

# The Effect of Compensation and Communication on the Work Productivity of Employees at PT. Mitra Lestari Sejati Bandung

Darwis Agustriyana<sup>a</sup>, Didi Tarmidi<sup>b</sup>, Citra Andini Putri<sup>c</sup>, <sup>a,b,c</sup>Widyatama University, Indonesia Email: [darwis.agustriyana@widyatama.ac.id](mailto:darwis.agustriyana@widyatama.ac.id)

This study aims to find out the influence of compensation and communication on employee productivity at PT Mitra Lestari Sejati. The research method used in this research is both a descriptive and verification methodology. The samples of this study are employees of PT Mitra Lestari. The sampling technique used in this study is saturated samples, with the number of samples equal to the total population of 120 employees. While the analytical method used in this study is correlation analysis product moment, multiple linear regression, the coefficient of determination and test is significant at the significance level of 5%. The results show that compensation contributes to work at a productivity of 56.1%, while the remaining 43.9% is contributed to by other variables not examined, with communication contributing to work productivity by 36.2%, while the remainder is 63%. The other 0.8% are contributions from other variables not examined. While compensation and communication contribute to work productivity by 57.9%, the remaining 42.1% is a contribution from other variables not examined.

**Key words:** *Compensation, Communication, Work Productivity.*

## Chapter I

### Introduction

#### *Background Research*

With the increasing era of globalization, countries in the world are required to develop technology in various fields. Many manufacturing industries are established in various countries. In Indonesia, one of the most rapidly developing manufacturing industries is the textile industry. The textile industry in Indonesia is the backbone of the manufacturing

industry and is a national priority industry that still has development potential. The textile industry contributes significantly to economic growth, in addition to creating jobs, the industry encourages increased domestic and foreign investment. The textile industry is an export-oriented industry.

In relation to this study, the object of research is one of the textile manufacturing industries in Bandung, PT Mitra Lestari Sejati. PT Mitra Lestari is one of the textile accessories industries which was established in 2000. The company produces supporting tools for printing which are commonly called screens. In addition to screens, PT Mitra Lestari also produces munil or flat screen, natural gum / sodium alginate and other materials for printing.

Compensation is important, because compensation is the main motivation for someone to become an employee and also because level of compensation has a large influence on the morale and performance of its employees. When compensation is given correctly, the impact is that employees will be more satisfied and motivated to achieve company goals. Thus, each company must be able to determine the most appropriate compensation so that it can support the achievement of company goals more effectively and more efficiently (Putra, 2016: 1). Hasibuan (2013: 118) defines compensation as all income in the form of money, goods directly or indirectly received by employees in return for services provided to companies.

Based on the results of observations and interviews with employees of PT Mitra Lestari, regarding the provision of financial and non-financial compensation, the problem that arises is the lack of optimal compensation provided. The amount of salary paid to some employees is felt to be less than the work done. In addition, the salary given by the company is not given in a timely manner. Allegedly, in line with Pandji Anoraga's (2005: 56-60) theory, because the compensation factor is less than optimal this is what causes the work productivity of PT Mitra Lestari employees to decline. There are 10 factors that are very desirable for employees to improve employee work productivity, namely: (1) interesting work, (2) good wages, (3) security and protection in work, (4) work ethic, (5) environment or good work facilities, (6) promotion and development of themselves in line with the development of the company, (7) feeling involved in organizational activities, (8) understanding and sympathy for personal issues, (9) leadership loyalty to employees and (10) hard work discipline. This is supported by research conducted by Zuchri Abdussamad (2014) entitled "The Effect of Compensation on Employee Productivity at PT. Asuransi Jiwasraya Gorontalo" states that "the results of the study show that increasing employee productivity through compensation has a significant effect on employee productivity. In addition to compensation, communication is one of the factors that can influence employee work productivity. According to Edwin B Flipppo in Mangkunegara (2011: 145) communication is an activity that causes other people to interpret an idea, especially what is intended by the speaker or author.

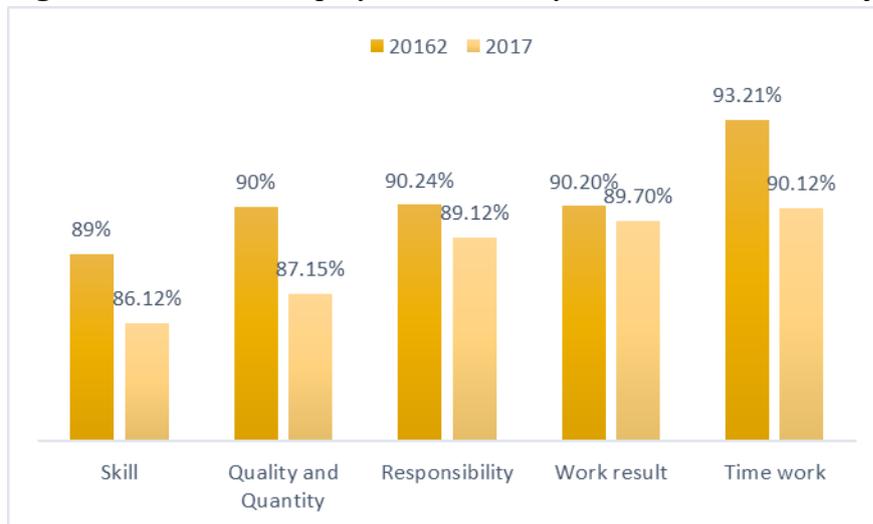
In pursuit of further evidence to this fact, this research conducted a survey of 30 employees of PT Mitra Lestari to determine an assessment of communication. From the pre-survey results, it was shown that 70% of employees assessed that communication with PT Mitra Lestari had been carried out well, and the rest rated it poorly. Based on the data and pre-survey conducted it can be concluded that communication with PT Mitra Lestari can be considered good.

This becomes a phenomenon in this study, where when communication can be said to be good but the work productivity of employees has decreased, according to Rahmat Hidayat & Uliya Hasanah (2016) this suggests that the increase in employee work productivity is influenced by effective communication that has been implemented and has been created by the company itself, so that employees who have received orders or new assignments can effect it properly and correctly. Both of these are interconnected because in the company there must be good cooperation between members to run and revive the company, so that the company is more advanced and can compete with other companies,

Productivity is one component that must be a company focus if success is a company goal. In its activities the company must be able to increase its productivity over time. Quality improvement, efficiency and effectiveness are not only dependent on modern machinery technology, sufficient capital and the availability of quality raw materials. (Adi Kusuma, 2017). Sinungan (2014: 17), suggests that Productivity is a general concept that aims to provide more goods and services that will be used by many humans while using fewer and fewer real sources.

