

**THE INFLUENCE OF COMPENSATION ON EMPLOYEES'  
PRODUCTIVITY AT UNIVERSITAS KRISTEN INDONESIA  
PAULUS**

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**Abstract**

*This research aims to determine the effect of compensation on employee productivity at the Indonesian Christian University Paulus. This research was conducted at the Indonesian Christian University Paulus using quantitative research methods. The number of samples taken was 149 employees at UKIP Makassar. As a data collection technique, a questionnaire was used, then the data was processed using the SPSS Version 25 application. After the data was processed and analyzed, it was found that Compensation (X) had a positive but not significant effect on Employee Productivity (Y). For this reason, the author suggests that the leaders and foundations of UKIP Makassar can increase allowances for their employees to improve performance, as well as pay more attention to attendance issues in order to increase employee productivity.*

**Keywords:** *Compensation, Productivity, Employees, UKIP, Makassar*

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## INTRODUCTION

In a company, Human Resource Management is a very important part because HR management plays an important role in organizing and coordinating every workforce in the company, in order to achieve the company mission and strengthen the work culture within the company. Several strategies that companies can use to improve the quality of their employees' work are by providing compensation that is considered appropriate for their employees (Halik et al., 2023). This can influence employee behavior to work more enthusiastically and improve work quality. (Sambara, et al., 2023; Yusuf et al., 2019)

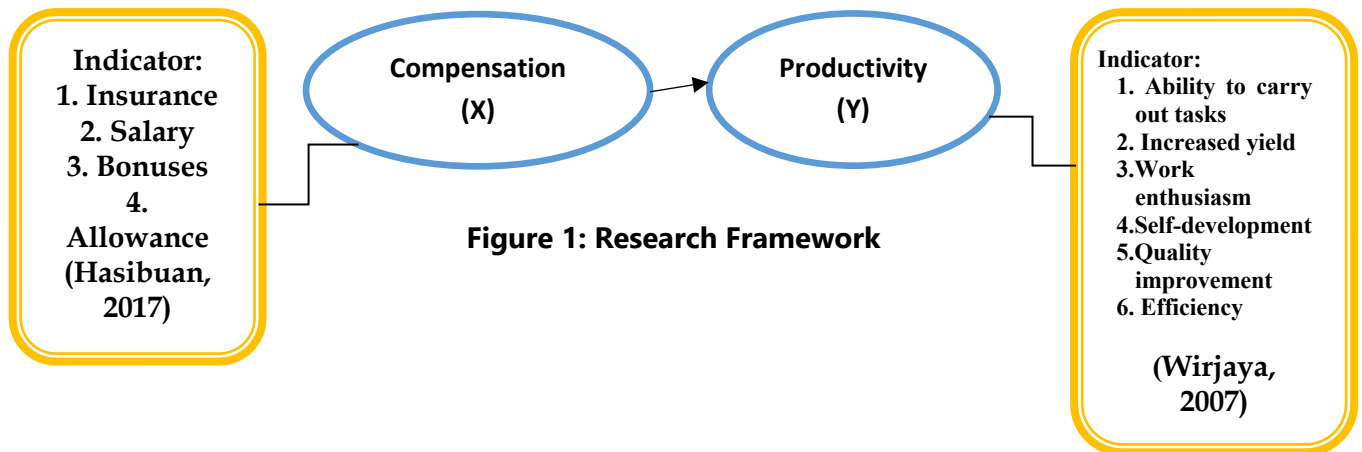
Therefore, to ensure the achievement of goal alignment, company leaders can pay attention by providing satisfactory compensation, because compensation is part of the reciprocal relationship between the company and its employees (Latiep et al., 2023). As part of the world of education, Paulus Indonesian Christian University is obliged to provide good education and learning for its students (Halik et al., 2022). This can only be realized if the employees, including lecturers, can carry out their duties well. For this reason, lecturers and their employees are required to have high productivity (Irdawati et al., 2021; Thaha et al., 2022).

To increase employee productivity at Paulus Indonesian Christian University, the company provides motivation in the form of compensation. The compensation received by employees at UKIP Makassar is in the form of salary, bonuses, allowances and insurance. Employee salaries are given according to their level of work, while bonuses are given to employees who have more achievements within the company, one of the benefits they get is in the form of THR which the company always gives to its employees every major holiday, UKIP also provides health insurance to each of its employees, for ensure the welfare of employees. Compensation can be given based on working time, namely based on hours, weeks or months. UKIP also implements an absence system for employees other than lecturers in calculating compensation. It is hoped that this compensation will be a big motivation for employees, including UKIP Makassar lecturers, in increasing their work productivity for the company in order to achieve improved education in Indonesia (Nugraha & Tjahjawati, 2018).

