many studies that discuss the effect of compensation on performance, such as the results of research conducted by Angga (2014), and Sri Rahayu (2016) proven that compensation actually affects a person's performance. In this study to measure perceptions rather than compensation, researchers used indicators such as basic salary, incentives and benefits.

The following factor that also supports a performance is Motivation. This factor is also one of the important things for the rise or fall of an employee's performance. Because with motivation it is expected to be a driving force that becomes active or the functioning of one's desire to do something, because in each individual there is already an urge to do something. One aspect of utilizing employees is the provision of motivation (stimulating power) to employees, with the popular term now giving enthusiasm to work to employees by utilizing employees who benefit the company. The purpose of benefits

here is the achievement of company goals. According to Handoko (2010: 225) motivation is a state in the person that encourages the desire of individuals to do certain desires to achieve goals. Employee motivation is influenced by various needs in general such as physical needs, the need for security and safety, social needs, the need for self-esteem, and the need for self-actualization. From these need factors, it can be used as a measuring indicator to determine employee work motivation.

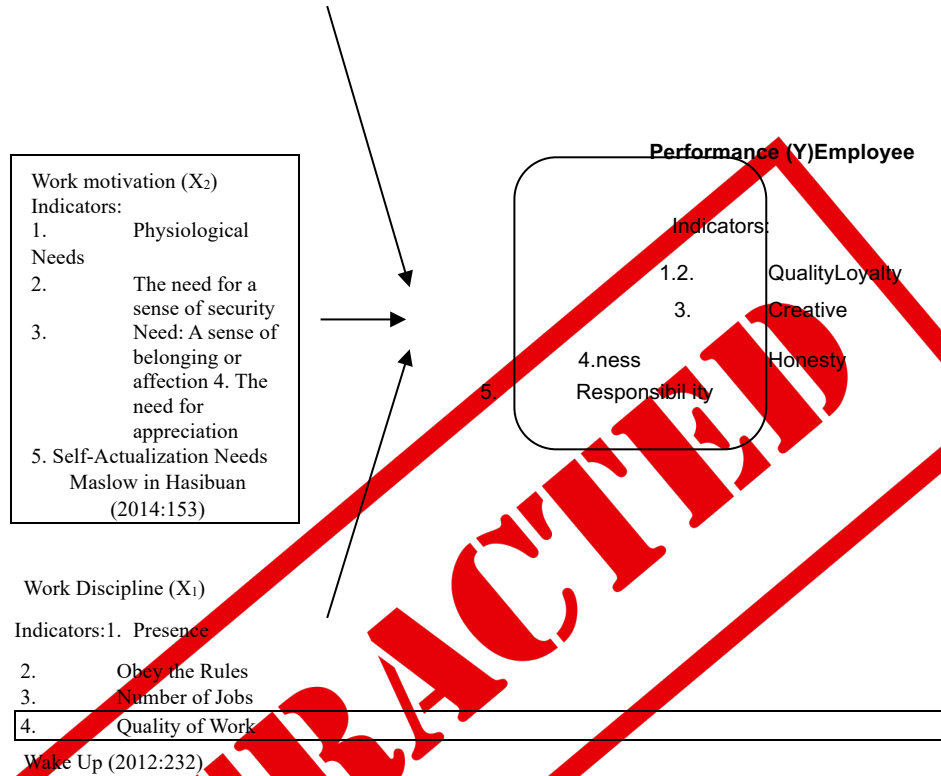
In achieving the goal of good performance there is one factor that cannot be ignored, namely work discipline. Because this one factor is very crucial, therefore work discipline in the company must be applied. This is in accordance with the theory according to Siagian (2014: 305), employee discipline is a form of training that seeks to improve and shape employee knowledge, attitudes, behavior so that these employees voluntarily try to work cooperatively with other employees and improve their work performance. Lack of knowledge of regulations, procedures and policies will lead to disciplinary action. With this statement, the application of discipline in an organization aims to make all employees in the company willing to voluntarily obey and obey every applicable order without any coercion. Good work discipline can be seen from the high awareness of its employees in complying with and obeying all applicable rules and regulations, the amount of responsibility for their respective duties, and increasing the efficiency and job satisfaction of their employees. Basically, many indicators affect the level of discipline of employees of an organization. In this study, researchers took these indicators according to Bangun (2012: 232), namely: attendance, compliance with regulations, number of jobs and quality of work.

Performance is the result or implementation of tasks that have been completed by someone within a certain period of time and can be measured. Employee performance is a benchmark for companies to assess ability, productivity, and provide useful information for companies related to employees. Effective and directed use of labor is the company's step in improving employee performance, for that it takes company wisdom in moving the workforce to want to work more motivated so that employee performance is better. According to Mangkunegara (2010: 9) human resource performance is work performance or actual achievement achieved by someone. Therefore, a performance management system is a process to identify, measure and evaluate employee performance in the company. Companies need to establish a good performance management system so that employees feel fair and comfortable in carrying out their work. Measuring indicators that affect employee performance according to Hasibuan (2012: 105) include: Quality, loyalty, creativity, honesty and responsibility.