Based on the results of observations and interviews with *Human Resources Management* PT Mitra Lestari's, there is a problem with the productivity of PT Mitra Lestari employees, among other reasons, this is due to the decrease in employee responsibility for duties and work which is characterized by many mistakes that often occur in the warehouse in managing imported goods for coming production and sometimes the finished product is not quality assured. The lack of employee response to their work, which can be seen from several employees, delays work completion and results in the inability of employees to complete their work. Some employees are not able to maximize work time and some work is completed slowly so that the time and target of work is not achieved properly. In addition, the quantity and quality of work produced by PT Mitra Lestari employees is not optimal. The data supporting the above statement regarding the decline in employee productivity at PT Mitra Lestari which the researchers present in Figure 1.2 are as follows:

**Figure 1.2.** Data on Employee Productivity of PT Mitra Lestari Sejati



Source: Results of data processing by researchers, 2018

Based on the above diagram it can be seen that overall indicators of the assessment of PT Mitra Lestari employees' work productivity have decreased as seen in two periods, 2016 and 2017, almost every indicator decreased by 3%. This illustrates that the work productivity of PT Mitra Lestari employees declined in 2017.

Based on the literature review, this research is titled: " **Compensation Analysis, Communication and Work Productivity of PT Mitra Lestari Sejati Employees** "

### ***Problem Formulation***

Based on the background and theories used by researchers in relation to the variable nsasi, communication and work productivity, the formulation of the problem in this study is as follows:

1. How is compensation made at PT Mitra Lestari Sejati?
2. How is communication perceived at PT Mitra Lestari Sejati?
3. What is the work productivity of employees at PT Mitra Lestari Sejati?
4. How much influence does compensation have on the productivity of employees of PT Mitra Lestari Sejati?
5. How much influence does communication have on the productivity of employees of PT Mitra Lestari Sejati?
6. How much influence do compensation and communication have on the productivity of employees of PT Mitra Lestari Sejati?

## **Chapter II**

### **Literature Review**

#### ***Compensation***

Compensation is important because it is the main encouragement of an employee to work. In this case, it means that employees use knowledge, skills, energy and time not to merely want to prove themselves to the company, but also expect rewards or rewards for results.

#### ***Definition of Compensation***

According to Hasibuan (2013: 118), compensation is all income in the form of money, goods directly or indirectly received by employees in return for services provided to companies.

According to Panggabean (2012: 75), employee compensation is a form of reward given to employees as a reward for the contributions they make to the organization.

According to Septawan (2014: 5), compensation is a service fee or remuneration provided by the organization to the workforce because the workforce has contributed energy and thought to the progress of the organization to achieve the stated goals.

Based on the above definitions, it can be determined that compensation is an award or reward in the form of money, goods directly or indirectly to employees because they has provided energy and thought to achieve the goal.

#### ***Compensation Objectives***

According to Hasibuan (2013: 121) the objectives of compensation include: The

1. bond of cooperation  
With the provision of compensation a bond of formal cooperation is established between the employer and the employee, where the employee must do the task well, while the employer / obligation to pay compensation according to the agreed agreement.
2. Job satisfaction  
With remuneration, employees will be able to fulfil their physical needs, social status, and self-driven ambitions so that they can get job satisfaction from their positions.
3. Effective procurement  
If the compensation program is set at an appropriate rate, the procurement of qualified employees for the company will be easier.
4. Motivation

If the service provided is large enough, the manager will easily motivate his subordinates.

5. Stability of employees.

With compensation programs based on fair and decent principles and competitive external consistency, the stability of employees will be more assured because the turnover is relatively small.

6. Discipline

With the provision of sufficient rewards, employee discipline gets better. They will be aware of and comply with applicable regulations.

7. Influence of trade unions

With a good compensation program the influence of trade unions can be avoided and employees will concentrate on their work.

8. Government influence

If compensation programs are in accordance with applicable labor laws (such as minimum wage limits), government intervention can be avoided. The purpose of giving this remuneration should be to give satisfaction to all parties, employees can meet their needs, entrepreneurs get profits, government regulations must be adhered to and consumers get quality goods at reasonable prices.

### ***Compensation Indicators***

According to **Mangkunegara (2015; 86)** there are several compensation indicators, namely:

1. Payment Level.

The level of payment can be high, average or low depending on the condition of the company, meaning that the level of payment depends on the ability of the company to pay its employee services.

2. Payment Structure.

The payment structure relates to the average payment, the level of payment and the classification of positions in the company.

3. Determination of Individual Payments

Determination of individual compensation payments needs to be based on average payment rates, education levels, years of service and employee performance.

4. Payment Methods

There are two payment methods based on:

1. time (per hour, per day, per week, per month).
2. revenue sharing.

Control payments are controls directly or indirectly from work costs. Cost control is a major factor in the administration of wages and salaries. The task of controlling in payments is as follows:

- a. Develop in compensation standards and improve their functions.
- b. Measure results that are contrary to fixed standards.
- c. Straighten changes to the standard of payment of wages.

### ***Communication***

Communication is important at all levels of management, especially in management functions. With the existence of communication, humans can be interconnected. Communication is very important, as organizations with good communication run smoothly, and vice versa, if communication is not well established then the organization will not run smoothly and well. Communication is a paramount concern within an organization to ensure task implementation and completion.

### ***Understanding Communication***

According to Edwin B Flippo in Mangkunegara (2013: 145), communication is the process of transferring information, ideas and understanding from someone to another person in the hope that the other person can interpret it according to the intended purpose. Furthermore, **according to Handoko (2011: 272)**, communication is the process of transferring understanding in the form of ideas or information from one person to another. In this study then, communication is defined as the exchange of information from one person to another and the drawing of conclusions as perceptions according to the intended purpose by both the conveyer and recipient of information.

### ***Indicators Communication***

Indicator - an indicator measuring the level of communication skills according to **Hutapea and Nuriana (2008: 28)**, namely:

1. Knowledge (*knowledge*) which includes:
  - a. Know and understand the knowledge in their field - each involving the duties and responsibilities at work,
  - b. Knowing knowledge relating to new rules, procedures and techniques in the organization.
  - c. Knowing how to use the right and correct information, equipment and tactics.
- a. Skills (*skills*) which include:
  - a. Ability to communicate well in writing,
  - b. Ability to communicate clearly verbally.

- b. Attitude (*attitude*) which includes:
  - a. Having the ability to creativity in the work, the
  - b. Existence of high morale.

