

THE IMPACT OF MOTIVATION, WORK SATISFACTION AND COMPENSATION ON EMPLOYEE'S PRODUCTIVITY IN COAL COMPANIES

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Abstract. In order to make the company able to compete in globalization area, the company has to increase the human capital implementation within the organization. The company then expected to adapt with the changing environment. A good human resource management is affected by several factors such as : motivation, job satisfaction and compensation. The purpose of the research is to explore the motivation, job satisfaction and compensation applied in PT Selatan Selabara, a mining and port services company. We used 62 samples of respondent in this research. The research used a double linear regression. The independent variables in this research are motivation, job satisfaction, and compensation. In the meanwhile, the dependent variable is employee productivity. The result of simulateneous test (F Test) indicates that motivation, job satisfaction, and compensation has a significant influence to employee's productivity. The result of partial test (t test) indicates that there are a significant influence between motivation, job satisfaction and compensation for each to employee's productivity. In the meanwhile, only job satisfaction and compensation who have a strong positive relationship to employee's productivity. The result of determination test shows that the determination coefficient is 0.737, it means that the contribution of motivation, job satisfaction, and compensation to employee performance is 73.7%, in the meanwhile the rest is caused by another factor.

Introduction

The era of globalization and the enactment of the Asean Economic Community (MEA) in 2015 must be faced by business people in Indonesia with a good strategy. Globalization is a contemporary development that has an influence in encouraging change including changes in business in the world. The era of globalization is a reality that must be faced by every country, including Indonesia as a member of the world community. Globalization can have a positive or negative impact on all countries. When economic globalization occurs, the boundaries of a country will no longer have an effect and the link between the national economy and the international economy will be even tighter.

The enactment of the ASEAN Economic Community (MEA) or the ASEAN free market in 2015, the flow of goods and services between countries in the Southeast Asian region will run unimpeded. Especially with regard to the economy, the flow of economic resources including goods and services, labor, and technology and information will be faster and more free to enter Indonesian territory. This situation is a global challenge that must be faced by domestic industry players.

In recent years, there have been widespread business organizations that cannot maintain their survival or close because of bankruptcy as a result of the global economic crisis and also because of the inability to implement strategies in global change. There is a phenomenon that many companies

are not able to survive or have a wrong strategy so the Company goes bankrupt. This condition is experienced by several large companies in Indonesia, including:

- a) Ford Motor Indonesia, which at the beginning of 2016 has officially announced that it will close its business in Indonesia, precisely in the second half of 2016. (Source: ekbis.sindonews.com, 17 Feb 2016).
- b) General Motors Indonesia (GMI), which is with a factory located in Bekasi, ceased operations and was officially closed in June 2015 due to always experiencing losses and unable to compete with other similar products. (Source: ekbis.sindonews.com, Feb. 17, 2016).
- c) Bouraq, namely the financial condition of the Company after the 1998 crisis, made the company's performance even harder despite trying to survive, but the airline surrendered on July 25, 2005 and was declared bankrupt. (Source: ekbis.sindonews.com, Feb. 17, 2016).
- d) Toshiba, namely Toshiba will close its factory in Indonesia in April 2016, this is due to the weakening of people's purchasing power so that the effect is layoffs on thousands of workers in Cikarang Bekasi (Source: www.galamedianews.com, 3 Feb 2016),

As reported by merdeka.com, February 5, 2016, the Central Statistics Agency (BPS) announced Indonesia's economic growth of 5.04 percent in the fourth quarter of 2015. Cumulatively, Indonesia's economic growth throughout 2015 amounted to 4.79 percent, down from the previous year's economic growth of 5.02 percent. Head of BPS Suryamin explained, the majority of business sectors experienced growth. That was outside mining and quarrying which contracted by 5.08 percent. "Information and communication is a business field that experienced the highest growth of 10.06 percent, followed by Financial and Insurance Services at 8.53 percent and other services at 8.08 percent," Suryamin said in his office. This means that there is a decline in economic growth, especially for the mining sector which is minus because it is influenced by the low commodity of the mining sector, especially oil and coal commodities. With the weakening of the mining sector as a result of not yet improving oil and coal prices, many companies are in a difficult situation.

