

THE EFFECT OF COMPENSATION ON EMPLOYEE PERFORMANCE AND EMPLOYEE SATISFACTION AS AN INTERVENING VARIABLE AT HOTEL GROVE SUITES JAKARTA

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Abstrak (11 pt)

This study aims to determine the effect of compensation on employee performance and employee satisfaction as intervening variables. This type of research is descriptive quantitative method of path analysis using Smart PLS. Collecting data by distributing questionnaires. This study uses a saturated sampling technique because the total population is the same as the number of samples, namely 100 employees of The Grove Suites Hotel Jakarta. The results of the research directly show that: (1) Partial compensation has a significant effect on employee job satisfaction; (2) Employee compensation and satisfaction partially have a significant effect on employee performance; (3) Compensation has a significant effect on employee performance through employee satisfaction. Adequate and fair compensation will provide high employee job satisfaction, so that high employee loyalty to The Grove Suites Hotel Jakarta will have an impact on feeling happy and motivated in carrying out their work, so as to increase employee work results.

INTRODUCTION

The workforce in a company can be the spearhead for the success or goals of the company, especially in companies engaged in the service sector (Ratnaningtyas et al., 2022). Utilization of human resources also has a close relationship with employee satisfaction and performance, so a high level of employee satisfaction

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and performance will certainly make employees comfortable in a company with various compensation provided (Lie & Siagian, 2018). The ability of an individual to carry out his work role also, of course, depends on the company that provides compensation to the individual (Ilham et al., 2022).

Compensation is a service received by workers from where the company works because of a work bond (Dwianto et al., 2019). Compensation consists of indirect compensation and direct compensation (Firmandari, 2014). It is only sometimes accepted that there is an event or certain events, such as THR (holiday allowance) given to employees during holidays and health benefits and employment benefits given to employees when sick and in work accidents (Iswandiari, 2017). Employees receive direct compensation, such as commissions, incentives, bonuses, and salaries (Mulyani, 2002). Then pension benefits are given to employees when employees have entered a period of inactivity or stopped working (Kasenda, 2013).

Employee work results or employee performance can be based on what can be seen from the aspects of quantity, quality, cooperation, and working time to achieve the goals that will be obtained by the company (Baiti, 2020). Work results can be in the quantity and quality obtained by a worker in carrying out his work based on his responsibilities as a workforce (Priyono, 2010). Compensation given to employees will affect their work results, both indirect and indirect compensation (Kenelak, 2016). Companies provide direct compensation to their workforce through regularly received services such as commissions, incentives, bonuses, and salaries (Muljani, 2002; Saleh et al., 2019). The company also provides indirect compensation to its workforce, which can improve employee performance, such as health benefits and holiday allowances (Dwianto et al., 2019).

Labor productivity or performance are tasks and obligations that must be completed by company goals (Damayanti et al., 2018). Employee performance can be based on what can be seen in terms of aspects of quantity, quality, cooperation, and working time to achieve goals that will be obtained by the company (Fatmawati et al., 2020). The quantity of work is the time an employee works in one day based on how quickly an employee works (Sari et al., 2016). The quality of work is that

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the employee can complete his work properly, neatly, and on time. Employees work in one day, and the quantity of this work can be seen from the work speed of each employee (Saputri & Rachman, 2022). Collaboration is how a group of employees can complete work together accurately and on time (Suprihati, 2014). Time is how long the work can be completed properly (Suprihati, 2014).

Job satisfaction is an emotional attitude that loves and pleases his work which is reflected in work performance, discipline, and work morale (Damayanti et al., 2018). Job satisfaction is influenced by the following factors, namely the nature of the work that is not monotonous, the wise attitude of the leadership, the equipment and facilities that support the implementation of the work, the atmosphere and work environment that is safe and comfortable, the work is not a heavy burden, the placement according to expertise and fair and proper compensation.

One of the five-star hotels in South Jakarta is The Grove Suites which has 9 (nine) divisions, namely the departments of human resources, sales and marketing, engineering, housekeeping, front office, administration and general affairs, food & beverage products, and accounting. The Grove Suites has a total of 89 employees and 11 employees with outsourced status. The number of employees at The Grove Suites, a five-star hotel, is appropriate to give awards to employees in the form of compensation so that employee work results can be maximized. The company gives obligations to employees to be carried out by these employees properly so that work productivity can increase.