### ***Work Productivity***

#### ***Definition of Work***

Productivity is a very important factor in maintaining and developing the success of an organization / company. As we know, every organization / company invests vital resources (human resources, materials and money) to produce goods / services. Using human resources effectively will provide better results (MI Riskillah – 2014; Shoaib & Mujtaba, 2016). Productivity problems are a very important issue at this time and there is increasing awareness that productivity can improve human welfare. The importance of work productivity includes many things such as labor productivity, organizational productivity, marketing productivity and so on. In general, the notion of productivity concerns the relationship between output and the input used. The term productivity is often confused with the term production. Many argue that the greater the production, the greater the productivity (Saudi et al., 2019).

Understanding (Hasibuan, 2012: 94) work productivity is about the comparison between the output having added value and the existence of better processing techniques. Sinungan (2014: 17), argues that Productivity is a general concept that aims to provide more goods and services that will be used by many humans, using fewer and fewer real sources. Productivity then is a comparison between outputs that must add value through better processing techniques in providing more goods and services that will be used by many humans (Sinaga et al., 2019).

#### ***Work Productivity Measurement***

To determine the work productivity of each employee, measurement is necessary. The measurement of labor productivity according to the physical income system per person or per hour of work widely accepted is using the method of measuring labor time (hours, days or years).

According to Henry Simamora in Rachmawati (2015), the factors used in measuring work productivity include the quantity of work, quality of work, and timeliness:

1. Quantity of work is a result achieved by employees in a certain amount with a standard comparison existing or determined by the company.

2. Quality of work is a standard outcome related to the quality of a product produced by employees and in this case is the ability of employees to complete work technically against a set of company standards.
3. Timeliness is the level of an activity completed at the beginning of the specified time, seen in terms of coordination with the output results and maximizing the time available for other activities. Timeliness is measured by employee perceptions of an activity provided at the beginning of time until it becomes output.

The benefits of productivity measurement for organizations or companies as stated by David J. Summanth, are as follows:

1. Companies can assess the efficiency of the use of resources in producing goods and services.
2. Productivity measurement is useful for resource planning, both short and long term.
3. Efforts to measure productivity levels can be used to reconstruct economic and non-economic objectives of the company.
4. Planned productivity level targets can be made in the future.
5. Strategies to increase productivity can be determined based on differences between planned levels of productivity and productivity levels
6. Productivity values resulting from productivity measurements can be used in corporate profit level planning

### ***Work Productivity Indicators***

According to Sutrisno (2011: 104), productivity is very important for employees in the company. With the existence of work productivity it is expected that the work will be carried out efficiently and effectively, so that all of this is ultimately needed in achieving the goals that have been set. To measure work productivity, an indicator is needed, as follows:

1. Ability to carry out tasks  
The ability of an employee is very dependent on the skills possessed and their professionalism at work. This requires the power to complete the tasks assigned to them.
2. Increase the results achieved  
Trying to improve the results achieved for both those who work and those who enjoy the results of the work is about work productivity for each of those involved in a job.
3. Work spirit  
This is an effort to be better than yesterday and this indicator can be seen from the work ethic and the results achieved for one day to the next.
4. Self development  
Employees need to always develop themselves to improve work ability. Self-development can be achieved by looking at the challenges and expectations of what will be faced. The stronger the challenge the greater potential for self-development. Likewise,

the expectation to be better in turn will greatly affect the desire of employees to improve their abilities.

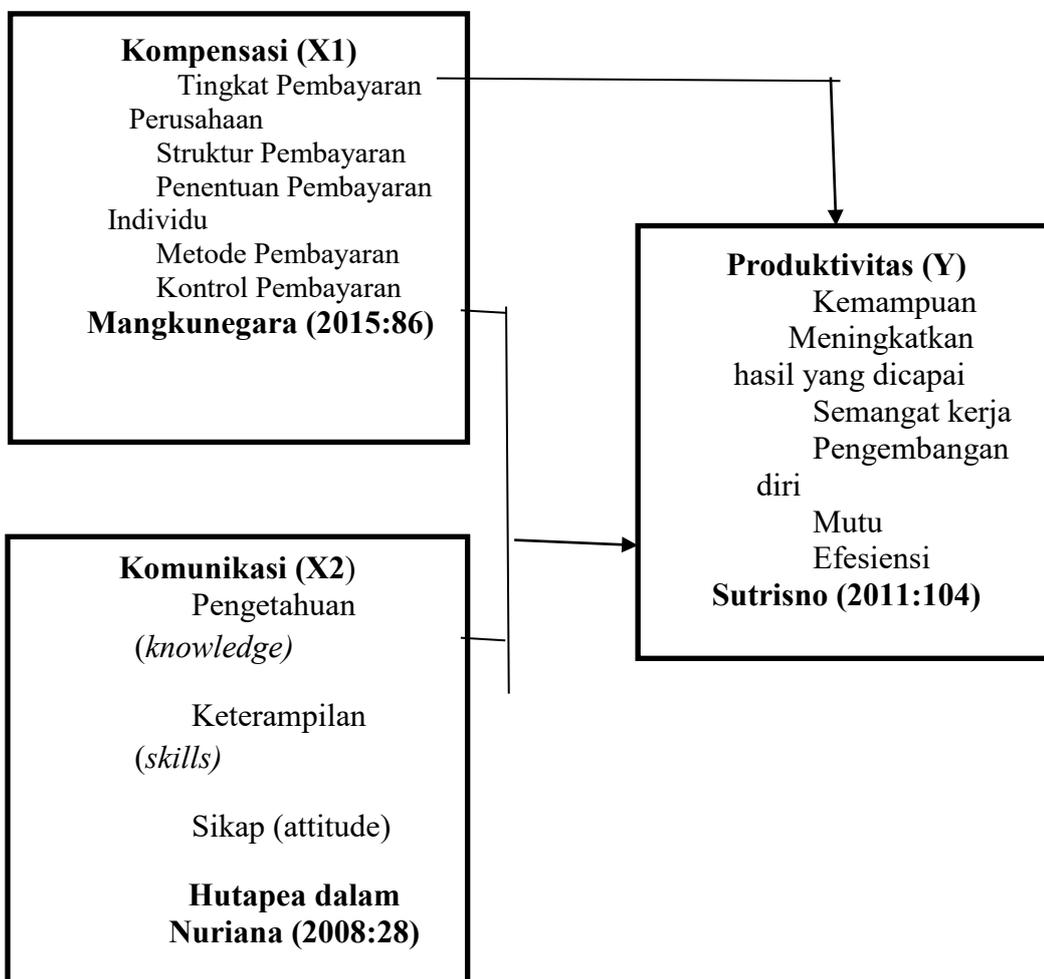
5. Quality

Always trying to improve quality results in work of quality and reflects on employee. Improving quality, provides the best results which in turn will be very useful for the company itself.

