

## The Influence of Work Motivation on Employee Performance with Compensation as an Intervening Variable in the Consortium Sorong Open Access Development Project PT. Hutama Karya (Persero) - PT. Gerbang Sarana Baja

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### Abstract

*The purpose of this research is to see the influence of work motivation on employee performance with compensation as an intervening variable in the Sorong Open Access Development Project of the PT. Hutama Karya (Persero) - PT. Gerbang Sarana Baja. This type of research uses quantitative, the research population is 70 employees and the sample used were all 70 employees at PT Hutama Karya (Persero) PT Pintu Sarana Baja. The data source used was a primary data source, data collection was carried out by distributing questionnaires, the research model used was path analysis and the measuring tool was the Smart PLS version 3.3.3 application. The results of this research are as follows: Compensation has a positive and insignificant effect on employee performance with an original sample value of 0.325 and an ap value of 0.057. Work Motivation has a positive and significant effect on Employee Performance with an original sample of 0.423 and ap value of 0.004. Work Motivation has a positive and significant effect on Compensation with an original sample value of 0.876 and ap value of 0.000. Work Motivation has a positive and insignificant effect on Employee Performance through Compensation with an original sample value of 0.284 and ap value of 0.058.*

**Keywords:** Work Motivation, Compensation, Employee Performance

### INTRODUCTION

The PT Hutama Karya (Persero) - PT Pintu Sarana Baja (KSO HK GSB) consortium is a consortium formed by PT Hutama Karya (Persero) and PT Gate Sarana Baja to work on the Open Access construction project at PT Pertamina (Persero) Refinery Unit VII Kasim, Sorong, which is a project to build four oil refineries along with oil access in the form of a pipe whose access is connected to a sea pier. The project carried out by KSO HK GSB is included in the national strategic project.

In carrying out the development of national strategic projects, adequate resources are certainly needed. The success of developing national strategic projects is determined by the quality of human resources, one of which is to face competition in the multimedia field. This quality needs to be continuously maintained by maintaining employee performance so that company goals can be achieved optimally. The performance of each employee in the company is the main factor in the results of the company's products because employee performance is the main axis which is carried out together to form the final product based on the quality and quality standards set. (Ratnasari, 2021). Employee performance itself is defined as work results that are measured

qualitatively and quantitatively which are the achievements of an employee in carrying out tasks in accordance with the responsibilities assigned to him. (Malik, 2014).

The large role of employee performance in moving the company to achieve its goals, companies need to provide motivation to encourage their employees to work better. Motivation is about stimulating subordinates' enthusiasm for work so that they work hard and use all their skills and abilities to achieve company goals. This is important because with motivation it is hoped that every employee will work hard and be enthusiastic to achieve their goals so as to create company conditions with high labor productivity. (Sunyoto, 2013). Motivation itself is defined as driving the will to work (will) which has certain goals that must be achieved. To obtain motivation or strength that emerges from within individuals in the organization to carry out the assigned duties and responsibilities, efforts must be made to strengthen the motivation of each individual (Hasibuan, 2011). In this research, what is meant by individuals in the sense of motivation are company employees.

Employees themselves at work expect compensation as a reward for carrying out their work well. Compensation can be defined as what employees receive as a reward for their work (Notoadmojo, 2009). Compensation is considered very important for employees because the amount of compensation reflects appreciation for the work they have done, where the amount is determined by the company based on the quality of their work. (Kenelak, Kaparang, & Pio, 2016).

## LITERATURE REVIEW

### Work motivation

Employees who are appropriately motivated work better, have a sense of self-care and initiative, ensuring the company's progress and profits in achieving its goals with maximum work productivity. Motivation is a form of giving or generating motives or can be said to be things or circumstances that become motives (Sutrisno, 2010). So, motivation is something that can bring enthusiasm or desire to work. Company leaders must instill in employees the importance of work goals so that employees have an interest in carrying out their work (Mangkunegara, 2014).

According to Afandi (2018), motivation is a desire that arises from within a person or individual because he is inspired, encouraged and inspired to carry out activities sincerely, happily and earnestly so that the results of these activities can be achieved with good quality. With interest, there is a strong desire to take steps and take work actions to achieve the expected goals, so that employees work with motivation and create high job satisfaction.

## Work Motivation Indicators

Indicators of work motivation according to Afandi (2018) are:

1. Remuneration.

Everything in the form of goods, services and money which is compensation received by employees because of their services involved in the organization.