Indonesia is one of the largest coal exporters. The countries that are the Indonesian coal markets include China, India, Japan and Korea. According to the ESDM Ministry's note released on January 6, 2015, it was stated that the growth of national coal production had an average increase of 14 percent per year. The realization of production in 2014 has reached 435 million tons, while the previous year amounted to 474 million tons, which means a decline of up to 39 million tons. Entering 2015, a number of coal business players will be increasingly hit by the continuing decline in coal commodity prices that have occurred since 2011. Based on records from the Indonesian Coal Mining Association (APBI), 2015 was the lowest year in coal commodity prices, from the previous price of US \$ 110 per ton in 2011, declining to US \$ 63.84 per ton in January 2015 as shown in the following Graph 1.1 this:



Fig. 1. National Coal Price Movement Chart

On the other hand the role of banks in channeling loans to companies engaged in the mining sector is getting tougher and harder because the Bank does not want to risk increasing

non-performing loans. This state of economic decline can potentially threaten the sustainability of the company, which can cause the company to go bankrupt.

Increasing the competitiveness of domestic companies is a necessity in order to compete with multi-national companies. The company must be able to create and decide on strategic alternatives that are in accordance with the conditions faced and by identifying the impact of the advantages and disadvantages of the strategy faced. To be able to decide on a good strategy, things must be known to be the Company's internal strengths, the Company's internal weaknesses, existing external opportunities, and existing external threats. The Company's strategy will determine the success of a business organization. The strategy shows the general direction an organization wants to achieve to achieve its objectives. The effectiveness and competitiveness of the Company are determined by the Company's indicators in meeting the needs of Stakeholders, including shareholders, customers, employees, the government and the community (Noe et al., 2010: 31).

Good Human Resource Management is one of the important factors in the organization that determines the success of the organization in carrying out its strategy. Human resource management is the process of obtaining, training, assessing and compensating employees, paying attention to work relations recording health, safety, and justice issues (Dessler, 2011: 5). Managing human resources involves making the right decisions and managing environmental changes (such as technology, business restructuring, competitors, social, political and legal). Managers can be said to be successful if they are able to see human resources as assets that must be managed according to business needs. Managers must have the ability to integrate the various knowledge and skills possessed by their members with other organizational resources.

A method related to human resources in order to be a source of competitive advantage is through increasing human capital to be able to recognize and adapt to an ever-changing environment (Wilson Bangun, 2012: 4). Competitive advantage will be obtained if the company can reduce costs and increase productivity so as to create effectiveness and efficiency. The advantages of cost and productivity will only be achieved if it has the quality of superior human resources, which cannot be separated from the role of good human resource management in the organization. Thus the organization is expected to be able to maintain the survival of its organization and even be able to take advantage of the moment of globalization, not the other way around, instead it becomes the decline of the organization.

In the last few years there has been a phenomenon of a decline in employee productivity at PT Selatan Selabara. This assessment of decline is obtained from an annual assessment carried out by the Human Resources Unit which is under the Administration Department. In the assessment, the average number of annual assessment results is taken on the average productivity of employees of PT Selatan Selabara. This can be seen in table 1 below :

Table 1. Employee Productivity PT Selatan Selabara in 2012 – 2014

PRODUKTIVITAS	Nilai Rata-Rata (Skala 0 sd 100)		
	2012	2013	2014
Pencapaian Target Kuantitas	81	72	66
Pencapaian Target Kualitas	78	74	70
Pencapaian Efisiensi Biaya	72	75	77
Optimalisasi Waktu Kerja	73	70	70
Disiplin dan Kehadiran	90	84	76
Total	394	375	359
Jumlah Pegawai	82	72	65

In the table above, there was a decrease in 2013 and 2014, namely in 2013 the total productivity value was 375, and in 2014 the value of peroductivity was 359, while in 2012 the total value of productivity was 394. This number means a 4.8% decrease in 2013 compared to 2012, and there was a decrease of 8.9% in 2014 compared to 2012.