Employee performance impacts the process of The Grove Suites hospitality service activities because if the increase in employee work results is high, the company's output results will also increase. Therefore The Grove Suites can maintain the work performance of its employees so that morale will not decrease. The way to provide employee morale is to give them proper and proper rewards. Suppose the obligations have been carried out properly and maximally by the employees. In that case, The Grove Suites can optimally provide reciprocity or an imbalance of services in the form of clothing to its employees.

Proper and appropriate protection given to employees will allow employees to continue working at The Grove Suites because, with this protection, they can support themselves and their families. The importance also impacts employee

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loyalty to The Grove Suites, where employees work wholeheartedly for The Grove Suites by sacrificing all their time, mind, and skills for the company so that the company's goals can be realized. Good compensation will satisfy employees, so The Grove Suites can maintain and provide jobs to employees who have high work results for The Grove Suites. The employees of The Grove Suites have high expectations of providing incentives, so the company's procedures will be fulfilled to determine the wage structure, maintenance, position valuation, the level of labor demand in the market, and the benefits provided to employees.

Based on the description above, the researcher wants to know whether compensation affects employee performance at The Grove Suites Hotel. This study aims to determine the effect of employee performance and its impact on employee satisfaction at The Grove Suites Hotel.

RESEARCH METHODS

This type of research is a descriptive quantitative method of path analysis using Smart PLS. Data was collected by distributing questionnaires with a Likert scale from 1 to 5. The number of employees at The Grove Suites South Jakarta is 100 people, so this study used a sampling technique using a saturated sampling technique because the total population is the same as the number of samples, namely 100 people. The variables in this study are: (1) The compensation variable as an independent variable; (2) The employee satisfaction variable as an intervening variable; (3) The Employee performance variable as the independent variable.

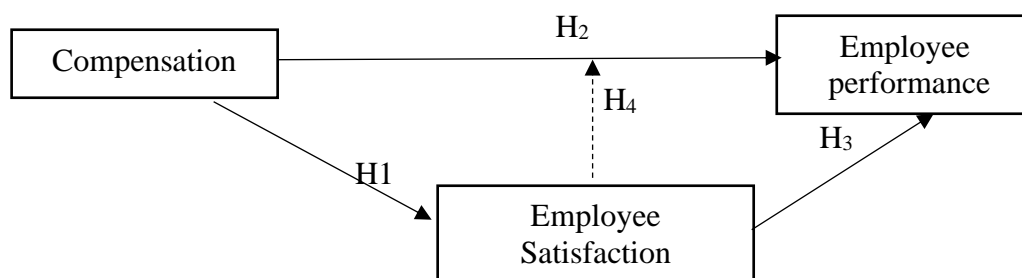


Figure 1. Research Framework

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RESULT AND DISCUSSION

Table 1. Respondent Demographics

Category	Percentage
Gender	
Female	47%
Male	53%
Usia	
21-30 year	46%
31-40 year	20%
> 40 year	34%
Education	
Senior High School	6%
Diploma	12%
Bachelor	67%
Magister	14%
Doctor	0%

Source: Processed Data (2022)

Based on the table above, it shows that The Grove Suites has 47% female employees and 53% male employees. Then the most employees are employees aged 24-30 years as much as 46%. Furthermore, employees who have a bachelor's degree education are as much as 67%.

Table 2. Validity Test

Category	Average Variance Extracted (AVE)
Compensation	0,607
Employee Satisfaction	0,637
Employee performance	0,580

Source: Processed Data (2022)

The table above shows that all the variables in the study are valid because the average variance extracted is greater than 0.50.

Table 3. Reliability Test

Category	Cronbach's Alpha	Composite Reliability
Compensation	0,785	0,861
Employee Satisfaction	0,810	0,875
Employee performance	0,758	0,847

Source: Processed Data (2022)

The table above shows all the variables in the study shown to be reliable because the value of Cronbach's alpha and composite reliability is greater than 0.70.

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Table 4. R Square Test

Kategori	R Square	R Square Adjusted
Employee Satisfaction	0,919	0,917
Employee performance	0,970	0,968

Source: Processed Data (2022)

The table above shows that the R-square value of the job satisfaction variable is 0.917, meaning that the job satisfaction variable is affected by employee performance by 91.7%, while the remaining 8.3% is influenced by other variables outside those studied. Then the R-square value of the employee performance variable is 0.968 meaning that the employee performance variable is influenced by employee satisfaction and satisfaction by 96.8%, while the remaining 3.2% is influenced by other variables outside the one studied.