2. Working conditions.

The condition or state of the work environment of a company which is the place of work for employees who work in that environment. Good working conditions are comfortable and support workers to be able to carry out their activities well.

3. Work facilities

Everything contained in the organization that is occupied and enjoyed by employees, both in direct connection with work and for the smooth running of work.

4. Work performance

The results achieved or desired by everyone at work. Each person's size is not the same because humans are different from each other.

5. Recognition from superiors

A statement given from the superior whether the employee has implemented the motivation that has been given or not.

6. The job itself

Employees who do their own work can be a motivation for other employees.

## Performance

Performance is a manifestation of the results of the work carried out by employees, which is often used as the basis for evaluating an employee or person. Good performance is a step towards achieving one's goals. Therefore, performance is a very determining goal in achieving one's goals. According to Mangkunegara (2014) reveals that an employee's performance is the result of the quality and quantity of work carried out by the employee in fulfilling his duties in accordance with the responsibilities assigned to him.

## Performance Indicators

What can be calculated and measured from performance indicators according to Mangkunegara (2014), namely:

1. Work quality

Work quality is the level of quality produced by a job.

2. Working quantity

Work quantity is the amount of work completed and achieved.

3. Whether it is reliable or not

Reliability means that employees are able to follow instructions, take the initiative and carry out their work carefully and thoroughly.

4. Attitude

An attitude of respect for everyone regardless of their background. Likes helping others and creating a conducive work environment.

### Compensation

Companies currently have the challenge of having to have human resources that maintain performance according to the quality of the company. Employees will work better if they receive appropriate compensation from the company (Kenelak, Kaparang, & Pio, 2016). According to Simamora (2015), compensation is financial rewards and intangible services and benefits received by employees as part of employment relationships.

### Compensation Indicator

According to Simamora (2015) compensation indicators are:

1. Wages and Salaries.

Wages and Salaries Wages are payments that are often used for production and maintenance workers. Wages generally relate to hourly pay rates and salaries usually apply to annual, monthly or weekly pay rates.

2. Incentive

Incentives Incentives are additional compensation above or beyond the salary or wages provided by the company.

3. Allowance

Benefits Benefits are health and life insurance, pension programs, company-covered vacations and other benefits related to employment.

4. Facility

Facilities Facilities are generally related to benefits such as a company car or access to a company plane that employees receive.

### METHOD

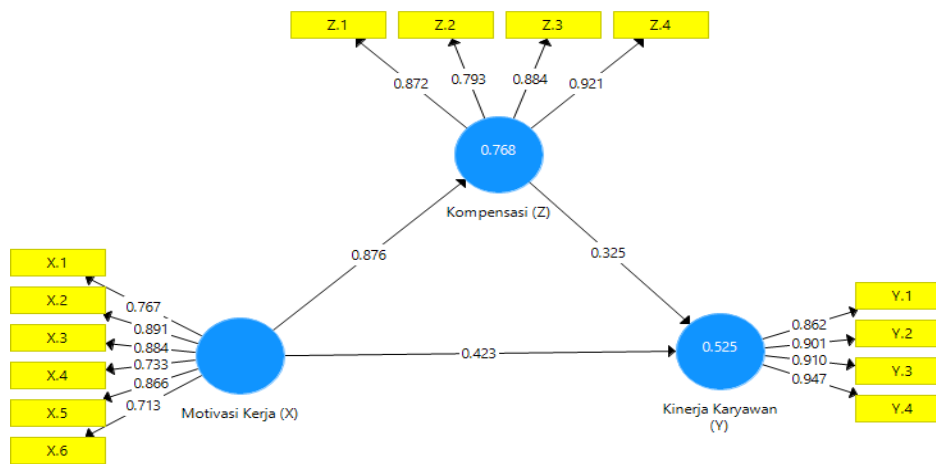
The research was carried out from September 2023 to October 2023. This research used this type of approach *associative* and *quantitative*. The population in this study were all employees of the PT Consortium. Hutama Karya (Persero) - PT. Steel Facility Gate, numbering 120 people. The number of samples in this research was 70 employees of the PT. Hutama Karya (Persero) - PT. Gerbang Sarana Baja who had worked for more than 1 year. The reason the sample was taken was only employees who worked for more than 1 year is because many employees came in and out or resigned and were replaced. Therefore, the samples taken were only those who had worked for more than 1 year so that the opinions obtained were

more accurate. The data used in this research is primary data, that is, the data collected still has to be reprocessed. The data collected was obtained from a questionnaire. Smart PLS software was used for data processing in this research.

