



COMPENSATION SYSTEM FACTORS INPT. INDONESIA RAILWAYS REGION DIVISION I NORTH SUMATRA

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Abstract

This study aims to see and determine the factors of the Compensation System at PT. Kereta Api Indonesia (Persero) Regional Division I North Sumatra. The approach used in this research is an associative approach. The number of samples in this study using the slovin formula was 60 employees. Data collection techniques in this study were using interviews (interviews), documentation studies, and questionnaires (questionnaires). The data analysis technique used is factor analysis technique. Processing data in this study using the SPSS (Statistical Package for the Social Sciences) 16 software program for windows. Through factor analysis obtained which determines the compensation system at PT. Kereta Api Indonesia (Persero) Regional Division I North Sumatra, namely: Factor 1 follows the Education Level factor variable. Factor 2 follows the Work Experience factor variable. From the processing of factor analysis, it can be obtained that the most dominant factor determines the compensation system at PT. Kereta Api Indonesia (Persero) Regional Division I North Sumatra is the Education Level factor, where the higher the level of education, the higher the compensation received.

Keywords: Productivity, Position Level, Education Level, Work Period and Compensation.

1. INTRODUCTION

The provision of compensation is important to implement in realizing the rights and obligations between employees and the company. When work activities are carried out by employees with full responsibility and high dedication, the company has an obligation to provide compensation. To attract people to work for certain organizations or companies, to get employees to come and go to work on time, to motivate employees to work harder, be disciplined, and develop their competencies, the organization or company needs to reward employees who have sacrificed their time, energy, abilities, and skills so that employees feel satisfied because their efforts are appreciated (Kadarisman 2012 p. 3) For an organization or company, compensation has an important meaning because compensation reflects the organization's efforts to maintain and improve the welfare of its employees (Khair 2017 p7) based on professionalism and proportionality in various forms. This is intended to realize the employee's sense of justice, so that efforts to maximize the role of employees in work can be achieved in accordance with the company's work plan. Compensation is what a worker receives in return for the work he provides, either hourly wages or periodic salaries designed and managed by the personnel department. William B. Werther and Keith Davis, in the book Hazmanan Khair 2017 page 5 This is intended to realize the employee's sense of justice, so that efforts to maximize the role of employees in work can be achieved in accordance with the company's work plan. Compensation is what a worker receives in return for the work he provides, either hourly wages or periodic salaries designed and managed by the personnel department. William B. Werther and Keith Davis, in the book Hazmanan Khair 2017 page 5 This is intended to realize the employee's sense of justice, so that efforts to maximize the role of employees in work can be achieved in accordance with the company's work plan. Compensation is what a worker receives in return for the work he provides, either hourly wages or periodic salaries designed and managed by the personnel department. William B. Werther and Keith

Davis, in the book HazmananKhair 2017 page 5. According to Nasution in the book (Kadarisman 2012 p. 23) giving and company decisions for the level of compensation for employee benefits, there are things that need to be considered. The consideration of providing compensation for this remuneration must be based on logical reasons, so that it will be able to create satisfaction for employees. According to Kadarisman 2012 page 23, the factors that influence the awarding system in the company are the severity of a job, work ability of employees, position or rank, education, Length of service, Company Ability. According to (Kadarisman 2012 p. 24) the factors that influence the compensation system from outside the company are government regulations, cost of living, bargaining, geographical location, labor market. From observations made at PT. Kereta Api Indonesia (Persero) Divre I SU there are differences between employees. Like not all managers get official cars, because the availability of cars is limited, but according to researchers the solution to this problem is that the official car is divided into two in the sense that the car can be used by one manager and another, so the car does not become the property of one manager only, and other problems such as the differences in rooms and facilities in different rooms between units, such as the HR Room with different facilities from the Public Relations Room, where the difference is that there is no loudspeaker (loadspeaker) in the HR room where this loadspeker serves to notify the information obtained from the Vice President via Secretarial and other examples. This creates jealousy among employees.