6. Efficiency

Efficiency is measured through a comparison of the results achieved with the overall resources used. Inputs and outputs are aspects of productivity that provide a significant influence for employees.

**Figure 2.1.** Research Paradigm Research



According to Sugiyono (2014: 159) a hypothesis is a temporary answer to the formulation of research problems and the truth of the hypothesis must be proven through the collected data. So based on previous research and the theory of supporting research, the following hypotheses as temporary estimates are made:

- H<sub>1</sub> : Compensation has an effect on employee work productivity  
H<sub>2</sub> : Communication has an effect on employee work productivity  
H<sub>3</sub> : Compensation and communication affect employee work productivity

### **CHAPTER III**

#### **Research Methodology**

##### ***Research The research***

Method is the way used to get the results of the data obtained by aiming to find out the answers to the questions or the symptoms being studied. According to Sugiyono (2014: 2), research method is a scientific way to obtain valid data with the aim of finding, verifying, and developing knowledge so that it in turn can be used to understand, solve and anticipate problems. For this study descriptive analysis - verification is used to test whether compensation and communication affect employee productivity and test whether the hypotheses are accepted or rejected.

##### ***Population and Sample***

According to (Sugiyono, 2014: 148) population is a region of generalization consisting of objects / subjects that have certain qualities and characteristics applied by researchers to be studied and conclusions drawn. The population in this study were all employees who worked at PT Mitra Lestari Sejati and the total population of the study is 120 people.

### **Chapter IV**

#### **Research Results Research**

##### ***Results***

In this study, 120 questionnaires were distributed to employees working at PT True Sustainable Partners. The independent variables in this study are compensation and communication, while the dependent variable in this study is productivity. The following are tables arranged to provide a general description of the respondent's statements:

##### ***Descriptive Analysis***

##### ***Respondents' Responses Regarding Compensation (X<sub>1</sub>)***

Questionnaire regarding compensation (X<sub>1</sub>) is measured using eleven items of statements regarding compensation for PT Mitra Lestari can be seen in the following table:

**Table 4.1:** Summary of Respondents: Compensation

No .	Statement	Respondents answer					Score Total	average	ket
		SS	S	N	TS	STS			
1	salary payments that the company is in conformity with the provisions set by the company before	35	62	12	11		0481	4.01	Good
2	Payments the salary provided is in accordance with the results of the performance that I gave as an employee	26	61	13	20	0	453	3.78	Good
3	salary I received was in accordance with my current position	29	44	35	12	0	450	3.75	Good
4	Salary that I accept according to the time of payment (on time)	16	58	16	30	0	420	3.50	Good
5	The amount of salary paid is in accordance with the time I work ja	30	60	17	13	0	467	3.89	Good
6	Large salary paid is in accordance with the competencies that I have	26	64	9	21	0	455	3.79	Good
7	Provision of incentives given in accordance with the work performance that I have	25	64	12	19	0	455	3.79	Good
8	Payment of monthly wages is done on time	36	55	7	22	0	465	3.88	Good
9	Giving incentives is given according to the output produced	29	58	7	26	0	450	3.75	Good
10	Payment of salaries directly (cash) what I received went well every month	53	42	25	0	0	508	4.23	Very good
11	payment of the salary I received was in accordance with umr standard	27	61	19	13	0	462	3.85	Good
<b>Total</b>							<b>5066</b>	<b>3.84</b>	<b>Good</b>

Based on table 4.5 above the compensation variable as a whole is in a good category with an average weight of 3.84, because it is in the category 3.40-4.19 based on the results of the answers of the highest weight respondents with an average value of 4.23 is in the statement

"Payment of salaries directly (cash) that I received went well every month", while the lowest average value obtained at 3.50 contained in the statement "Salary that I accept according to the time of payment (on time). So it can be concluded that compensation for PT Mitra Lestari can be considered good.

### *Respondents' Response to Communication (X<sub>2</sub>)*

The communication questionnaire (X<sub>2</sub>) is measured using eight items of relevant statements. The responses of respondents regarding communication at PT Mitra Lestari can be seen in the following table:

**Table 4.6:** Summary of Respondents: Communication

No.	Statement	Answer Respondents					Total Score	average	Ket
		SS	S	N	TS	STS			
1	I was able to understand well the knowledge related to the tasks assigned	36	54	4	26	0	460	3.83	Good
2	I understand the responsibility for the tasks given well	16	62	18	24	0	430	3.58	Good
3	I have understood well the work procedures that exist in the company	31	59	14	16	0	465	3,87	Good
4	Information conveyed by superiors and fellow employees can be understood well	35	43	0	42	0	431	3.59	Good
5	I already know the rules of the company well	14	37	19	50	0	375	3.12	Good
6	I have the ability to communicate clearly verbally	3	62	14	10	0	480	40	Good
7	I have the ability to communicate well in writing	33	50	11	26	0	450	3.75	Good
8	I am able to receive information conveyed by boss and other employees well	30	64	14	12	0	472	3.93	Good
<b>Total</b>							<b>3563</b>	<b>3.71</b>	<b>Good</b>

Based on table 4.6 above the overall communication variable is in a good category with a weighting average of 3.71 because it is in the category 3.40 - 4.19. Based on the results of the respondents' answers the highest weight with an average value of 40 is in the statement "I have the ability to communicate clearly verbally", while the lowest average value is obtained at 3.12 found in the statement "I already know the company rules well". It can be concluded that communication at PT Mitra Lestari can be considered good.

### *Respondents' Response to Productivity (Y)*

The questionnaire regarding work productivity (Y) is measured using twenty items of relevant statements. Respondents' answers regarding the work productivity of PT Mitra Lestari employees can be seen in the following table:

**Table 4.7:** Summary of Respondents Concerning the Work Productivity

No .	Statement	Respondents answer					Score Total	average	Ket
		SS	S	N	TS	STS			
1	I have mastered the field of work that I do now	39	63	6	12		0489	4.07	Good
2	I have good skills in carrying out work tasks carried out	29	55	17	19	0	454	3.78	Good
3	Tasks and responsibilities are given according to my abilities	18	59	40	3	0	452	3.76	Good
4	work that I produce is appropriate with the target set by the company	35	64	10	11	0	482	4.01	Good
5	In completing work, I have to get the best results	22	39	31	28	0	415	3.45	Good
6	amount of the work that I handle always meets the target that has been set	24	58	18	20	0	446	3.71	Good
no	Statement	Respondents answer					Score Total	average	Ket
		SS	S	N	TS	STS			
7	Target work is not important,	29	55	15	21		0452	3.76	Good