**RESULTS AND DISCUSSION**

**Assessing the Outer Model or Measurement Model**

There are three criteria for using data analysis techniques with SmartPLS to assess the outer model, namely convergent validity, discriminant validity and composite reliability.



**Figure 1. SmartPLS output**

**Information:**

The results of the sub 1 and sub 2 regression equations are as follows:

Structure 1:

$$Z = b1X + e$$

$$Z = 0.876 + e$$

Structure 2:

$$Y = b2X + b3Z + e$$

$$Y = 0.423X + 0.325Z + e$$

**Table 1. Cross Loading**

	Employee Performance (Y)	Compensation (Z)	Work Motivation (X)
X.1			0.767
X.2			0.891
X.3			0.884
X.4			0.733
X.5			0.866
X.6			0.713

Y.1	0.862		
Y.2	0.901		
Y.3	0.910		
Y.4	0.947		
Z.1		0.872	
Z.2		0.793	
Z.3		0.884	
Z.4		0.921	

Based on table 1 above, the results show that all construct indicators meet the convergent validity value with a loading factor greater than 0.5. So the conclusion is that after carrying out the outer model test on these variables, the results above are valid results with convergent validity.

#### Discriminant validity test

The discriminant validity test aims to see the validity of a study and see the value of each indicator - the indicator has a number that is greater than the other latent variable indicators. If the cross loading value is greater than the other latent variables then it is considered valid. The following are the results of the Discriminant Validity test with Cross Loading as follows:

Table 2. Discriminant Validity Test Results with Cross Loading

	Employee Performance (Y)	Compensation (Z)	Work Motivation (X)
X.1	0.379	0.627	0.767
X.2	0.618	0.849	0.891
X.3	0.568	0.753	0.884
X.4	0.642	0.646	0.733
X.5	0.656	0.800	0.866
X.6	0.543	0.541	0.713
Y.1	0.862	0.630	0.601
Y.2	0.901	0.662	0.566
Y.3	0.910	0.620	0.715
Y.4	0.947	0.608	0.669
Z.1	0.662	0.872	0.729
Z.2	0.460	0.793	0.717
Z.3	0.584	0.884	0.799
Z.4	0.691	0.921	0.800

It can be seen in table 2 that the cross loading results show that the indicator value is greater than the other latent variable indicators or the correlation value of the construct with the measurement items is greater than the size of the other constructs, so this shows that the latent construct has predicted the size of the construct variable block better than size on other blocks.

**AVE Test (Average Variance Extracted)**

*Discriminant validity* It can also be shown by looking at the Average Variance Extracted (AVE) value. The following are the results of the discriminant validity test with square root AVE as follows:

**Table 3. AVE (Average Variance Extracted)**

	Average Variance Extracted (AVE)
Employee Performance (Y)	0.819
Compensation (Z)	0.755
Work Motivation (X)	0.660

The results in table 3 above show an AVE value greater than 0.5 in each construct. In conclusion, the results of this research do not occur with *convergent validity* so it can be said that the research model has met the criteria for the Partial Least Square Test with the Outer Model (Measurement Model) size.

**Composite Reliability Test and Cronbach Alpha Test**

The composite reliability test for all variables was declared reliable because the loading value was above 0.6. The Composite Reliability value for all research variables is above 0.7, this shows that the variables in this study are reliable because they meet the Composite Reliability criteria. Meanwhile, Cronbach Alpha measures the lowest value (lowerbound) of the reliability of a variable so that the Composite Reliability value is > 0.6 and the Cronbach Alpha value is > 0.6. The following are the results of the Composite Reliability Test and Cronbach Alpha Test as follows:

**Table 4. Composite Reliability and Cronbach Alpha results**

	Cronbach's Alpha	Composite Reliability
Employee Performance (Y)	0.926	0.948
Compensation (Z)	0.891	0.925
Work Motivation (X)	0.895	0.920

In table 4 above there are results from research which shows the results of Composite Reliability and Cronbach Alpha, the value of which is greater than 0.7

for the Composite Reliability value and 0.6 for Cronbach Alpha. So it can be concluded that the Composite Reliability and Cronbach Alpha values have Composite Reliability values.