Table 5. Direct Influence

Kategori		Original Sample	Sample Mean	Standard Deviasi	T Statistics	P Values
Compensation	→ Employee Satisfaction	0,873	0,401	0,085	4,667	0,000
Compensation	→ Employee performance	0,982	0,986	0,048	20,364	0,000
Employee Satisfaction	→ Employee performance	0,924	0,444	0,086	5,051	0,000

Source: Processed Data (2022)

The table above shows that stimulation has a significant effect on employee satisfaction because it has a significant value of 0.000, which means the value is less than 0.05. This has a significant effect on employee performance because it has a significant value of 0.000, which means that the value is less than 0.05. Furthermore, it has a significant effect on employee performance because it has a significant satisfaction value of 0.000, which means that the value is less than 0.05.

In this study, triggers have a significant effect on employee satisfaction because proper and timely stimulation provided by The Grove Suites to employees will provide separate satisfaction from employees both physically and psychologically so that the better life expected by employees can be realized because they can finance his life needs by his job responsibilities and the sacrifice

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of time, effort and thought. With good losses and the right time, The Grove Suites will easily find and attract employees who have expertise in their field, high discipline, and high loyalty to The Grove Suites, so that employee work productivity increases, which has an impact on the output produced by The Grove Suites are getting better and improving. Compensation can also encourage employees to continue working at The Grove Suites because the rights of employees to obtain good and timely patents can be applied directly by The Grove Suites so that the satisfaction of employees working at The Grove Suites will increase and experience an increase, so appoint taste and work strike no more. This research is in line with Rahayu & Riana (2017) and Retnoningsih et al. (2016), showing that emphasis significantly affects employee satisfaction.

In this study, the alarm significantly affects employee performance because the stimulation will increase work motivation and performance. Compensation is an important factor for The Grove Suites because compensation is a program carried out by The Grove Suites to retain employees who have achievements and loyalty to the company. The compensation The Grove Suites provides to its employees is to comply with government regulations, control costs, obtain qualified employees, and reduce employee turnover. The Grove Suites can use human resources more efficiently and effectively. This research is in line with Iswandiani (2017) and Rumere et al. (2016), showing that therapy significantly affects employee performance.

In this study, employee satisfaction has a significant effect on employee performance because the high job satisfaction felt by employees will give their loyalty to The Grove Suites, so they are more happy at work and motivated to complete well and accurately so that work productivity is higher, so that company performance is getting better. The company's goal to gain profitability can be realized properly. Job satisfaction felt by employees will increase the tendency to work more productively. This research is in line with Indrawati (2013) and Widayanti & Widiastini (2016), showing that employee satisfaction significantly affects employee performance.

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Table 6. Indirect Influence

Kategori	Original Sample	Standard Deviasi	T Statistics	P Values
Compensation → Employee Satisfaction → Employee performance	0,390	0,089	4,376	0,000

Source: Processed Data (2022)

The table above shows that stimulation has a significant effect on employee performance through employee satisfaction because it has a significant value of 0.000, which means the value is less than 0.05.

In this study, triggers significantly affect employee performance through satisfaction because giving appropriate awards to employees from The Grove Suites will have an impact on employee job satisfaction in carrying out their duties and obligations happily and motivate them to complete work accurately to improve results. It works. This research is in line with Mundakir & Zainuri (2018), which shows that stimulation significantly affects employee performance through employee satisfaction.

CONCLUSIONS AND SUGGESTIONS

Compensation significantly affects employee satisfaction because comfort provides satisfaction for employees, where employees can finance their living needs because they work with full responsibility and sacrifice their time, energy, and thoughts for The Grove Suites. Compensation has a significant effect on employee performance because an alarm will increase employee motivation and work performance, which will increase employee performance. Employee satisfaction has a significant effect on employee performance because the high job satisfaction felt by employees will give their loyalty to The Grove Suites and are motivated them to complete properly and accurately. Compensation significantly affects employee performance through satisfaction because by giving appropriate rewards to employee job satisfaction, the tasks and obligations are completed happily and can improve work results. To maintain good relations between employees and The Grove Suites, they can implement this every morning by encouraging, greeting,

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exchanging opinions, then going on excursions with the employees' families to get to know each other.

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