



# THE EFFECT OF COMPENSATION, MOTIVATION AND ORGANIZATIONAL COMMITMENT ON THE PERFORMANCE OF EMPLOYEES AT PT. BRIDGESTONE SUMATRA RUBBER ESTATE

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### ABSTRACT

This study aims to determine and analyze the effect of compensation, motivation and organizational commitment on employee performance at PT. Bridgestone Sumatra Rubber Estate. In the problems that occur in PT. Bridgestone Sumatera Rubber Estate declining sales and the effects of the pandemic which resulted in a decrease in employee performance. On compensation in PT. Bridgestone Sumatra Rubber Estate is the lack of compensation provided by the company. Problems that occur in PT. Bridgestone Sumatra Rubber Estate lacks the company's attention to the work motivation of the company's leadership by providing motivation to encourage employees to work diligently, and discipline in working so as to improve employee performance. Problems that occur in PT. Bridgestone Sumatra Rubber Estate lacks commitment to employees in the empowerment of its employees in the form of self-confidence which results in a decrease in organizational commitment. The research approach used is a quantitative approach. The sampling method uses a simple random sampling technique. The sample of this study is the entirety of PT. Bridgestone Sumatra Rubber Estate as many as 109 people. The type of research used in this study is quantitative descriptive research. The nature of the research used is *explanatory research*. The statistical method uses multiple linear regression analysis, with hypothesis testing statistical test t. And the results of this study show that compensation, motivation and organizational commitment simultaneously affect employee performance at PT. Bridgestone Sumatra Rubber Estate. Compensation has a partial and significant effect on the performance of employees at PT. Bridgestone Sumatra Rubber Estate. Motivation has a partial and significant effect on employee performance at PT. Bridgestone Sumatra Rubber Estate. Organizational commitment has no effect and is partially significant to the performance of employees at PT. Bridgestone Sumatra Rubber Estate.

### Keywords: compensation, motivation, organizational committeemen and employee performance

### **1. INTRODUCTION**

The current era of globalization has caused various considerable impacts on the industry in Indonesia. The company's activities cannot be separated from the work mobility that is required to be on time. To be able to move faster, vehicles and other supporting facilities are needed. One of them is the tires on the wheels of the company's operational vehicles. PT. Bridgestone Sumatra Rubber Estate which is engaged in tire production with the best standards given by the company. The company produces the highest quality tires

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with *flexibility* and *durability* that are resistant according to road conditions. Various types of tires are produced by the company to adjust to road conditions, such as potenza type which is focused on *perfomance*, turanza which is focused on comfortable driving, ecopia, alenza, dueler, techno and duravis which is focused on durability and durability.

Compensation is expected to be able to stimulate employee morale so that employees can provide their best performance for the company. Compensation is all income in the form of money, direct or indirect goods received by employees as an immbalan for services provided to the company. However, the problem that occurs in PT. Bridgestone Sumatra Rubber Estate lacks the complement provided by the company, triggering a decrease in employee performance in the company.

Based on the background of the problems that occur within the company, the researcher is interested in conducting research on this company with the title "The Effect of Compensation, Motivation and Organizational Commitment on Employee Performance at PT. Bridgestone Sumatra Rubber Estate".

### 2. IMPLEMENTATION METHOD

#### 2.1. Operational Definition and Variable Measurement

The place where the research is carried out is PT. Bridgestone Sumatra Rubber Estate located on Jl. Dolok Merangir Estate, precisely in the City or Regency Simalungun. Tel. +62 622-64098, Fax +62 622-64094, email <u>masanori.tajima@bre.co.id</u>, website <u>www.bridgestone.com</u>. This research started from April 2021 to September 2022. The approach to this research based on measurement and data analysis is quantitative research, namely research whose data is in the form of numbers and can be analyzed using statistical techniques. This type of research is associative research that is *causal (Causal Research)*. Causal research aims to identify causal relationships between dependent variables and independent variables. The nature of the research used is explanatory research.

In this study, the population was all employees of PT. Bridgestone Sumatra Rubber Estate which numbers as many as 150 people. In this study, the authors used *a simple random sampling* technique. The total sample in this study was 109 employees. For validity and reliability testing as many as 30 employees outside the research sample.