On the other hand, the provision of compensation and several other facilities in the form of welfare programs is a benchmark for assessing employee morale and work motivation. This is because generally employees always want proper remuneration for the work carried out, and can protect employees from bad consequences that may arise in carrying out work and efforts to keep employees' health guaranteed. Compensation can be realized by comparing the compensation it receives with the input it has, where the range between compensation and input is relative for each employee. Therefore, the concept of professionalism can be implemented through the value of justice. If the range between an employee and other employees is the same or equal, then the employee feels that he has received justice. Meanwhile, if an employee feels that the range between the compensation he receives and the input he has is not the same or equivalent to the range between the compensation received and the input from other employees, then the employee will feel an injustice to the employees who work. One of the efforts of the personnel department to improve employee performance is through the provision of compensation. Compensation is anything that employees receive in return for their work. The purpose of this compensation is to help employees meet needs beyond the need for a sense of fairness, as well as increase employee work motivation in completing the tasks that are their responsibility. According to Hasibuan in the book (HasmannKhair 2017 p. 5) "Compensation is all income in the form of money, goods directly or indirectly received by employees as compensation for services provided to companies or agencies". Compensation is remuneration provided by an organization or company to employees, which can be financial or non-financial, for a fixed period. A good compensation system will be able to provide satisfaction for employees and enable organizations to acquire, hire, and retain employees. (Kadarisman 2012 p. 7) Compensation is a reward system designed by a company to reward employees for services other than the salary they receive regularly with the intention of motivating employees to improve performance and efficiency so that their work is above the specified standard. Besides that, the award can also be concluded as a way of repaying the work of employees with the intention of influencing employees to be willing to increase their work



productivity and improve their behavior in the hope of accelerating the implementation of the company's work programs so that they can achieve the desired goals. (Khair 2017 p. 39). In addition, the notion of compensation in Islam according to (Sholihin 2009 p. 84) Wages are rewards received by someone for their work in the form of material rewards in the world (fair and proper) and in the form of rewards in the hereafter (better rewards). In addition, compensation is the remuneration provided by the company to its employees, both financial and non-financial. (Cashmere 2016 p. 230).

2. IMPLEMENTATION METHOD

This approach uses a qualitative research approach. Theoretically the research format is different from the quantitative research format. The difference lies in the difficulty in making qualitative research designs, because in general qualitative research is not patterned. The qualitative research design format consists of three models, namely descriptive format, formal verification, and grounded research format. In this study used a qualitative method with a descriptive design, namely research that gives a careful description of the individual. Population is territory generalization consisting of a group of people, events or things that have certain characteristics. (Ikhsan et al, 2014 p. 105). The population in this study were employees of the Indonesian Railways (Persero). Based on the above definition, the population in this study was taken from all permanent employees at the PT. KeretaApi Indonesia (Persero) Division I North Sumatra Medan to managers totaling 150 permanent employees. Sample is part of the number and characteristics possessed by the population and chosen carefully– the heart of the population. (Ikhsan et al, 2014: 106). The sample used in this study is a non-probability sample selection method which is also known as the incidental sampling method. To determine the number of samples in the study, the author uses the Slovin formula (Ikhsan et al, 2014: 116). Thus the number of samples as much as. Questionnaire (questionnaire) is a method of collecting data by making a list of questions in the form of a questionnaire that is shown to employees who are the object of research for permanent employees at the PT. KeretaApi Indonesia (Persero) Divre I SU Medan Office using a Likert scale in the form of a checklist. The Likert scale is used to measure attitudes, opinions, and perceptions of groups or people about social phenomena.

3. RESULTS AND DISCUSSION

3.1 Description of Research Results

The results of this study are described using a qualitative approach. To retrieve data that has been collected in accordance with the needs and objectives. This research was conducted at PT. KeretaApi Indonesia (Persero) Regional Division I North Sumatra, having its address at Jl. Prof H. Yamin, SH No. 14, Medan. The number of respondents used in this study were 60 people who are employees at PT. KeretaApi Indonesia (Persero) Regional Division I North Sumatra. The results obtained from primary data in the form of a questionnaire as a research instrument to determine the compensation system. In this study, the author makes data processing in the form of a questionnaire consisting of 5 statement items for Variable X1, 5 statement items for Variable X2, 5 items for Variable X3, 5 statement items for Variable X4. Variable X1 is Productivity, X2 is Position Level, X3 is Education Level and X4 is Work Experience. The distributed questionnaire was given to 60 employees at PT. KeretaApi Indonesia (Persero) Regional Division I North Sumatra as the research sample and using the Likert Summated Rating (LSR) method. The results of the research questionnaire data that were distributed were then tabulated and processed using the SPSS 16.0

programfor window's Furthermore, the research data is described through primary data in the form of a questionnaire that has been tested and presented in the form of a frequency table and concluded according to the following table below

3.2 Description of Research Variables

The description of this research variable consists of 3 variables, namely Motivation (X₁), Work Discipline (X₂) and Job Satisfaction (Y). The description of each statement will display answer options with a Likert scale rating on each respondent to the statement items given to research respondents.