	the important work is completed								
8	I brush aha complete work before the deadline specified by supervisor	36	53	9	22	0	463	3.85	Good
9	I am willing to be given an additional quantity of work outside working hours if needed	62	37	21	0	0	521	4.34	Very good
10	Sometimes I feel bored with work I handled	37	64	6	13	0	485	4.04	Good
11	I never complained and felt heavy about the workload that was my responsibility	30	60	6	24	0	456	3.8	Good
12	I continued to finish work even though I was not required to be resolved immediately	40	51	28	1	0	490	4.08	Good
13	I always try to correct the mistakes I have made in carrying out work	20	60	27	13	0	447	3.72	Good
14	Companies open opportunities for employee development	37	48	10	25	0	457	3.80	Good
15	I always try to improve the quality of work	20	53	38	9	0	444	3.70	Good
16	The results of my work so far are in accordance with the quality determined by the company	42	60	18	0	0	504	4.20	Very good
17	Quality of yield if I always meet established standards	34	64	9	13	0	479	3.99	Good
18	The established work method is sufficiently efficient	23	37	29	29	0	414	3.45	Good
19	I sometimes exceed the time limit for completing work	24	55	23	23	0	440	3.66	Good
20	Time used to complete a job in accordance with predetermined standards	27	58	22	22	0	450	3.75	Good
<b>Total</b>							<b>9240</b>	<b>3.85</b>	<b>Good</b>

Based on table 4.7 above the overall productivity variable is in a good category with a weighting average of 3.85 because it is in the category 3.40 - 4.19. Based on the results of the answers, the highest weighted respondents with an average value of 4.34 is in the statement "I am willing to be given an additional quantity of work outside working hours if needed", while the lowest average value is 3.45 contained in the statement quite efficient ". It can be concluded that productivity at PT Mitra Lestari can be considered good.

### ***Test Validity and Reliability***

#### ***Test Validity***

The validity test is conducted to measure the extent to which the instrument can be used to measure what is to be measured. The results of the study can be said to be valid if there are similarities between the data collected and the actual data on the object under study.

Based on data processing that all statements that make up compensation have a calculated r value above the r-table value, so that all statements are declared valid. Based on data processing that all statements that form communication have r-count values above the r-table value, so that all statements are declared valid. Based on data processing that all statements that form work productivity have a calculated r value above the r-table value, so that all statements are declared valid in other words all statements submitted to measure work productivity have carried out the measuring function.

#### ***Reliability***

The reliability test in this study used the technique, *Cronbach's Alpha*. The instrument is said to be reliable if the value of *Cronbach's Alpha* is greater than 0.60. Results of testing the reliability for each variable can be viewed in the following table:

**Table 4.11:** Performance Test Reliability Variable Compensation

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.907	.906	11

Source: Data processed, SPSS Ver. 24

For the compensation variable ( $X_1$ ) obtained by Cronbach's Alpha of 0.907, the questionnaire for this variable is declared reliable because  $> 0.60$

**Table 4.12:** Reliability Test Results Communication Variable

Reliability Statistics		
Cronbach's Alpha	Based on Standardized Items	N of Items
,789	,783	8

Sources: Data processed, SPSS Ver. 24

For the communication variable ( $X_2$ ) obtained by Cronbach's Alpha at 0.789, the questionnaire for this variable is declared reliable because  $> 0.60$

**Table 4.13:** Reliability Test Results Variable Productivity Work

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
,924	,924	20

Source: Data processed, SPSS Ver. 24

For the productivity variable ( $Y$ ) obtained by Cronbach's Alpha at 0.924, the questionnaire for this variable is declared reliable because  $> 0.60$

#### *Classical Assumption Test*

Before the regression results are further tested, the classical assumption test is carried out. The classic assumption test is conducted to obtain accurate research. The tests include the model normality test, multicollinearity test, heteroskedastic test and autocorrelation test. The following are the results of testing of the four assumptions:

#### *Normality Test Normality*

Tests are conducted to test whether in the dependent variable and independent regression models are normally distributed or not (Ghozali, 2013). The normality test aims to find out how much data is normally distributed in the variables used in this study. Good data that can be used in a study is data that has been normally distributed. The researcher used the Kologmorov-Smirnof (KS) test. The basis of decision making for the Kologmorov-Smirnof (KS) test is:

- a. If the value of Asymp.Sig. (2- tailed)  $< 0.05$  then  $H_0$  is rejected. This means that residual data is distributed abnormally.
- b. If the value of Asymp.Sig. (2- tailed)  $> 0.05$  then  $H_0$  is accepted. This means that residual data is normally distributed.

**Table 4.14:** Test Results for Normality of KS Data  
Kolmogorov-Smirnov One-Sample Test

		Unstandardized Predicted Value
N		120
Normal Parameters <sup>a, b</sup>	Mean	3,8504167
	Std. Deviation	,44096391
Most Extreme Differences	Absolute	,109
	Positive	,060
	Negative	-,109
Test Statistic		,109
Asymp. Sig. (2-tailed)		,101 <sup>c</sup>

- a. The distribution test is Normal.
  - b. Calculated from data.
  - c. Lilliefors Significance Correction.
- Source: Data processed, SPSS Ver. 24

In table 4.15 the probability value (Asymp. Sig. 2-tailed) obtained from the Kolmogorov-Smirnov test is 0.101. Because the probability value in the Kolmogorov-Smirnov test is still greater than the error rate, which is 5% (0.05), it is concluded that the regression model is normally distributed.

### ***Heteroscedasticity Test***

The Heteroscedasticity Test aims to test whether in the regression model variance and residual inequality occur from one observation to another. A good regression model does not show heteroscedasticity. Heteroscedasticity test results can be shown in the following figure:

Source: Data processed, SPSS Ver. 24

**Figure 4.1**  
Scatterplot, Heteroscedasticity Test

From the figure 4.1 above, the points spread randomly and spread both above and below the number 0 on the Y axis, there are no regular patterns. Therefore, it can be concluded that there is no heteroscedasticity in this regression model.

### ***Multicollinearity Test***

The results of the multicollinearity test using the correlation matrix are as follows:

**Table 4.15: Multicollinearity Test Results**

<b>Coefficients<sup>a</sup></b>			
Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Compensation	,555	1,802
	Communication	,555	1,802

a. Dependent Variable: Productivity

Source: Data processed, SPSS Ver. 24

The results of the calculation of tolerance values also indicate that no independent variable has tolerance less than 0.1. The results of the calculation of the Variance Inflation Factor (VIF) value also show the same thing there is not one independent variable that has a VIF value of more than 10. Based on the Coefficients in the picture above, it can be seen that the VIF value is 1.802 (compensation) and equal to 1.802 (communication). The conclusion is that the independent variable is free from the classic assumption of multicollinearity because the results are smaller than 10.

