

The Effect Of Job Description And Compensation On Employee Performance At PT Mettana, Bandung City

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Abstract:

The purpose of this study is to ascertain how much of an impact Job Description and Compensation, either separately or together, have on Employee Performance. With a descriptive and verification strategy, this study employs quantitative approaches. 63 employees were sampled using the saturated sample technique. The outcomes of distributing questionnaires were used to determine data collection procedures. Descriptive analysis, multiple regression, correlation coefficient, determination coefficient, and hypothesis testing were all employed in data analysis. (t test and F test) using SPSS version 26. Employee Performance, Job Description, and Work Compensation all fell into the medium range, according to the findings. Employee Performance is positively impacted by Job Description and Compensation, according to the regression equation. According to preliminary research findings, compensation has no substantial impact on employee performance, whereas job description has a significant impact. Job descriptions and pay both have a big impact on employee performance simultaneously.

Keywords : Employee performance, Job Description, Compensation

Introduction

The global business environment is becoming more competitive and expanding quickly. where compared to the past, the contemporary Business Development has made notable advancements. The rising and increasingly diverse requirements of the community serve as evidence of this. The expansion of the service industry is one of them. Yana Diana (2020) emphasized that a company's ability to achieve its objectives depends in part on its ability to use its human resources effectively. To do this, there must be interaction and coordination between individual and group tasks. Human resources are essential to a company's success because they play a crucial part in accomplishing its objectives. where the human resources department may be very helpful to the business.

According to Putri Elisa et al., (2022) The process of preparing people to take on new or greater responsibilities within an organization is known as human resource development. This process is typically tied to improving intellectual capacities to perform better jobs. Meanwhile According to Ardana in Saputra et al., (2022) A company's most precious and crucial asset is its human capital because people are ultimately what make a business successful. Human resources are crucial to an organization's or company's progress because they can drive a business's operations and organize, manage, and plan its future, enabling it to outperform its rivals and become a good, high-quality organization.

PT Mettana is a national private firm run by highly skilled and committed indigenous businesses, founded on February 18, 1976 in the city of Bandung which is located at Jalan Aeromodeling IV No.2 RT. 002/002 Cisaranten Endah Village, Arcamanik District, Bandung 40293.

Based on the findings of the pre-survey interviews, it was discovered that PT Mettana Kota Bandung's most recent issue was a drop in employee performance. Targets that had to be met led to a decline in employee performance at PT Mettana Bandung City. The targets weren't met, and it was believed that many variables, including job descriptions, pay, and an unsuitable work atmosphere, were to blame. According to Mangkunegara (2021) claims that an employee's performance at work is the end consequence of the quality and amount of work they do while carrying out their duties.

Job descriptions are one of the elements that affect employee performance because it is well known that at PT Mettana Kota Bandung, they are unclear and do not reflect what employees actually do, leading to instances when employees execute tasks that are unrelated to their job duties. According to Hasibuan (2017) job description is written information that outlines duties and responsibilities, working conditions, work relationships and aspects of work in a position within a company.

The next thing that can affect employee performance is compensation, it is known that compensation at PT Mettana Kota Bandung is not in accordance with the expectations of employees, where when employees work overtime, no bonuses are obtained by these employees. According to Hameed et al., (2014) Compensation is a crucial component of human resource management that contributes to employee motivation and increased organizational effectiveness. It depends on the specific company's existing compensation and performance management programs how compensation and benefits affect employee performance and organizational effectiveness. According to Hasibuan (2017) states that compensation is an income in the form of money, goods directly or indirectly received by employees in return for services provided to a company. Research conducted by Sitopu et al., (2021) shows that compensation affects employee performance and influences all substantial variables and desired valid data. Based on the background that has been described, the researcher is interested in making research materials about the Effect of Job Descriptions and Compensation on Employee Performance at PT Mettana Bandung City.

Literature Review

Employee performance

According to Mangkunegara (2021) states that employee performance or work performance is the result of work in quality and quantity achieved by an employee in carrying out tasks according to their responsibilities.