3.3 Productivity Variable (X1)

The following is a description of the presentation of data based on the answers to the questionnaire from the research variable research variable Productivity (X₁) which are summarized in the frequency table as follows :

Table 1 IV – 5 Productivity Variable Data Presentation (X1)

No	Alternative Answer											
	Very Agree		Agree		Doubt - Doubt		No Agree		Very No Agree		Amount	
Per	F	%	F	%	F	%	F	%	F	%	F	%
1.	30	50.00	29	48.30	1	1.70	0	-	0	-	60	100
2.	23	38.30	33	55.00	4	6.70	0	-	0	-	60	100
3.	16	26.67	35	58,30	9	15.00	0	-	0	-	60	100
4.	9	15.00	40	66,70	8	13.30	1	1.70	2	3.30	60	100
5.	6	10.00	25	41.70	18	30.0	11	18.3	0	-	60	100

Source: SPSS Data Management Results (processed) 2018

Judging from choosing a statement that employees always do and complete work on time, the majority of respondents strongly agree

as many as 30 people (50.00%) and who agreed as many as 29 people (48.30%) and at least expressed doubts as many as 1 person (1.70%). This proves that employees always do their jobs on time. Judging from choosing a statement which is giving all the ability to complete the work, the majority of respondents stated that they agreed with as many as 33 people (55.00%) and those who stated strongly agreed were 23 people (38.30%) and at least expressed doubts as many as 4 people (6.70%). This proves that employees give their all in completing the work. Judging from choosing a statement that is an employee will correct mistakes made by the majority of respondents agreeing as many as 35 people (58, 00 %) and who stated strongly agree as many as 16 people (26.67%) and at least expressed doubt as many as 9 people (15.00 %). This proves that employees will correct the mistakes made. Judging from choosing a statement which is a facility provided in accordance with the productivity of the majority of respondents agreed as many as 40 people (66.70%) and who stated strongly agree as many as 9 people (15.00%) and at least stated disagree as many as 1 person (1.70%) there is a tone that says Doubtdoubted as many as 8 people (13.30%) and strongly disagreed as many as 2 people (3.30%) . This proves that the facilities are in accordance with employee productivity. Judging from choosing a statement which is the compensation received in



accordance with the productivity of the majority of respondents agreed as many as 25 people (41.70%) and who expressed doubt as many as 18 people (30.00%) and at least stated strongly agree that as many as 6 people (10.00%). This proves that the compensation given is in accordance with productivity. Judging from the table above, it can be concluded that the majority of respondents said they agreed, this means that on the productivity factor, many agree regarding the compensation given based on one's productivity. Because when employees are productive, the compensation given to employees and employees is automatically satisfied because they are productive at work and feel valued by the company. This reveals the fact that employees at PY. Kereta Api Indonesia agrees that the distribution of compensation is in accordance with their productivity in carrying out a job so that many respondents agree. And they will always correct the mistakes they made.

3.4 Position Level Variable (X2)

Judging from choosing a statement which is a position that affects the amount of compensation, the majority of respondents agreed as many as 30 people (50.00%) and those who stated strongly agreed were 28 people (46.70%) and at least expressed doubts, namely as many as 2 people (3.30%). This proves that the position of the position affects the amount of compensation. Judging from choosing a statement which is a position that makes it easier to get various facilities, the majority of respondents agreed as many as 46 people (76.70%) and those who stated strongly agreed were 3 people (5.00%) and at least disagreed, namely 1 person (6.70%) and there were 10 people who expressed doubts (16.70%). This proves that the position of office makes it easier for someone to get various facilities. Judging from choosing a statement which is the amount of compensation equal to the position in other units, the majority of respondents agree as many as 23 people (38.3%) and 21 people (35.00%) who express doubt and at least strongly disagree, namely as many as 2 people (5.00%) and said disagree as many as 13 people (35.00%). This proves that the compensation received is not the same as the same position in other units. Judging from choosing a statement which is the facility received is comparable to the position of the position, the majority of respondents agreed as many as 27 people (45.00%) and those who expressed doubt as many as 20 people (33.30%) and at least stated strongly agreed that as many as 1 person (1.70%) and 12 people said disagree (20.00%). Judging from choosing a statement which is an adequate facility with the position of the majority of respondents agreeing as many as 27 people (45.00%) and those who express doubt as many as 28 people (45.70%) and at least stating strongly agree that is as much as 2 people (3.30%) and 3 people disagreed (5.00%). This proves that the position is not adequate. Judging from the table above shows that many respondents said they agreed, this means that employees at PT. Kereta Api Indonesia agreed that the distribution of compensation was in accordance with their level of position. Because the higher the level of a person's position, the higher the responsibility he must hold. So employees with high positions feel appreciated by the system of giving at PT. Kereta Api Indonesia Regional Division I because there is no favoritism between employees with one another regarding the distribution of compensation according to their respective positions. Because many said they agreed when filling out the questionnaire that the author gave. Employees say they agree because the level of position they are currently occupying is in accordance with the compensation given.

