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Providing Compensation to Measure the Morale of Employees at PT X

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Abstract

Providing compensation as a measure of employee enthusiasm at PT X is an absolute right that employees must receive as compensation for their hard work. By providing compensation to employees, they will be more enthusiastic and active in working. The data collection method uses a questionnaire. The data analysis method used is qualitative descriptive analysis. The results show that compensation to employees is given in two forms, namely financial compensation and non-financial compensation. Financial compensation in the form of salary will be given to employees according to the local regional minimum wage and incentives given can be in the form of additional wages and meals for employees who participate in overtime in working on projects at the Company. Providing compensation will also influence employee performance, meaning that providing appropriate compensation will make employees enthusiastic about working.

Keywords: Compensation, employees, work morale

INTRODUCTION

In today's advanced era, it is marked by the increasing number of developments in the business world, causing high levels of competition in the business world. Every company must be able to fulfill and facilitate its employees so that they are enthusiastic about working. Good human resources will certainly have a good influence on the company in the future. Reliable human resources have a more strategic role than other resources. Human resources are the most important key that an organization has, while effective management is the key to the success of an organization

Realizing the importance of human resources for the survival and progress of a company,

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a company must pay special attention to holders of this important role and it is natural for company owners to view human resources as more than just company assets and make them partners in business.

In order to optimize employee morale, better work is provided by providing remuneration (compensation). Providing compensation is an absolute right that workers must receive. Everyone who works certainly wants to receive compensation for all their efforts and hard work. Everyone definitely wants a decent place of business and adequate compensation. But in practice, many people only think that the most important thing is that they work and get a job with compensation as is, rather than being unemployed. This is of course a big problem, because compensation is not commensurate with the employees' hard work.

Compensation can be given in various forms, both financial and non-financial compensation. Some direct financial compensation consists of salary/wages and incentives (commissions and bonuses), while indirect financial compensation can take the form of various kinds of facilities and allowances. For every company, providing compensation is a mandatory thing that must be done. Because this concerns the sustainability of employee work. Providing appropriate compensation will also have a positive influence on the company's continuity in the future. Employees who feel that their compensation is sufficient will work harder and the company's goals will be achieved well. Compensation should not only be given equally, but must take into account the level and abilities of the employees. So, the compensation results from one employee to another will of course not be the same.

According to Samsuddin, 2006 stated that providing compensation can improve work performance and employee motivation. Therefore, company attention to rational and fair regulation is very necessary. If employees view compensation as inadequate, their work performance/performance, motivation and job satisfaction tend to decrease

In providing compensation, it is also adjusted to how long employees have worked at a company. The longer employees work at a company, the more they will think about how to increase the compensation they receive. This means that over time employees' desire to increase the compensation they receive will continue to increase. But sometimes this cannot be realized considering that not all companies' profits increase every year. This, of course, will make employees prefer to look for other companies with higher compensation. And if there are employees who stay in the company, their performance will certainly decline because they think their performance is not commensurate with the compensation given.

Another thing that needs to be considered when providing compensation is that it depends on the performance of each employee. This means that compensation from one

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employee to another will be very different from time to time. Employees who have the ability to work well will certainly receive better compensation than employees whose performance is constant or even declining. So, in the compensation policy there are many factors that must be considered. Employees must be motivated and continue to be enthusiastic about improving their performance. Likewise, companies must provide remuneration or compensation in accordance with employee performance.

The problem that often arises at PT Many companies provide compensation to their employees without any transparency regarding policies relating to employee rights. As a result, sometimes employees with the same job and abilities receive different compensation. This is what results in the level of employee performance decreasing which results in the company's quality decreasing.

In this case, the government's role is very necessary in determining the minimum compensation that a company must pay to employees. The government must take firm action against companies that do not provide appropriate compensation to their employees. Because in this case, employees must receive appropriate compensation for the performance that the employees have done.

METHOD

The method for writing this article is to use a qualitative descriptive method

RESULTS AND DISCUSSION

Compensation

Compensation is remuneration provided by a company to its workers, both financial and non-financial. This means that the company will provide compensation to all employees involved in it. The remuneration provided is the Company's obligation for the effort and hard work given to the company during employment. On the other hand, for employees, compensation is the employee's right to the burdens and responsibilities given to the company. So compensation for companies is an obligation that must be given, while for employees it is a right that they must receive. The compensation policy must provide a sense of justice for all employees. This means that when determining the amount, you must follow the rules that have been applied.

According to Hasibuan (2009) compensation is all income in the form of money, direct or indirect goods received as compensation for services provided to the company.

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Forms of compensation

The forms of financial compensation and non-financial compensation are as follows:

Financial compensation

Hasibuan (2009) groups compensation into two general forms, namely: Direct Compensation in the form of:

1. Salary is remuneration that is paid periodically to employees and has definite guarantees. The salary given by PT X to employees is calculated based on the number of working days per month. The salary given according to the City UMR is IDR. 2,800,000/month for employees. This is an agreement between the company leadership and employees. The salary given at PT 2,811,111/month. Apart from that, the salary paid is the average salary given by other palm oil plantation companies.
2. Incentives are additional remuneration given to certain employees whose achievements are above standard performance.