Based on the description above, the author is interested in finding the relationship **"The Influence of Compensation on Employee Work Productivity at Universitas Kristen Indonesia Paulus Makassar"**

## II. CONCEPTUAL FRAMEWORK AND HYPOTHESIS

(Sekaran, 1992) provides an understanding of a framework as a picture that conceptually explains the theory in research and identifies various problems which become the formulation of why it is important for research to be carried out and completed. Providing a framework for thinking is to help clarify the observational phenomena to be studied as follows:



## HYPOTHESIS

Sugiyono (2007) believes that a hypothesis is a temporary answer to a research problem formulation, where the research problem formulation has been stated in the form of a question sentence. The hypothesis put forward by the researcher is as follows: "It is suspected that compensation has a positive and significant effect on the work productivity of employees at Universitas Kristen Indonesia Paulus"

## III. METHODOLOGY

### Types of research

This research is a type of quantitative research that seeks to find the relationship between compensation and work improvement of UKIP Makassar employees using statistical methods using the SPSS version 25 application. This research has two variables, namely: Compensation as the independent variable (X) and Employee work productivity as the dependent variable (Y).

### Place and time of research

This research took place at the main campus of the Paulus Indonesian Christian University which is located on Jalan Perintis Independen KM 13, Daya, Tamalanrea District, Makassar City. This research was conducted for 3 months from July to September 2023.

### Data source

The data from this research was collected by the author by conducting a survey using a questionnaire to employees including lecturers at the Paulus Indonesian Christian University Makassar campus, totaling 149 people. The data collection method that the author uses is by using questionnaires as well as conducting interviews and documentation directly.

### Population and Sample

Population is a generalized area consisting of objects/subjects with certain characteristics determined by researchers to be studied and then conclusions drawn (Sugiyono, 2007). The population in this study were all employees who worked at Paulus Indonesian Christian University, totaling 149 people. Samples were taken based on random sampling (probability sampling) determining samples using the Slovin method and the results obtained were 60 samples.

### Data analysis technique

This aims to obtain data relating to the influence of participation in budget preparation and managerial performance using instruments in the form of questionnaires. To convert questionnaire data into quantitative data, scoring is carried out using ordinal and Likert type scales. The Likert scale is a scale used to measure a person's characteristics, opinions and perceptions about social phenomena (Sugiono, 1999). Researchers provided five alternative answers to respondents regarding the mapping weights, which are as follows.

**Table 1: Likert Scale**

Alternative	Weight (Score)
Strongly agree	5
Agree	4
Simply agree	3
Disagree	2
Strongly Disagree	1

Source : (Sugiyono, 2007)

After that, tests and processing of the data obtained are carried out as follows:

### Validity test

Validity Test is used to test whether the instrument used is valid. This means that the instrument can be used to measure what it actually measures. The instrument results are said to be valid if the data collected corresponds to data that actually occurs on the object under study. The questionnaire is valid if the calculated  $r$  correlation value is  $> r$  table (Sugiyono, 2007).

### Reliability Test

Reliability test is used to test whether the instrument used is reliable. Reliable if there is similarity in data at different times. This reliability testing technique uses an analysis technique that was developed by Alpha Cronbach. In this reliability test,  $\alpha$  is a reliable value if it is greater than 0.6 (Gozhali, 2015).

### Classic assumption test

According to (Ghozali & Latan, 2015), the classical assumption test is the initial stage used before linear regression analysis. This test is carried out to provide certainty that the regression coefficients cannot be consistent and have accuracy in estimation. The classical assumption test is carried out to show that the test carried out has passed data normality, multicollinearity, autocorrelation and heteroscedasticity so that the test can be carried out into linear regression analysis.

### Hypothesis testing

#### Partial Test (t Test)

The T test basically shows how far the influence of one independent variable is. Individually, in explaining variations in the independent variable (Ghozali & Latan, 2015), there is a significant influence of each on the dependent variable.

#### Simultaneous Test (f Test)

The f test is used to test the null hypothesis that the coefficient of compound determination in the population is zero. Significance tests include testing the significance of the overall regression equation as well as specific partial regression coefficients. The overall test can be carried out using the F statistic.

## IV. RESULTS AND DISCUSSION

### General Description of Respondents

**Table 2:** Characteristics of Respondents Based on Gender

Respondent's Gender	Frequency (person)	Percentage
Male	27	45%
Female	33	55%
Total	60	100%

*Source: Self-processed data, 2023*

Based on the data processing, table 2 above shows that of the 60 respondents, 55% or 33 people were female and 45% or 27 people were male.

**Table 3:** Characteristics of Respondents Based on Age

Respondent's Age	Frequency (person)	Percentage %
Under 20 years old	0 people	0%
20-30 years old	5 people	8 %
31-40 years old	17 people	28 %
41-50 years old	27 people	45 %
Above 50 y.o	11 people	19 %
Total	60 people	100%

*Source: Self Processed Data, 2023*

In table 3 above, out of 60 respondents, the author grouped the age groups with labels (20-30 years), with the results being 5 people or 8%. The age group (31-40 years) was 17 people or 28%. The age group (40-50 years) was 11 people or 19%. So, it can be concluded that the employees who work at UKIP Makassar are mostly aged between 41 - 50 years.