The highest decrease was in the achievement of quantity targets, namely in 2014 the value of productivity fell by 15 points compared to 2012. Meanwhile, on the contrary, the value of achieving cost efficiency increased, namely in 2014 rose to 77, whereas in 2012 it only had an average value efficiency of 72. The increase in the average value of cost efficiency is caused by companies having to make efficiency in the face of falling coal commodity prices. Decreasing productivity is very risky to hinder the Company's progress.

The author believes that increasing employee productivity is very important for the Company. Employee productivity is influenced by many factors including: motivation, job satisfaction, compensation, work environment, organizational culture, leadership style, organizational structure, and so on. Based on the observations the author will focus on motivational factors, job satisfaction, and compensation and their effects on employee productivity.

Research on motivational factors, job satisfaction and compensation has been carried out by several researchers, however in this study there are differences, namely the factors used are not exactly the same as the authors will be careful such as motivation factors, job satisfaction and compensation. In addition, differences exist at the time of the study and the object and place of research. With the research gap and research problem, the authors are interested in examining the effect of motivation, job satisfaction and compensation on employee productivity.

Literature Review

Employee Productivity

A means for a group of people to achieve their goals is through an organization or company. According to Stephen P. Robbins (2014; 4), organizations are social entities that are consciously coordinated, with a relatively identifiable boundary, which works on a relatively continuous basis to achieve a common goal or group of goals. A good organization is an organization that is able to achieve its goals. Organizational goals can be achieved if supported by productive human resources. One important aspect in improving capacity and the utilization of relatively limited sources is to use these resources as efficiently as possible.

According to Malay S.P. Hasibuan (1996: 126), productivity is a comparison between output (yield) and input (input). If this increased productivity is only possible by the increase in efficiency (time-material-energy) and work systems, production techniques and the increase in skills of the workforce.

Motivation

Motivation comes from the motive word, which means encouragement. Can be interpreted that motivation means a condition that affects someone to do action with a specific purpose. Mathis and Jackson in Wilson Bangun (2012: 312) say that motivation is a desire for people to cause the person to take action.

Robbins in Wilson Bangun (2012: 313), means that motivation as processes that account for individual's intensity, direction and persistence of effort toward attaining a goal. Handoko (2015: 250) defines motivation as a condition in one's person who encourages the desire of individuals to carry out certain activities in order to achieve goals. Based on the notion of understanding above, motivation can be interpreted as actions that affect individuals to carry out activities in order to achieve goals. Giving motivation in order to achieve organizational goals.

Job Satisfaction

Job satisfaction is related to the employee's feeling of being pleasant or unpleasant about things obtained from his job. According to Wexley and Yukl in Wilson Bangun (2012: 327) said that

job satisfaction is a generalization of attitudes towards work. A pleasant job to work on can be said that gives satisfaction to the trimmer. On the contrary, dissatisfaction will be obtained if a job is not pleasant to do,

Noe et. al. in Wilson Bangun (2012: 327) said that job satisfaction is a pleasurable feeling that results from the perception that there is a job fulfillment of one’s important job values. According to Luthans in Cecilia Engko (2008) job satisfaction can be understood through three aspects. First, job satisfaction is a form of worker response to work environment conditions. Second, job satisfaction is often determined by work results or performance. Third, job satisfaction is related to other attitudes held by each worker. From the above definitions, it can be interpreted that job satisfaction is the assessment of workers regarding the pleasant values obtained in their work.