The dimensions and indicators according to Mangkunegara (2021) include: 1) Quality of Work is how well a person is doing his job. The dimensions of work quality are measured using two indicators, namely: Neatness and Accuracy. 2) Work Quantity is how many employees in one day, can be seen from the work speed of each employee. The dimensions of the quantity of work can be measured by two indicators, namely: Speed and Ability. 3) Responsibility for work is an obligation in carrying out a job. The dimension of responsibility is measured using one indicator, namely: Making Decisions. 4) Collaboration, namely where the willingness of employees to participate with other employees vertically and horizontally both inside and outside of work so that the work results are getting better. 5) The dimension of cooperation is measured using two indicators, namely: Collaboration, namely being able to cooperate with anyone and Compactness, namely contribution in carrying out its roles and functions in an organization/company. 6) Initiative comes from oneself in doing work or overcoming a problem. The initiative dimension is measured using one indicator, namely: Ability to solve problems without waiting for orders from superiors. According to Sudiarditha (2019) it can be synthesized that performance is the behavior or activities of a person in carrying out his responsibilities for all tasks assigned by the company to achieve goals, including indicators: work quantity, work quality, timeliness, effectiveness, and employee independence. Meanwhile according to (Magito, 2020) The understanding of experts based on the description above can be concluded that with the results of work achieved by an employee in doing a job can be evaluated the level of employee performance, then employee performance must be determined by achieving targets over a period of time achieved and in line with organizational goals.

Job Description

According to Hasibuan (2017) job description is written information that outlines duties and responsibilities, working conditions, work relationships and aspects of work in a position within a company. Dimensions and job

description indicators according to Hasibuan (2017) Among them are: 1) Identification of a job or position, where the identification of the job is to give a name to a position such as chancellor, dean, lecturer and administration section. 2) The relationship of duties and responsibilities, where the details regarding the duties and responsibilities are actually described separately so that they are clear and easy to understand. 3) Standard of authority and work. where the authority and achievements that must be achieved by each employee must be clear. 4) Terms of work must be clearly described. Where the working conditions include raw materials or supporting tools that will be used to do a job. 5) Job or position summary. Where with the existence of a summary of positions should include the main functions and activities in accordance with the form of work. According to Ayu et al., (2020) performance is a result of the implementation of tasks and job responsibilities that have been given by the organization.

Compensation

According to Hasibuan (2017) states that compensation is an income in the form of money, goods directly or indirectly received by employees in return for services provided to a company. According to Hasibuan (2017) states that the dimensions and indicators of compensation are as follows: 1) Direct compensation. Direct compensation, namely compensation whose benefits can be felt directly such as: Salary, Bonuses and Incentives. 2) Indirect compensation. Indirect compensation, namely compensation whose benefits cannot be felt directly and can only be felt at a certain time, such as: Insurance and Allowances. According to Riyadi (2019) Compensation is closely related to the added value of a system built into an organizational environment. A good compensation system will be successfully implemented if it meets the sense of fairness for employees working under such a system.

Methodology

The quantitative methods along with the descriptive and verification methodologies used in this study are the methodology. The sample strategy employed in this study is the Nonprobability sampling strategy with the chosen sampling strategy being Total sample. Because there were 63 employees altogether at PT Mettana Kota Bandung, all populations were chosen as samples in this study. The Likert scale was a tool utilized in the questionnaire for this investigation. Due to the interview's lack of structure and use of open-ended questions to gather data on the company, the interviewer is given greater leeway to express himself. The secondary data used comes from library research, which can provide a theoretical foundation obtained from illustrated books, scholarly journals, the internet, and other sources linked. Because it is more effective to use technology in the form of Google Forms, this research's instrument is an online questionnaire made with its help. The questionnaire utilized in this study was a closed one with predetermined answers, making it simpler for participants to select options that align with their beliefs and preferences. Researchers employed classic assumption testing and data quality testing as data analysis methodologies in this investigation. Data analysis methods include hypothesis testing and multiple linear regression analysis. The coefficients (a) represent the size of the constants, and the coefficients (b1, b2, and b3) represent the magnitudes of the independent variables and the regression coefficients, respectively. Given that there are several independent variables, multiple regression analysis was used to examine the quantitative secondary data used in this study. The independent variable estimation technique that underlies this technique is ordinary least squares.