Aims to test whether in the regression model there is a variance similarity from residual to observation to other observations. If the variance shows a fixed pattern, it can be stated that no heteroskedasity occurred. If the variance from the residual of one observation to another is fixed then it is called homochedasticity, and if it is different it is called heteroskedasticity.

The following are the forms of multiple linear regression equations in the study :

$$Y = a + b_1 X_1 + b_2 X_2 + b_3 X_3 + e$$

Where:

Y = Employee Performance Variables

a = Constants





- $b_1, b_2 = Regression coefficient$
- $X_1$  = Compensation Variable
- X<sub>2</sub> = Motivation Variable
- X<sub>3</sub> = Organizational Commitment Variable
- e = *Standard error*

# **2.2.Descriptive Statistics**

The following are descriptive statistics of the respondents' minimum, maximum, average and standard deviation answers, namely:

shows the minimum value, maximum value, mean *value*, and standard deviation of the dependent variable against the independent variable with the following details:

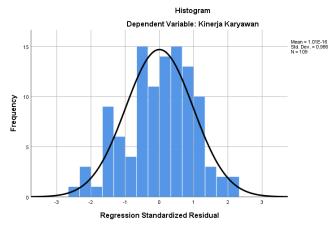
- 1. The compensation variable has a minimum value of 25, a maximum value of 48. The average value (*mean*) result is 35.83 with a standard deviation of 4.30657.
- 2. The motivation variable has a minimum value of 13, a maximum value of 29. The average value (*mean*) result is 19.12 with a standard deviation of 3.74932.
- 3. The organizational commitment variable has a minimum value of 12, a maximum value of 29. The average value (*mean*) result is 20.87 with a standard deviation of 3.61094.
- 4. Employee performance variables have a minimum value of 18, a maximum value of 45. The average value (*mean*) result is 34.33 with a standard deviation of 5.29685.

# **2.3.Normality Test**

There are two ways to detect whether residual is normally distributed or not, namely:

1. Test the Graph

One of the easiest ways to see residual normality is to look at a histogram graph comparing observational data with a distribution close to the normal distribution.



## Figure 1. Histogram Normality Test

Source:

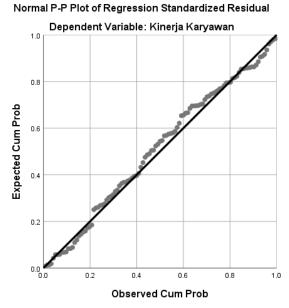
research results, 2022 (data processed)

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The histogram graph in Figure 1. shows the real data forming a curve line tending to symmetry (U) not deviating to the left or right, so it can be said that the data is normally distributed.

# **Figure 2. P-P Plot Normality Test**



Source: research results, 2022 (data processed)

Figure 2. The P-P Plot Normality graph looks like the data is spreading around diagonal lines, the spread of which is mostly close to diagonal lines. This means that the data is normally distributed.

normality test using Kolmogorov Smirnov.

## **3. RESULTS AND DISCUSSION**

### **3.1.Effect of Compensation on Employee Performance**

The results of this study are supported by the theory proposed by Hasibuan (2014), which states that compensation is all income in the form of money, direct or indirect goods that employees receive in exchange for services provided to the company. The results of this study are also supported by previous researchers proposed by Usman Fauzi (2014), who concluded that compensation affects employee performance.

Based on the results of the study, it can be concluded that compensation has a partial and significant effect on employee performance at PT. Bridgestone Sumatra Rubber Estate, because if there is appropriate compensation, it will help relieve employees who have problems in their work. Employees who get compensation will feel helped and feel comfortable at work so as to continuously improve performance in the company.





# 3.2. The Effect of Motivation on Employee Performance

The results of this study are supported by the theory put forward by Wibowo (2016), which states compensation is the number of packages that an organization offers to workers in exchange for the use of its labor. The results of this study are also supported by previous researchers proposed by Jasman Saripuddin Hasibuan and Beby Silvya (2019), who concluded that motivation affects employee performance.