### ***Multiple Linear Regression Analysis Multiple***

Linear regression analysis in this study is used to prove the effect of compensation and communication on productivity.

The multiple linear test results in this study can be seen in the table below:

**Table 4.16:** Multiple Linear Regression Test Results

Coefficients <sup>a</sup>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,204,	218		5,520,	000
	Compensation,		532,068,	626	7,777,	000
	Communications,		163,072,	184	2,283,	024

a. Dependent Variable: Productivity

Source: Data processed, SPSS Ver. 24

Based on the results of the above calculations multiple linear regression equation models can be developed as follows:

Work productivity =  $\alpha + \beta_1$  compensation +  $\beta_2$  communication +  $\epsilon$  if the value in the above table is subsidized then the following values will be obtained:

$$(Y) = 1,204 + 0,532 \text{ Compensation} + 0.163 \text{ Communication} + e$$

#### *Analysis of Correlation Coefficients Correlation*

Analysis aims to measure how strong the relationship that occurs between independent variables and dependent variables. In this study, which measures the relationship between compensation (x1) and communication (x2) with productivity (y)

**Table 4.17:** Results of the partial correlation coefficients

Correlations				
		Compensation	Communications	Productivity
Compensation	Pearson Correlation	1,	667**,	749**
	Sig.		(One-tailed),000,	000
	N	120	120	120
Communication	Pearson Correlation	Correlation,667**	1,	602**
	Sig.	(One-tailed),000		000

		,		
	N	120	120	120
Productivity	Pearson	Correlation, 749**	602**	1
	Sig.	(One-tailed), 000	000	
	N	120	120	120

\*\* . Correlation is significant at 0.01 level (1-tailed).

Source: Data processed, SPSS Ver. 24

According to the table above the correlation analysis between compensation and communication with work productivity can be interpreted as follows: The value of the correlation obtained between compensation and work productivity is 0.749. The correlation value is positive which indicates that the relationship that occurs is in the same direction. Where the better compensation will be followed by higher work productivity. The value of the correlation obtained between communication and work productivity is 0.602. The correlation value is positive which indicates that the relationship that occurs is in the same direction where better communication will be followed by higher work productivity.

#### ***Relationship between Compensation and Communication Against Work Productivity***

**Table 4.18:**

Model Summary				
Model	R	RR Square	Adjusted R Square	Std. Error of the Estimate
1	,761 <sup>a</sup>	,579	,572	,37897

a. Predictors: (Constant), Communication, Compensation

Source: Data processed, SPSS Ver. 24 The

The value of the correlation obtained between compensation and communication with work productivity is 0.761. The correlation value is positive which indicates that the relationship that occurs is in the same direction where better compensation and communication will be followed by higher work productivity.

### ***Coefficient Analysis of Determination of Compensation Effects against Work Productivity***

The correlation value obtained between compensation and work productivity is 0.749. Thus, the coefficient of determination can be calculated as follows:

$$\begin{aligned}Kd &= (r)^2 \times 100\% \\Kd &= (0.749)^2 \times 100\% \\Kd &= 56.1\%\end{aligned}$$

From the results of the above calculation, it can be seen that the coefficient of determination obtained is 56.1%. This shows that compensation contributes to work productivity by 56.1%, while the remaining 43.9% is a contribution from other variables not examined.

### ***Communication Effect against Work Productivity The***

Value of the correlation obtained between communication and work productivity is 0.602. Thus, the coefficient of determination can be calculated as follows:

$$\begin{aligned}Kd &= (r)^2 \times 100\% \\Kd &= (0.602)^2 \times 100\% \\Kd &= 36.2\%\end{aligned}$$

From the results of the above calculation, it can be seen that the coefficient of determination obtained is 36.2%. This shows that communication contributes to work productivity by 36.2%, while the remaining 63.8% is a contribution from other variables not examined.

### ***Effect of Compensation and Communication to Work Productivity The***

Value of the correlation obtained between compensation and communication with work productivity is 0.761. Thus, the coefficient of determination can be calculated as follows:

$$\begin{aligned}Kd &= (rs)^2 \times 100\% \\Kd &= (0.761)^2 \times 100\% \\Kd &= 57.9\%\end{aligned}$$

From the results of the above calculations, it can be seen that the coefficient of determination obtained is 57.9%. This shows that compensation and communication contribute to work productivity by 57.9%, while the remaining 42.1% is a contribution from other variables not examined.

**Testing of Hypothesis**

**Partial Testing (t test)**

**Table 4.19:** Partial Hypothesis Test Results (t)

Coefficients <sup>a</sup>			
Model		T	Sig.
1	(Constant)	5,520,	000
	Compensation,	7,777	000
	Communications	2,283,	024
a. Dependent Variable: Productivity			

Source: Data processed, SPSS Ver. 24

**Testing of the Compensation Hypothesis against Work Productivity**

To find out how the effect of compensation on work productivity, the hypothesis is tested by formulating the following hypothesis:

$H_0 : t < 0$ ; This means that compensation does not affect the work productivity of employees.

$H_a : t > 0$ ; This means that compensation affects the work productivity of employees.

Criteria: Reject  $H_0$  if  $t_{count} > t_{table}$ , accept in other cases.

From the results of the calculation above, it can be seen that the value  $t_{calculated}$  obtained is 7.777. This value will be compared with the value of  $t_{table}$  in the distribution table t. With  $\alpha = 5\%$ , a  $t_{value_{obtained_{table}}}$  of 1.657 is.

From the above values, it can be seen that the value of  $t_{is_{calculated}} (7.777) > t_{table} (1.657)$ . In accordance with the testing criteria for the hypothesis that  $H_0$  is rejected and  $H_a$  is accepted, meaning compensation affect work productivity.

**Communication Hypothesis Testing Against Work Productivity**

To find out how the influence of communication towards work productivity, then testing hypotheses with the following hypothesis:

$H_0 : t < 0$ ; This means that communication does not affect the work productivity of employees.

$H_a : t > 0$ ; This means that communication affects employee work productivity.

Criteria: Reject  $H_0$  if  $t_{count} > t_{table}$ , accept in other cases.

From the results of the calculation above, it can be seen that the value  $t_{calculated}$  obtained is 2,283. This value will be compared with the value of  $t_{table}$  in the distribution table  $t$ . With  $\alpha = 5\%$ , the value of  $t_{table}$  is 1,657.

From the above values it can be seen that the value of  $t_{count}$  (2,283)  $>$   $t_{table}$  (1,657). In accordance with the test the hypothesis that  $H_0$  is rejected and  $H_a$  is accepted, means communication affect work productivity.