### Structural Model Testing (Inner Model)

#### R-square value

The R square value is useful for seeing how much influence the independent variable has on certain dependents and this test is carried out to validate the overall model, namely the combination of the inner model and outer model. The following are the results of the R square test as follows:

Table 5. R-square value

	<i>R Square</i>	<i>Adjusted R Square</i>
Employee Performance (Y)	0.525	0.511
Compensation (Z)	0.768	0.765

Table 5 above shows the R square research results for explanation as follows: The R square value of Employee Performance is 0.525 and if the percentage is 52.5%, it means that the influence of the Work Motivation and Compensation variables influences the remaining 52.5% on other variables. The R square value of compensation is 0.768 and if the percentage is 76.8%, this means that the influence of the work motivation variable on compensation is 76.8% and the rest is on other variables.

#### Hypothesis test

In this research, the hypothesis is seen from the T-statistic value. The exogenous variable is declared significant in the endogenous variable if the t statistic result is  $> t$  table 1.96 (Sig=5%). Original sample results that are positive indicate a unidirectional (positive) influence between variables. Meanwhile, the relationship between 66 other variables was declared not significant because it had a t value  $< 1.96$  (Sig=5%). The original sample results which have a negative value indicate an opposite (negative) influence between variables and the original money sample results which have a positive value indicate an influence in the same direction (positive) between variables. The following are the results of hypothesis testing from the Bootstapping test presented in the table below:

Table 6. Path Coefficients (Direct Influence)

	Original Sample (O)	T Statistics (  O/STDEV  )	P Values	Results
Compensation (Z) -> Employee Performance (Y)	0.325	1,910	<b>0.057</b>	<b>Rejected</b>



Work Motivation (X) -> Employee Performance (Y)	0.423	2,914	0.004	Accepted
Work Motivation (X) -> Compensation (Z)	0.876	38,811	0,000	Accepted

In table 6 above there are direct hypothesis values, the explanation for this hypothesis will be explained as follows:

1. Compensation has a positive and insignificant effect on employee performance with an original sample value of 0.325 and a p value of 0.057. This means that giving compensation does not necessarily increase employee performance because too much compensation given to employees makes employees lazy at work, but if compensation is given to employees who are good in terms of their work, it will be more useful for the employee and the employee will improve his performance. .
2. Work Motivation has a positive and significant effect on Employee Performance with an original sample of 0.423 and a p value of 0.004. This means that if an influential person provides motivation, employee performance will increase, if motivation is provided by someone who is not influential, employee performance will decrease.
3. Work Motivation has a positive and significant effect on Compensation with an original sample value of 0.876 and a p value of 0.000. This means that if good motivation and from influential people increases, compensation will also increase. If it decreases, compensation will also decrease.

**Table 7. Path Coefficients (Indirect Influence)**

	Original Sample (O)	T Statistics (  O/STDEV  )	P Values	Results
Work Motivation (X) -> Compensation (Z) -> Employee Performance (Y)	0.284	1,897	0.058	Rejected

In table 7 above there are indirect results showing that compensation as an intervening variable is not able to influence work motivation and employee performance indirectly, meaning that compensation is not an intervening variable. Work Motivation has a positive and insignificant effect on Employee Performance through Compensation with an original sample value of 0.284 and a p value of 0.058.

## CLOSING

### Conclusion

1. Compensation has a positive and insignificant effect on the performance of employees of the PT. Hutama Karya (Persero) - PT. Gerbang Sarana Baja Consortium
2. Work Motivation has a positive and significant effect on the Performance of PT Hutama Karya (Persero) Consortium Employees - PT Pintu Sarana Baja
3. Work Motivation has a positive and significant effect on the Compensation of the PT Hutama Karya (Persero) - PT Pintu Sarana Baja Consortium
4. Work Motivation has a positive and insignificant effect on Employee Performance through the Compensation Consortium of PT Hutama Karya (Persero) - PT Pintu Sarana Baja

### Suggestion

1. Organizations must increase work motivation for employees with the aim of improving employee performance gradually. If possible, this motivation can be done every week to build employee trust in the organization.
2. Organizations must increase compensation for employees who excel and make the name of the organization better, do not provide compensation equivalent to organizations that excel with other employees who do not have competence and achievements at work.
3. Organizations must increase supervision, training and attention for employees and for employee development and improve employee performance.

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