Case studies

The characteristics of the gender of the respondents can be seen that in the male gender category there were 55 people and in the female gender category there were 8 people. Where it can be concluded that the majority of respondents were male as many as 55 people or 87%. Then the age characteristics can be seen that in the 20-30 year age category there is none or zero, in the 31-40 year age category there are 21 people, in the 41-50 year age category there are 38 people and in the > 50 year age category there are 4 people. Where it can be concluded that most of the respondents were in the age category of 41-50 years, namely as many as 38 people or 60.3%. As well as the latest educational characteristics, it can be seen that in the junior high school education category there were 3 people, in the high school/vocational school education category there were 21 people, in the Diploma (D3) education category there were 11 people, in the Bachelor (S1) education category there were 22 people, in the Masters category (S2) as many as 6 people and in the Doctoral education category (S3) there

is none or zero. Where it can be concluded that most of the respondents were in the Bachelor (S1) education category, namely 22 people or 35%. And the characteristics of length of work can be seen that in the category of length of work < 1 year there is none or zero, in the category of length of work 2-3 years there is none or zero, in the category of length of work 4-5 years there are 18 people and in the category of length of work > 6 years as many as 45 people. Where it can be concluded that most of the respondents were in the old category of working > 6 years, namely 45 people or 71.4%.

In testing the validity of this study, the number of respondents was 30 ($df-2=30-2=28$), so the value of r -table = 0.361 was obtained. The results of testing the validity of each variable Employee Performance (Y), Job Description (X_1) and Compensation (X_2) are all valid. The reliability test in this study used Cronchbach's Alpha, which is a test instrument that can be said to be reliable if the Cronchbach's Alpha value is > 0.600. Whereas the value of Cronchbach's Alpha on the variable Employee Performance (Y), Job Description (X_1) and Compensation (X_2), > 0.600. Thus the research instrument used for each variable is declared reliable. The output of SPSS version 26 shows that the Kolmogorov-Smirnov probability value is based on an unstandardized residual value of 0.200, meaning that this probability value is greater than 0.05. Thus it can be concluded that the research data is normally distributed.

According to Sugiyono (2018) "Multiple regression analysis is predicting how the condition (rising and falling) of the dependent variable, if two or more independent variables as predictor factors are manipulated (the value is increased or decreased). Multiple regression analysis aims to prove whether or not there is a causal relationship between two or more independent variables with one dependent variable.

Table 1 Results of Multiple Regression Test Analysis
Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|-----------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 6,139 | 4,283 | | 1,433 | ,157 |
| | Job Description | ,671 | ,087 | ,718 | 7,713 | ,000 |
| | Kompensasi | ,106 | ,147 | ,067 | ,717 | ,476 |

a. Dependent Variable: Kinerja

Source: Data processed by SPSS version 26, 2023

$$Y = 6,139 + 0,671x_1 + 0,106x_2 + e$$

From the multiple linear regression equation, it can be interpreted as follows:

1. The constant value is 6.139. This can be interpreted if the Job Description (X_1) and Compensation (X_2) values are 0, then the Performance (Y) value is 6.139 and is positive, which means an increase in the Job Description (X_1), Compensation (X_2) variables will have an impact on the Performance (Y) value which also increased by 6.139.
2. The value of the Job Description variable (X_1) has a regression coefficient of 0.671 meaning that if the Job Description variable (X_1) increases while the Compensation variable (X_2) is constant/fixed, the Performance (Y) will increase by 0.671. This can be interpreted that the Job Description variable (X_1) contributes to the Performance variable (Y) of 0.671 or 67.1%.
3. The value of the Compensation variable (X_2) has a regression coefficient of 0.106 meaning that if the Compensation variable (X_2) increases while the Job Description variable (X_1) is constant/fixed, the Performance (Y) will increase by 0.106. This means that the Compensation variable (X_2) contributes to the Performance variable (Y) of 0.106 or 10.6%.

The simultaneous effect of the three independent variables calculated using SPSS version 26 obtained the coefficient of determination as follows.