3.5 Education Level Variable (X3)

The following is a description of the presentation of data based on the answers to the questionnaire from the research variable research variable Level of Position (X_2) which are summarized in the table

frequency as follows :

Table 2 Presentation of Education Level Variable Data (X_3)

No	Alternative Answer											
	Very Agree		Agree		Doubt - Doubt		No Agree		Very No Agree		Amount	
Per	F	%	F	%	F	%	F	%	F	%	F	%
1.	30	50.00	28	45,70	2	3.30	0	-	0	-	60	100
2.	23	38.30	32	53.30	4	6.70	1	1.70	0	-	60	100
3.	14	23.30	40	66,70	5	9.30	1	1.70	0	-	60	100
4.	24	40.00	34	56,70	2	3.30	0	-	0	-	60	100
5.	20	33.30	35	58.00	5	8.30	3	5.00	0	-	60	100

Source: SPSS Data Management Results (processed) 2018

Judging from choosing a statement which is the compensation received in accordance with the level of education, the majority of respondents stated strongly agree as many as 30 people (50.00%) and those who agree as many as 28 people (46.70%) and at least express doubt as much as 2 people (3.30%). This proves that compensation is received in accordance with the level of education. Judging from choosing a statement which is the level of education owned must be in accordance with the qualifications of the position, the majority of respondents agreed as many as 32 people (53.30%) and who stated strongly agreed were 23 people (38.30%) and at least 1 person disagreed 6.70%) and there were 4 people who expressed doubts (6.70%). This proves that the level of education must match the classification of positions. Judging from choosing a statement that the company provides opportunities for employees who have a high level of education in occupying important positions in the company, the majority of respondents agreed as many as 34 people (56.70%) and who stated strongly agreed as many as 24 people (40.00%) and at least expressed doubt as much as 1 person (1.70%). This proves that the company provides opportunities for employees who have a high level of office to occupy important positions. Judging from choosing a statement which is the higher the level of education, the higher the compensation received by the majority of respondents agreeing as many as 40 people (66.70%) and those who strongly agree as many as 14 people (23, 30%) and at least 1 person (1.70%) disagreed and 5 people (9.30%). This proves that the higher the level of education, the higher the compensation received. Judging from choosing the statement which is the allowance given in accordance with the level of education of the employees, the majority of respondents agreed as many as 35 people (58.00%) and those who stated strongly agreed were 20 people (33.30%) and at least said they did not agree, namely as many as 3 people (5.00%) and expressed doubts as many as 5 people (8.30%). This proves that the benefits provided are in accordance with the level of education. This proves that the higher the level of education, the higher the compensation received. Judging from choosing the statement which is the allowance given in accordance with the level of education of the employees, the majority of respondents agreed as many as 35 people (58.00%) and those who stated strongly agreed were 20



people (33.30%) and at least said they did not agree, namely as many as 3 people (5.00%) and expressed doubts as many as 5 people (8.30%).