**Table 4:** Characteristics of Respondents Based on Education

Respondent's Education	Frequency (Person)	Percentage (%)
S1	10	17 %
S3	29	48 %
S3	21	35 %
Jumlah	60	100 %

*Source: Self Processed Data, 2023*

The results of processed data regarding the characteristics of respondents based on education level are shown in table 4 above, of the 60 respondents there were 10 people or 17% who had a bachelor's degree. There are 29 people or 48% who have master's degrees and

21 people or 21% who have doctoral degrees. So, it can be concluded that the majority of employees' education at UKIP Makassar is Master's degree or above.

### Correlation Coefficient Test (R)

The correlation coefficient is used to determine the degree of relationship between compensation and work productivity to express the size of the contribution. To find out this, you can see the following formula (Ghozali & Latan, 2015):

$$r = \frac{n. (\sum XY) - (\sum X). (\sum Y)}{\sqrt{\{n. \sum X^2 - (\sum X)^2\}. \{n. \sum Y^2 - (\sum Y)^2\}}}$$

$$r = \frac{60. (40489) - (1918). (1265)}{\sqrt{\{60. 62190^2 - (1918)^2\}. \{60. 26877^2 - (1265)^2\}}}$$

$$r = \frac{2.429.340 - 2.426.270}{\sqrt{(3.731.400 - 3.678.724). (1.612.620 - 1.600.225)}}$$

$$r = \frac{3.070}{\sqrt{(52.676). (12.395)}}$$

$$r = \frac{3.070}{\sqrt{229,51 \cdot 111,33}}$$

$$r = \frac{3.070}{25.551}$$

$$r = 0,12$$

**Table 5:** Interpretation of Value (r)

No	Coefficient Interval	Relationship Level
1	0,00-0,199	Very little effect
2	0,20-0,399	Less influential
3	0,40-0,599	Quite influential
4	0,60-0,799	Influential
5	0,80-1,000	Very influential

Source: (Sugiono, 1999)

Based on table 5 above, we can see that the correlation coefficient test results are 0.12, which means it is in the very less influential category.

### Coefficient of Determination Test (r<sup>2</sup>)

The coefficient of determination (r<sup>2</sup>) is used to explain how big the influence of all compensation variables and work productivity is. The coefficient of determination value can be seen from the following formula:

$$KD = r^2 \times 100\%$$

$$KD = 0,12^2 \times 100\%$$

$$KD = 0,0144 \times 100\%$$

$$KD = 1,44\%$$

This shows that the magnitude of the influence of compensation on employee work productivity is 1.44%, while the remaining 98.56% is influenced by other factors.

## T-Test

This test is used to determine whether each independent variable (X) individually has a significant effect on the dependent variable (Y).

$$th = \frac{r}{\sqrt{\frac{n-2}{1-r^2}}}$$

$$t = \frac{0,12}{\sqrt{\frac{60-2}{1-0,12^2}}}$$

$$t = \frac{0,12}{\sqrt{\frac{58}{1-0,0144}}}$$

$$t = \frac{0,12}{\sqrt{\frac{58}{0,9856}}}$$

$$t = \frac{0,12}{\sqrt{58,84}}$$

$$t = 0,12 \times 7,67$$

$$t = 0,9204$$

T-table values using the t distribution table:

Significant test curve  $\alpha = 0.10$

$n = 60$

$df = 60 - 2 = 58$

T-table = 1.29632

After carrying out the calculations, it was found that the t-count was  $0.9204 < t\text{-table}$  1.29632, so  $H_0$  or the hypothesis was accepted. In this way, it can be concluded that the independent variable (Compensation) has an influence but its influence is very small on the dependent variable (Employee Productivity) and is not significant.

## V. CONCLUSIONS AND RECOMMENDATIONS

### CONCLUSION

Based on the results of this research, the author can summarize the following conclusions:

1. From this research it was found that the effect of compensation on employee productivity is very small and not significant. Thus, increasing employee work productivity cannot be done only through compensation alone. Other factors also need to be improved, such as a safe and comfortable work environment, giving appreciation from the leadership for employee achievements, discipline in working hours, and many other factors outside those studied.

### SUGGESTION

The author suggests the following things:

1. University leaders should also pay attention to other things outside of providing compensation to their employees. It is known from this research that compensation only has a small influence on increasing the productivity of employees working at UKIP Makassar. There are many other things that can increase employee productivity, including giving appreciation to employees who excel. Apart from that, university leaders can also enforce punctual working hours to create discipline among their employees. There are many other things that employees consider valuable that the company can provide. Such as guaranteeing employee welfare, as

well as other actions that are considered effective in increasing employee productivity.

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