Table 2 Test Results for Determination Coefficient Analysis
Model Summary

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1 | ,709 ^a | ,503 | ,477 | 2,445 |

a. Predictors: (Constant) Job Description, Compensation

Source: Data processed by SPSS version 26, 2023

Based on Table 2 above, it shows that the output results of SPSS version 26 can be obtained with an R square value of 0.503, this shows the effect of Job Description (X_1) and Compensation (X_2) on Performance (Y), which is 0.503 or 50.3% and the remaining is 49.7% is influenced by other factors not examined.

The t test shows how much influence one independent variable has individually in explaining the variation of the dependent variable. Testing is done using a significance level of 0.05. The following is the result of SPSS version 26 calculations.

Table 3 Partial Test Results (t test)
Coefficients^a

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|-------|-----------------|-----------------------------|------------|---------------------------|-------|------|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 6,139 | 4,283 | | 1,433 | ,157 |
| | Job Description | ,671 | ,087 | ,718 | 7,713 | ,000 |
| | Kompensasi | ,106 | ,147 | ,067 | ,717 | ,476 |

a. Dependent Variable: Kinerja

Source: Processed SPSS version 26, 2023

Based on Table 3, it can be obtained that the t-test decision is partially based on the significance value as follows:

1. It can be seen that the significance value of Job Description (X_1) is $0.000 < 0.05$, while t-count is 7.713 and t-table is 2.001 ($\alpha=0.05$, $df=n-k$ or $63-4=59$) where $7.713 > 2.001$ then it is rejected and accepted, which means Job Description (X_1) partially affects Employee Performance (Y).
2. It can be seen that the significance value of the Compensation (X_2) is $0.476 > 0.05$, while the t-count is 0.067 and the t-table is 2.001 ($\alpha=0.05$, $df=n-k$ or $63-4=59$) where $0.067 < 2.001$, so accepted and rejected, which means that compensation (X_2) partially has no effect on employee performance (Y).

The F test aims to determine whether Job Description (X_1) and Compensation (X_2) together have a significant effect on performance (Y). Testing was carried out using a significance level of 0.05. The following is the result of SPSS version 26 calculations.

Table 4 Simultaneous Test Results (Test F)
ANOVA^a

| Model | | Sum of Squares | df | Mean Square | F | Sig. |
|-------|------------|----------------|----|-------------|--------|-------------------|
| 1 | Regression | 356,424 | 3 | 118,808 | 19,882 | ,000 ^b |
| | Residual | 352,560 | 59 | 5,976 | | |
| | Total | 708,984 | 62 | | | |

a. Dependent Variable: Kinerja

b. Predictors: (Constant) Job Description, Kompensasi

Source: Processed SPSS version 26, 2023

Based on Table 4, the F-count is 19.882 with a significance level of $0.000 < 0.05$. While the F-table is known to be 2.761 (and). Where $19.882 > 2.761$, it means that it is rejected and accepted or in other words Job Description (X_1) and Compensation (X_2) simultaneously affect Employee Performance (Y).

Thus, an appropriate job description will affect the compensation received and a good work environment will make employees comfortable at work. Therefore, job descriptions, compensation, and the work environment both affect employee performance. This is in line with research conducted by Yana Diana (2020) which states that job descriptions simultaneously and significantly influence employee performance, as well as research conducted by (Saputra et al., 2022) which states that compensation simultaneously influential and significant on employee performance.

Conclusion

Based on the results of the research and discussion regarding the Effect of Job Description and Compensation on Employee Performance at PT Mettana Kota Bandung, the authors can draw the following conclusions: Employee Performance at PT Mettana Kota Bandung is in the moderate category. Based on this, it can be concluded that the Employee Performance of PT Mettana Kota Bandung has not met the company's expectations. Job Description PT Mettana Kota Bandung is in the sufficient category. Based on this, it can be concluded that the Job Description of PT Mettana Kota Bandung has not met the company's expectations. Then the Compensation of PT Mettana Kota Bandung is in the moderate category. Based on this, it can be concluded that the compensation for PT Mettana Kota Bandung has not met the company's expectations. Job Description has significant and influential influence on Employee Performance at PT Mettana Kota Bandung. Meanwhile, compensation has no significant effect on employee performance at PT Mettana Bandung City. And the next Job Description and Compensation simultaneously and significantly affect Employee Performance.

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