This proves that the benefits provided are in accordance with the level of education. This proves that the higher the level of education, the higher the compensation received. Judging from choosing a statement which is an allowance given in accordance with the level of education possessed by employees, the majority of respondents agreed as many as 35 people (58.00%) and those who stated strongly agreed were 20 people (33.30%) and at least stated they disagreed, namely as many as 3 people (5.00%) and expressed doubts as many as 5 people (8.30%). This proves that the benefits provided are in accordance with the level of education. 30%) and at least expressed disagreement as many as 3 people (5.00%) and expressed doubts as many as 5 people (8.30%). This proves that the benefits provided are in accordance with the level of education. 30%) and at least expressed disagreement as many as 3 people (5.00%) and expressed doubts as many as 5 people (8.30%). This proves that the benefits provided are in accordance with the level of education. Judging from the table above, it can be concluded that many respondents said they agreed, this means that employees at PT. Kereta Api Indonesia agrees with regard to their education, which they say agrees with the distribution of compensation according to their education level, where the level of education at PT. The Aoi Indonesia train starts with SMA, D3, S1 to S2. Karaywan have agreed on a compensation system that is in accordance with their level of education, because the level of education here includes determining a person's position, so an employee with a high level of education does not only become an executor but is already above the executor of his position, the higher a person's education level, the more the compensation received is high.

3.6 Work Experience Variable (X4)

The following is a description of the presentation of data based on the answers to the questionnaire from the research variable research variable Level of Position (X₂) which are summarized in the frequency table as follows :

Table 3 Presentation of Work Experience Variable Data (X4)

No	Alternative Answer											
	Very Agree		Agree		Doubt - Doubt		No Agree		Very No Agree		Amount	
Per	F	%	F	%	F	%	F	%	F	%	F	%
1.	8	13.3	39	65.00	13	21.70	0	-	0	-	60	100
2.	7	11.70	36	60.00	12	20.00	5	8.30	0	-	60	100
3.	4	6.70	42	70.00	13	21.7	1	1.70	0	-	60	100
4.	7	11.70	43	71.70	8	13.30	2	3.30	0	-	60	100
5.	11	18.3	37	61.7	9	15.00	3	5.00	0	-	60	100

Source: SPSS Data Management Results (processed) 2018

Judging from choosing a statement which is a work experience that affects the amount of compensation, the majority of respondents agreed as many as 39 people (65.00%) and those who stated strongly agreed were 8 people (13.30%) and at least expressed doubts, namely as many as 13 people (21.70%). This proves that work

experience has an effect on compensation. Judging from choosing a statement which is the length of the employee's tenure affects the number of facilities provided to employees, the majority of respondents agree as many as 36 people (60.00%) and those who express doubt as many as 12 people (12.00%) and at least say no agree as many as 5 people (8.30%) and there are those who strongly agree as many as 7 people (11.70%). This proves that the length of service of employees affects employee facilities. Judging from choosing a statement which is the employee's basic salary, it is determined from the length of service the majority of respondents agree as many as 42 people (70.00%) and those who express doubt as many as 13 people (21.70%) and at least disagree, namely as many as 1 person (1.70%) and said strongly agree as many as 4 people (6.70%). This proves that the basic salary is determined by the length of service. 70%) and said that they strongly agree as many as 4 people (6.70%). This proves that the basic salary is determined by the length of service. 70%) and said 4 people strongly agree (6.70%). This proves that the basic salary is determined by the length of service. Judging from choosing the statement which is the allowance that the employee gets is determined by the length of the employee's tenure, the majority of respondents agree.

From the processing of factor analysis, it is clear that the dominant factor influencing the compensation system at PT. Kereta Api Indonesia (Persero) Regional Division I North Sumatra is a factor of education level, because it has the highest loading value of 0.861. This further proves the truth of the theory which says that the higher the level of education of employees, the higher the level of expertise and skills. so that the resulting performance is increasing (Hasibuan 2008 p. 69) because employees are able to carry out the assigned tasks and if employees have knowledge and skills that are in accordance with their work, the employee's performance will be higher (Alwi 2001 p. 717) and a high level of education has a positive impact. on the resulting performance (Robbins and Timothy 2008 p. 68) and if the resulting performance increases automatically the compensation given will also be higher, because the employee is able to carry out the assigned task with all the skills and expertise possessed by the employee with the level of education. This means that the higher the level of education, the higher the compensation given. This makes it easier for employees to do the assigned tasks. This finding supports the theory of Susilo (2007) which states that the level of education of a person will affect the compensation system in a company. Soekidjo (2003) also stated that the high level of education of employees will affect the compensation system that exists in a company.

4. CONCLUSION

The purpose of this analysis is to determine which factors affect the compensation system. from the processing of factor analysis, it can be obtained that the most dominant factor determines the compensation system at PT. Kereta Api Indonesia is a factor of the level of education, where the higher the level of education of a person, the higher the compensation given.



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