RESEARCH METHOD

This study used a quantitative research design. The subjects of this study were employees of PT. Outsource Indonesia. By observing only a few variables as determining factors in this study such as service quality, promotion and brand image and also customer loyalty. With the observation of a sample of 100 people as research subjects. The type of data collected in this study is in the form of primary data sourced from employees of PT. Outsource Indonesia as a research subject or sample. The data collected from the subjects of this study were questionnaires which were then analyzed.

Indicators:		
1. Base Salary	2. Intensive	
3. Allowances		
Handoko (2012:56)		



Analysis Framework Drawing

RESULTS AND DISCUSSION

Inferential analysis in this study is carried out to analyze the results of sample data which then the results will be applied to the population. In this case, where the influence of the independent variable on the variable is bound by testing the hypothesis and concluding the results of the hypothesis.

Coefficientsa

Type	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta	t	Sig.
1 (Constant)	5.653	1.636		3.456	.001
Financial Compensation	.508	.098	.407	5.200	.000
Work Motivation	.082	.041	.156	2.018	.046

Work Discipline	.238	.058	.323	4.110	.000
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a. Dependent Variable: Kinerja_Karyawan

The results of the table above then obtained the linear regression equation is;

$$Y = 5.653 + 0.508 + 0.082 + 0.234$$

Based on the results of the regression analysis, the H1 hypothesis test shown in the Coefficients table obtained a positive financial compensation variable coefficient value of 0.508 with a significance of 0.000, these results mean that there is a positive relationship between financial compensation and employee performance. The results of the table also show that the contribution of financial compensation to performance is the largest compared to other variables, which is shown in the standardized Coefficient Beta value of 0.407.

The results of the hypothesis analysis in this study are also strengthened by the results obtained through several other tests. The results of testing the t test hypothesis, obtained a significance value smaller than α , which is shown at a significance value smaller than 0.05, which is 0.000. So it is partially interpreted that financial compensation has a significant effect on the performance of PT. Outsource Indonesia. From the results of this positive influence hypothesis, it means that if the compensation of employees is in accordance with expectations and feasible, it will make their performance better in the work environment of PT Outsource Indonesia.

Then the hypothesis on work motivation based on the results of regression analysis shown in the Coefficients table obtained a positive work motivation variable coefficient value of 0.082 with a significance of 0.046, these results mean that there is a positive relationship between work motivation and employee performance. While the contribution of work motivation to employee performance is 0.156, which is the smallest compared to other variables, which is shown in the value of the standardized Coefficient Beta. Then in the results of testing the t test hypothesis, a significance value smaller than the α limit used in this study was also obtained, which was shown at a significance value smaller than 0.05, which was 0.046. So it is partially interpreted that work motivation also has a significant effect on the performance of PT. Outsource Indonesia. From the results of this positive influence hypothesis, it can be interpreted to indicate that if employees have good motivation which is reciprocal of what management provides, it is possible that it will be able to improve the performance of PT Outsource Indonesia employees.

And in the work discipline hypothesis obtained in the results of regression analysis shown in the Coefficients table, a positive work discipline variable coefficient value of 0.238 was obtained with a significance of 0.0400, these results mean that there is a positive relationship between work discipline and employee performance. While the contribution of work discipline to employee performance is shown in the standardized Coefficient Beta value of 0.323. The results of the hypothesis in this study are also supported by the results obtained in other tests. In the results of partial hypothesis testing with the t test, a significance value smaller than the α limit used in this study was also obtained, which was shown at a significance value smaller than 0.05, which is 0.000. So it is partially interpreted that work discipline does have a significant effect on the performance of PT. Outsource Indonesia. From the results of the hypothesis above, it indicates that the better the implementation of discipline at PT Outsource Indonesia, it will be able to improve the performance of employees at PT Outsource Indonesia.

CONCLUSION

Based on the results of research on the performance of PT. Outsource Indonesia, the results of the analysis and discussion that have been carried out, then in this study the researcher draws conclusions that: Financial Compensation has a positive and significant effect on the performance of PT Outsource Indonesia employees. The meaning of this conclusion, if the compensation provided by the management of PT Outsource Indonesia to its employees is given better attention and in its implementation adjusted to the current situation, it does not rule out the possibility that it will make the performance of PT Outsource Indonesia employees better which will also make management targets achieved as well as better KPI performance. Work Motivation has a positive and significant effect on the performance of employees of PT Outsource Indonesia Central Jakarta. This means that if Management provides optimal work motivation for employees, especially in fulfilling their needs, it is likely that employees also give their loyalty to the company so that there is automatically an increase in employee performance. Work Discipline has a positive and significant effect on the performance of employees of PT Outsource Indonesia Central Jakarta. This means that if there is an increase in work discipline, for example by obeying the regulations that have been made by the company, then employees can also provide optimal performance by making the best use of the available time.

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