PT X only provides bonuses and overtime pay if there is work on large projects outside the company. The bonus given can be in the form of additional wages and lunch for both male and female employees who participate in the job

Indirect compensation (indirect compensation or employee welfare) in the form of social welfare programs, social security programs and employee service programs, such as holiday allowances, health, insurance and office facilities (official residence, official car).

Non-financial compensation

According to Simamora (2004) non-financial compensation is the satisfaction that a person receives from the work itself or from the psychological and/or physical environment in which the person works. Forms of non-financial compensation at PT X can be seen from:

a. Work, can be:
   1) Interesting task
   2) Challenge work
   3) Responsibility for work
   4) Opportunity to gain recognition

b. Work environment, can be:
   1) Comfortable work environment
   2) Lovely work relatives

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3) Adequate facilities

Performance

Mangkunegara's opinion (2009) is that performance is the result of work in terms of quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him.

Performance Indicators

According to Wirawan (2009) indicators of performance are:

1) Work skills: Employee mastery of procedures (methods/techniques/procedures/equipment) for carrying out their position duties.

2) Quality of work: The employee's ability to demonstrate the quality of work results in terms of accuracy and neatness.

3) Responsibility: The employee's willingness to involve themselves fully in implementing it work and bear the consequences of errors/negligence and personal carelessness in carrying out their duties.

4) Initiative: The employee's ability to develop ideas and actions that support task completion.

5) Discipline: Employees' willingness to comply with relevant company regulations with punctual entry/leave time from work, attendance, and leaving the office not for official business.

6) Quantity of work: The employee's ability to complete a number of tasks every day

Compensation objectives

Compensation provides great benefits for employees and organizations. For employees, providing compensation can increase work morale, motivation and job satisfaction. For organizations, providing compensation aims to create a good system for managing human resources. Compensation generally aims to recruit human resources, maintain, retain and motivate employees in the organization. Providing compensation has several objectives, including:

1) Fulfilling employees' economic needs, providing compensation as a form of remuneration or reward to employees so that employees can fulfill their living needs;
2) Retaining employees, the organization provides the best possible compensation to keep them working in the organization. It is hoped that providing compensation will ensure that employees feel satisfied and have no intention of resigning;

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3) Creating fairness, compensation is expected to be in accordance with the duties and responsibilities carried out by employees. The compensation determination system is expected to be fair so as not to cause jealousy among fellow employees;
4) Increasing productivity, providing compensation is expected to increase employee productivity so that the organization can run well and achieve its goals; And
5) Increasing employee satisfaction, providing compensation will create a satisfied and loyal attitude towards the organization. Good compensation will increase your sense of pride in working in the organization.

According to Logahan et al, 2012states that compensation is provided with the aim of providing stimulation and motivation to workers to improve work performance, as well as production efficiency and effectiveness. Therefore, if compensation is given correctly, employees will be more enthusiastic about working and motivated to achieve organizational goals. Efforts that the company can take include motivating employees through implementing compensation that is appropriate to their abilities so that job satisfaction is achieved, employees who feel satisfied will be more loyal and their performance will increase in the company Nurcahyani & Adnyani, (2016). Because basically a successful company cannot be separated from the performance of the employees who work for that company.

The Relationship between Financial Compensation and Performance

According to Hasibuan (2009) states that the form of financial compensation is a reward given by the company to employees, including compensation which is all income in the form of salaries, wages and incentives received as compensation for services provided to the company. Providing high compensation to an employee implies that the organization utilizes the employee's energy as efficiently and effectively as possible. By providing these rules, related organizations achieve the maximum possible benefits and/or profits. Non-financial compensation is intended to retain employees in the long term. So it can be explained that the non-financial compensation given to employees aims to enable employees to work optimally so as to improve their performance.

The Relationship between Non-Financial Compensation and Performance

According to Simamora (2004), non-financial compensation is related to employee satisfaction in accepting work and environmental comfort, both psychological and physical, in the organization where they work. Musyafi' et al (2016) in their research show that non-financial compensation is closely related to the process of completing tasks assigned by the company,

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which in essence is the fulfillment of needs during the work process which must be met in accordance with applicable rules and standards. The impact arising from providing adequate non-financial compensation means that the work processes running in an organization are effective and efficient with the support of available and neatly organized facilities and employee performance will directly increase.

The Relationship between Financial and Non-Financial Compensation with Performance

Compensation is important for employees themselves as workers, because the amount of compensation is a reflection or measure of the value of the employee's own work. On the other hand, the size of compensation can influence employee work performance, motivation and job satisfaction. If compensation is given appropriately and correctly, employees gain job satisfaction and are motivated to achieve organizational goals. However, if the compensation provided is inadequate or inappropriate, work performance, motivation and job satisfaction decrease (Notoatmojo in Retnowati and Widia 2012). Non-financial compensation has an effect on improving employee performance because to achieve company goals effectively and efficiently, fair and appropriate compensation must be provided (Simamora, 2004).

CONCLUSION

Based on the results shown above, it can be concluded that providing compensation is very important for every company to provide its employees. Providing good compensation will also have a good impact on the company. Compensation is provided to measure the enthusiasm of employees at PT X in the form of financial compensation and non-financial compensation. Financial compensation is given in the form of a monthly salary in accordance with the regional minimum wage and non-financial compensation is given in the form of additional wages and food for employees who work on projects within the Company. If compensation is provided well, employee performance will be better, employees will work more effectively and efficiently, increasing employee satisfaction. This is what drives the development and progress of a company.

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