Compensation

According to Asri Laksmi Riani (2013: 113), compensation is all forms of payment given to employees in the form of direct payments (in the form of money) or indirect (in the form of benefits and incentives). Wilson Bangun (2012: 255) defines compensation as something that employees receive for the services they contribute to their work. Hasibuan in A. Khairul Hakim (2011: 171) suggests that compensation is all income in the form of money, goods, directly or indirectly received by employees in return for services provided to the company. In addition, Sastrohadiwiryo in Ririvega Kasenda (854), compensation is the remuneration provided by the company to the workforce, because the workforce contributes energy and thoughts to the progress of the company in order to achieve the stated goals both in the short and long term. From the above meanings, compensation can be interpreted as compensation for services received by employees for the services provided to companies,

Competing companies must have quality human resources, and quality human resources can only be obtained by conducting good human resource management. Wilson Bangun (2012: 258) says compensation administration as part of human resource management is set with the aim of: getting competent employees, retaining existing employees, increasing productivity, gaining competitive advantage, legal rules, strategic goals.

Research Framework

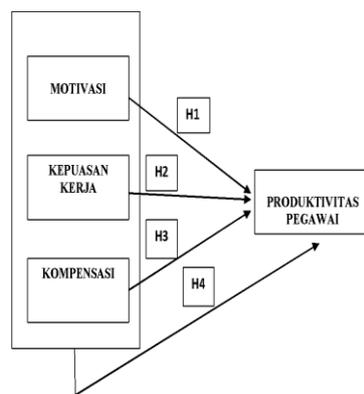


Fig 2. Research Framework

Factors that influence employee productivity in an organization are actually very much like leadership style, work environment, motivation, job satisfaction, organizational culture, and so on, but due to time constraints, this analysis only identifies motivational factors, satisfaction work and compensation. Employee productivity is influenced by motivation, satisfaction and compensation. By giving good motivation, doing things that create employee job satisfaction, and by providing good and fair compensation will encourage employee morale which will directly increase employee productivity.

Hypothesis

Based on the above framework, the writer sets the hypothesis as follows:

- a) H1 that is motivation has an influence on employee productivity.
- b) H2 namely job satisfaction has an influence on employee productivity.
- c) H3 ie compensation has an influence on employee productivity.
- d) H4 namely motivation, job satisfaction and compensation together have an influence on employee productivity.

Methodology

The object of research in this paper is motivation, job satisfaction and compensation and employee productivity in South Selabara (South Selabara Group). The research location is at the South Central Office of Selabara located in Wisma Nugra Santana, Jl Jend Sudirman Kav. 7-8 Jakarta. The study began in March 2016 until August 2016.

From the existing variables, then operations are carried out so that the variables can be clearly defined and can be measured factors. Operational definitions of variables are elements of research that tell how to measure a variable, so that this measurement can identify any indicators as a support to be analyzed from these variables.

To find out whether there is an influence of independent variables on the dependent variable, testing of the proposed hypothesis is carried out by testing partially using the t test and simultaneously using the F test.

Result

Effect of Motivation on Productivity

The results showed that there was a significant effect of independent variables Motivation on productivity dependent variables. Where the value of $t_{count} = 2.762$, while the value of $t_{table} = 2.01$, so it can be concluded that if $t_{count} > t_{table}$ ($2.762 > 2.01$). Likewise the value of sig is 0.008, smaller than the real level of 0.05, because the value of $t_{count} > t_{table}$ and the Sig value < 0.05 then H_0 is rejected. X1 Regression Coefficient of 0.468 states that each increase in motivation for one unit will increase Productivity by 0.468 units.

The results of this study are in line with the research conducted by Edwin Maduka (2014), Uju S. Muogbo (2013), Noorin Panjwani (2014), Rahmat Hasbullah Sungkono (2011) who have found that motivation has an influence on employee productivity or performance. Motivation is one of the things that affects human behavior. Motivation is also referred to as a driver, desire, or supporter that makes a person can be eager to act towards the optimal. With this encouragement, a person can work effectively so that work productivity increases, but vice versa without encouraging one's productivity will decrease. This is evident in HR management at PT Selatan Selabara.