### *Simultaneous Hypothesis Testing (Test f)*

F test shows whether all independent variables have a joint influence on the dependent variable.

$H_0$ : compensation and communication have no positive effect on productivity

$H_a$ : compensation and communication have a positive effect on productivity.

Criteria for decision making:

- If  $F_{count} > F_{table}$ , then  $H_0$  is rejected,  $H_a$  is accepted.
- If  $F_{count} \leq F_{table}$ , then  $H_0$  is accepted,  $H_a$  is rejected.

Ftable values are obtained from:

- df1 (numerator) = number of independent variables
- df2 (denominator) =  $nk - 1$  or  $120 - 2 - 1 = 117$ , so the  $F_{table} = 3,070$  value can be seen in the table below:

**Table 4.20:** Results Test the Simultaneous Hypothesis (F)

ANOVA <sup>a</sup>						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression		2	11.570	80.560	23.139
	Residual	16.803	117	144		,000 <sup>b</sup>
	Total	39.942	119			
a. Dependent Variable: Productivity						
b. Predictors: (Constant), Communication, Compensation						

Source: Data processed, SPSS Ver. 24

Based on the table above, F can be obtained at  $80.560 \geq 3.070$ , this indicates that all independent variables of compensation and communication have a significant simultaneous effect on work productivity.

## Chapter V

### Conclusions and Recommendations

#### Conclusion

After data collection through questionnaires and subsequent hypothesis testing in order to know the effect of incentives and working environment on the productivity of PT Mitra Lestari true in Bandung, it can be concluded and suggested as follows:

1. Granting compensation based on employee responses can be said to be good with an overall average value of 3.84, because it is in the category 3.40-4.19. Statement "The direct payment of cash (cash) that I receive goes well every month" obtains the highest average value of 4.23, while the statement "The salary I receive is in accordance with the time of payment (on time)" obtains the lowest average value at 3.50.
2. Communication based on employee responses can be said to be good with an overall average value of 3.71, because it is in the category 3.40-4.19. The statement "I have the ability to communicate clearly verbally", obtained the highest average value of 4.00, while the statement "I already know the rules of the company well" obtained the lowest average value of 3.12.
3. Productivity based on employee responses can be said to be good with an overall average value of 3.85, because it is in the category 3.40-4.19. The statement "I am willing to be given an additional quantity of work outside of working hours if needed" obtains the highest average value of 4.34, while the statement "The defined work implementation method is sufficiently efficient" obtains the lowest average value of 3.45.
4. From the calculation of determination coefficient, it can be seen that compensation contributes to work productivity of 56.1%, while the remaining 43.9% is a contribution from other variables not examined. Hypothesis test results indicate that the value of  $t_{\text{count}} (7.777) > t_{\text{table}} (1.657)$  then  $H_0$  is rejected and  $H_a$  is accepted, which means that there is a partially significant effect between compensation for productivity.
5. From the calculation of determination coefficient, it can be seen that communication contributes to work productivity by 36.2%, while the remaining 63.8% is a contribution from other variables not examined. Hypothesis test results indicate that the value of  $t_{\text{count}} (2,283) > t_{\text{table}} (1,657)$  then  $H_0$  is rejected and  $H_a$  is accepted, which means there is a partially significant effect between communication to productivity.
6. From the calculation of determination coefficient, it can be seen that compensation and communication contribute to work productivity by 57.9%, while the remaining 42.1% is a contribution from other variables not examined. Hypothesis test results show that the calculated F value is  $80,560 \geq 3,070$  so  $H_0$  is rejected and  $H_a$  is

accepted, which means there is a simultaneous significant effect between compensation and communication on productivity.

### ***Suggestion***

From the above conclusions the following suggestions as input and consideration for the leadership of PT Mitra Lestari Sejati Bandung are made for present and future planning and implementation:

1. The results of employee responses from the questionnaire distribution show that compensation that occurs to employees of PT Mitra Lestari is good, but in point statement number 4 "The salary that I receive in accordance with the time of payment (on time)" has a value weight small compared to other statement items of 3.50. It is suggested that the salary provided must be in accordance with the time of payment or given on time in order to increase work productivity of employees in work.
2. The results of employee responses from the questionnaire distribution show that communication that occurs in PT Mitra Lestari employees is good, but on the statement number 5 "I already know the company rules well" has a small value weight compared to other statement items of 3.12. It is suggested that companies clarify the work rules so that employees can better understand them and so that there is no communication misunderstanding regarding the company's work rules.
3. The results of employee responses from the questionnaire distribution show that productivity that occurs in employees of PT Mitra Lestari is good, but in point statement number 18 "The method of implementing the work that has been determined is quite efficient" has a small value compared to other statement items of 3.14. It is advised that leaders pay more attention to the work implementation methods set so that employees can work more efficiently without having to give extra time to complete the tasks assigned.
4. The results of employee responses from the questionnaire distribution show that with the existence of research on compensation, communication and productivity at PT Mitra Lestari Sejati, it is expected that the company can increase the communication relationship with employees. If these relationships are driven by a sense of understanding, openness and a sense of togetherness, they can also impact on policies to redesign compensation with the intention of building employee productivity for the achievement of company goals.



## REFERENCES

- AAAnwar Prabu Mangkunegara. 2011. *Company Human Resource Management*. PT.Remaja Rosda Karya, Bandung
- \_\_\_\_\_. 2013. *Company Human Resource Management*. PT.Remaja Rosda Karya, Bandung
- \_\_\_\_\_. 2015. *Company Human Resource Management*. PT.Remaja Rosda Karya, Bandung
- Agustin, Rp. 2014, *Relationship Between Work Productivity Against Career Development*, *Ejournal Psychology*.
- Asep Suryana Natawiria & Riduwan. 2010. *Business Statistics*. Bandung: Alfabeta.
- Adi Kusuma 2017. *Productivity Increased quality, efficiency and effectiveness of*
- Anoraga, Pandji, 2005, *Business Management*, Second Edition, Rineka Cipta, Jakarta.
- Chandra Andika Hadi Purnomo, M. Djudi and Yuniadi Mayowan. 2017. "The Effect of Work Motivation and Work Discipline on Employee Performance. (Study of Permanent Employees of PT Karoseri Tentrem Sejahtera, Malang City)
- Devito, Joseph A. 2011. *Inter-Human Communication*. Pamulang-Tangerang Selatan: Karisma Publishing Group
- Ghozali, Imam. 2013. *Application of Multivariate Analysis with IBM SPSS 21 Program Regression Update*. Semarang: Diponegoro University Publishing Agency.
- Handoko, Hani. 2011. *Management of Personnel and Human Resources*. Yogyakarta: BPF
- \_\_\_\_\_. 2014. *Personnel and Human Resource Management*. Yogyakarta: BPF.
- Hani, T. Handoko. 2014. *Personnel management and human resources*. BPF-Yogyakarta. Yogyakarta
- Hasibuan, Malayu. 2012. *Human Resource Management*. Jakarta: PT Bumi Aksara
- \_\_\_\_\_. 2013. *Human Resource Management*. Jakarta: PT Bumi Aksara
- \_\_\_\_\_. 2014. *Human Resource Management*. Jakarta: PT Bumi Aksara