Based on the results of the study, it can be concluded that motivation has an effect and is partially significant on employee performance at PT. Bridgestone Sumatra Rubber Estate, because if the leadership of a company continues to increase motivation to its employees by providing support, it will have a good impact on their company so that employees will feel that they have a support provided from the company to improve performance at work.

## 3.3. The Effect of Organizational Commitment on Employee Performance

Based on the results of the calculation of the t test (partial) on the organizational commitment variable, the<sub>calculated</sub> t value is 0.591 with a significant value of 0.556 while the table t is 1.659 with a significant 0.05 so the conclusion is that  $t_{count} > t_{table}$  is 4,492 > 1,659 and significant 0.000 < 0.05, then the decision is H<sub>0</sub> rejected and H<sub>a</sub> accepted with the meaning that the variables of organizational commitment have an effect and are partially significant on the performance of employees at PT. Bridgestone Sumatra Rubber Estate.

The results of this study are supported by the theory proposed by Sutrisno (2016), which states that motivation is something that causes a person's work drive to achieve maximum achievement. The results of this study are also supported by previous researchers proposed by Amirul Akbar, Mochammad Al Musadieq and Mochammad Djudi Mukzam (2017), who concluded that organizational commitment affects employee performance.

Based on the results of the study, it can be concluded that organizational commitment has an effect and is partially significant in terms of employee performance at PT. Bridgestone Sumatra Rubber Estate, due to a commitment made by a company is violated or not carried out by superiors or several people who have positions in the company, to make an organizational commitment made does not have a good impact on employee performance. So, the company must continue to make an organizational commitment and provide examples also to employees in the company so that it can have a good impact on employee performance.

## **4.CONCLUSION**

Based on the results of the study, several conclusions can be drawn as follows:

1. The results of the hypothesis testing calculation partially obtained the calculated t  $_{value} > t_{table}$  or 3,876 > 1.659 and significantly obtained 0.004 < 0.05, then the decision was that H<sub>0</sub> was rejected, and H<sub>a</sub> was accepted with the meaning that the

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compensation variable had an effect and was partially significant on the performance of employees at PT. Bridgestone Sumatra Rubber Estate.

- 2. The results of the calculation of hypothesis testing partially obtained the value of  $t_{count} > t_{table}$  or 3,258 > 1,659 and significantly obtained 0.002 < 0.05, then the decision was that H<sub>0</sub> was rejected, and H<sub>a</sub> was accepted with the meaning that the motivation variable had an effect and was partially significant on employee performance at PT. Bridgestone Sumatra Rubber Estate.
- 3. The results of the hypothesis testing calculation partially obtained the calculated t  $v_{alue} < t_{table}$  or 4,492 > 1,659 and significantly obtained 0.000 < 0.05 then the decision was H<sub>0</sub> rejected, and H<sub>a</sub> accepted with the meaning that the organizational commitment variable had an effect and partially significant effect on employee performance at PT. Bridgestone Sumatra Rubber Estate.
- 4. The test results obtained calculated F <sub>value</sub>  $(18,645) > F_{table}$  (2.69) and a probability of significance of 0.000 < 0.05, meaning that H<sub>0</sub> was rejected and H<sub>a</sub> was accepted with the meaning of variables of compensation, motivation and organizational commitment to employee performance at PT. Bridgestone Sumatra Rubber Estate.

### **5. SUGGESTIONS**

Based on the results of the research that the author has put forward, the suggestions that the author can give are as follows:

1. For Researchers

As a basis for increasing knowledge and insight for researchers in the field of Human Resource Management regarding the influence of compensation, motivation, and organizational commitment on employee performance.

## 2. For PT. Bridgestone Sumatra Rubber Estate

As input and consideration for the company PT. Bridgestone Sumatera Rubber Estate to evaluate employee performance by considering compensation, motivation, and organizational commitment factors within the company.

### 3. For the Faculty of Economics, Prima Indonesia University

In addition to the number of student works that can be a reference for the S1 Management study program, Faculty of Economics, Prima Indonesia University.

### 4. For Future Researchers

As a reference material for subsequent researchers who will examine the same problems and those related to this researcher's problems in the future.





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