Effect of Job Satisfaction on Productivity

The results showed that there was a significant effect of the Job Satisfaction independent variable on the productivity dependent variable, where the value of $t_{table} = 2.01$, so it can be concluded that if $t_{count} > t_{table}$ ($9.723 > 2.01$). Likewise, the sig value is 0.00, smaller than the real level of 0.05, because the value of $t_{count} > t_{table}$ and the Sig value < 0.05 , H_0 is rejected which means. The X2 Regression Coefficient of 1,138 states that every increase in Job Satisfaction of one unit will increase Productivity by 1,138 units. The results of this study are in accordance with the results of Petri Bockerman (2012), Jitendra Kumar Singh (2013), H. Rahman (2014) and Nuszep Almigo (2004) who have found that job satisfaction has an effect on work productivity.

Job satisfaction is an important factor that the author considers can affect work productivity. With job satisfaction an employee can feel whether the work is fun or unpleasant to do. If the work is fun, then the employee will feel satisfaction, and vice versa if the job is not fun then the employee feels dissatisfaction. Employees who feel fast will be encouraged to increase their productivity.

Effect of Compensation on Productivity

The results showed that there was a significant effect of the independent variable Compensation on productivity dependent variables. the value of $t_{count} = 9.605$, while the value of $t_{table} = 2.01$, so it can be concluded that if $t_{count} > t_{table}$ $9.605 > 2.01$). Likewise the sig value is 0.000, smaller than the real level of 0.05, because the value of $t_{count} > t_{table}$ and the Sig value < 0.05 then H_0 is rejected. X3 Regression Coefficient of 0.954 states that every increase in Compensation of one unit will increase Productivity by 0.954 units.

The results of the study are in line with the research of Ayshea Aslam (2015), Emmanuel Erastus (2015), A. Khairul Hakim (2011) and Ririvega Kasenda (2014) who have found that compensation affects employee productivity Compensation is one of the factors that the author considers no less important to influence work productivity. Compensation is an important factor and concerns many organizations in maintaining and attracting quality human resources. According to Wilson (2012: 255), compensation is something that employees receive for the services they contribute to their work. Good compensation will make employees feel fulfilled their needs so they will focus on their work with the Company.

Effect of Motivation, Job Satisfaction and Joint Compensation on Productivity

The results of the study concluded that there were significant effects of independent variables Motivation, Job Satisfaction and Compensation jointly on productivity dependent variables where the value of $F_{count} = 54.063$, while the F_{table} value = 3.1559, so it was concluded $F_{count} > F_{table}$ ($54.063 > 3.1559$). Likewise the value of Sig F = 0,000, smaller than 0.05, the conclusion is H_0 is rejected which means that the regression coefficient is significant.

Work productivity is the ability of employees to produce compared to the inputs used, an employee can be said to be productive if able to produce goods or services in accordance with what is expected by the Company and produced in a short or appropriate time. work and compensation.

Although in this study found that motivation, job satisfaction and compensation have an influence on productivity, this study has limitations, namely research conducted only at one company engaged in the mining business and carried out only at a certain time period, which is several months in 2016.

Conclusion

From the results of the research and analysis of data on the effect of motivation, job satisfaction and compensation on work productivity discussed in previous chapters, it can be concluded as follows:

- a) There is a significant effect of the independent variable Motivation on productivity dependent variables, but a positive relationship between Motivation and Productivity is weak
- b) There is a significant effect of independent job satisfaction on productivity dependent variables, a positive relationship between Job Satisfaction and Productivity and its relationship is strong
- c) There is a significant effect of the independent variable Compensation on productivity dependent variables, a positive relationship between Compensation and Productivity and its relationship is strong

- d) There is a significant effect of independent variables Motivation, Job Satisfaction and Compensation together on productivity dependent variables. The positive relationship between Motivation, Job Satisfaction and Compensation with Productivity and its relationship is very strong where the contribution of Motivation, Job Satisfaction and Compensation together on Productivity.

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