- \_\_\_\_\_. 2016. Human Resource Management. Jakarta: PT Bumi Aksara.
- Hidayat Rahmat 2016. How to Pratik Build a Free Webside. Jakarta: PT Elex Media Komputindo.
- Hutapea, Parulian and Nuriana Thoha, 2008. Plus Competence. PT. Gramedia Main Library. Jakarta.
- Juni priansa 2014. HR Management in Public and Business Organizations, Bandung: Alfabeta
- Kasmir. 2016. *Human Resource Management (Theory and Practice)*. Depok: PT. Rajagrafindo Persada
- Kuncoro, Mudrajad. 2009. Quantitative Methods: Theories and Applications for Business and Economics. Yogyakarta: UPP STIM YKPN.
- Mathis, RL & JH Jackson. 2006. Human Resource Management: Human Resource Management. Dian Angelia's translation. Jakarta: Salemba Empat. Marwansyah. 2014. Management of human resources. Alfabeta: Bandung.
- Nazir, Moh. 2013. Research Methods. Bogor: Ghalia Indonesia.
- Notoatmodjo, Soekidjo. 2009. Human Resource Development. Jakarta: Rineka Cipta
- Panggabean Mutiara Sibarani. 2012. Human Resource Management. Jakarta: Ghalia Indonesia
- Robbins, SP and Judge TA 2008. Organizational Behavior. Jakarta: Salemba Empat.
- Sarwono, Jonathan. 2013. 12 Powerful SPSS Steps for Thesis Research. Jakarta: PT. Elex Media Komputindo
- Saudi, M. H. M., Sinaga, O., Roespinoedji, D., & Razimi, M. S. A. (2019). The role of renewable, non-renewable electricity consumption and carbon emission in development in Indonesia: Evidence from Distributed Lag Tests. *International Journal of Energy Economics and Policy*, 9(3), 46-52.
- Sedarmayanti. 2009. Human Resource Management (Bureaucratic Reformation and Civil Service Management). Bandung: PT. Reflika Aditama.
- Simanjuntak. 2013. Data Mining Application For Modeling Goods Purchases Using Apriori Algorithms. Surabaya: National Development University "Veteran



- Shoaib, S., & Mujtaba, B. G. (2016). Use it or lose it: prudently using case study as a research and educational strategy. *American Journal of Education and Learning*, 1(2), 83-93.
- Sinaga, O., Saudi, M. H. M., Roespinoedji, D., & Razimi, M. S. A. (2019). The Dynamic Relationship between Natural Gas and Economic Growth: Evidence from Indonesia. *International Journal of Energy Economics and Policy*, 9(3), 388-394.
- Sinungan, Muchdarsyah. 2014. *Productivity What and How*. Mold 9. Jakarta: Bumi Aksara
- Sudjana, Nana. 2011. *Assessment of Results and Teaching and Learning Processes*. Bandung: Rosda by
- Sugiyono. 2012. *Educational Research Methods Quantitative, Qualitative and R & D Approaches*. Bandung: Alfabeta.
- \_\_\_\_\_. 201. *Educational Research Methods Quantitative, Qualitative and R & D Approaches*. Bandung: Alfabeta.
- \_\_\_\_\_. 2014. *Educational Research Methods Quantitative, Qualitative and R & D Approaches*. Bandung: Alfabeta.
- \_\_\_\_\_. 2016. *Educational Research Methods Quantitative, Qualitative and R & D Approaches*. Bandung: Alfabeta.
- \_\_\_\_\_. 2017. *Educational Research Methods Quantitative, Qualitative and R & D Approaches*. Bandung: Alfabeta.
- Sutrisno, 2011. *Human Resource Management*. Jakarta: Kencana.
- \_\_\_\_\_. 2016. *Human Resource Management*. Jakarta: Prenadamedia Group.
- Thoha. 2012. *Organizational Behavior*. Jakarta: PT. Bumi Aksara
- Umar, Husen. 2008. *Business Research Methods*. Jakarta: PT Gramedia Main Library.
- Wibowo. 2013. "Performance Management; Third Edition ". PT. Raja Grafindo Prasada: Jakarta.
- Zuchri Abdussamad 2014. *Effects of Compensation on Employee Productivity at PT. Asuransi Jiwasraya Gorontalo*



Yuniarsih, Tjutju, Suwanto. (2012). Manajemen Sumber Daya Manusia Teori, Aplikasi, Dan Isu Penelitian. Bandung: Alfabeta

Mulyana, Deddy. 2014 Ilmu Komunikasi. Suatu Pengantar, Cetakan ke 18. Bandung: Remaja Rosdakarya.

Ghozali, Imam. 2016. Aplikasi Analisis Multivariete Dengan Program IBM SPSS 23 (Edisi 8). Cetakan ke VIII. Semarang : Badan Penerbit Universitas Diponegoro.

Ghozali, Imam. 2013. Aplikasi Analisis Multivariete Dengan Program IBM SPSS 23 (Edisi 8). Cetakan ke VIII. Semarang : Badan Penerbit Universitas Diponegoro.

Sugiyono. (2014). Metode Penelitian Pendidikan Pendekatan Kuantitatif, Kualitatif, dan R&D. Bandung: Alfabeta

#### JURNAL:

Budiono dan Erlyna. 2015. Pengaruh Kompensasi Terhadap Produktivitas Karyawan pada PT Pos Indonesia cabang sidoardjo. Jurnal Bisnis Indonesia: Volume 6, nomor 2, Oktober 2015.

Lisna Wati. 2017. Pengaruh kepemimpinan dan komunikasi terhadap produktivitas kerja pegawai kepolisian resor kutai timur. Volume 6, nomor 2, 2017

Rahmat hidayat, uliya hasanah.2016. Hubungan komunikasi terhadap produktivitas kerja karyawan. Jurnal Akuntansi, Ekonomi dan Manajemen Bisnis, volume 4, nomor 1, july 2016.

Zuchri Abdussamad. 2014, pengaruh kompensasi terhadap produktivitas kerja karyawan pada pt. Asuransi Jiwasraya Gorontalo. Jurnal Manajemen Untar: Volume 18, Nomor 03, Oktober 2014