

## **An Analysis of Compensation and Communication on Employee Performance at Parkson Center Point Medan**

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### **ABSTRACT**

*This research is a quantitative model, and while the respondents in this study are all employees who are in the company Parkson Center Point Medan which amounts to 33 people. The data in this study is primary by using questionnaires and distribution of questionnaires to employees. From the results of research data processing, obtained number 2,426 > table 1.69, the conclusion is that the Compensation variable (X1) has a significant positive effect on employee performance. And the results of research data processing, obtained number 3,895 > table 1.69 then the conclusion is that the communication variable (X2) has a significant positive effect on employee performance*

**Keywords :** *Compensation, Communication, Employee Performance*

### **INTRODUCTION**

Human resources are an important element in the world of companies, especially those that must be considered by companies in running the wheel of the economy and its activities. Good employee performance will facilitate the company in achieving its intended goals, in the development of the business world or company here human resources are very closely related to compensation and communication, compensation plays a very important role in supporting the results of employee performance and many employees work but not at the maximum point because the compensation factor given is not in accordance with the expectations of employees, and in addition the lack of coordination of employees with the leader causes the level of performance in employees is very low. because compensation is one of the most sensitive aspects in employment relationships (Sutrisno, 2014).

With the convention provided by the company will produce maximum performance and produce high morale. Compensation and communication are in line with the progress of the company, because easily the company provides compensation according to the expectations of employees then employees feel cared for either morally or materially, because working compensation is the desire of every employee. Coordination of peer relationships also affects performance, because coordination is needed by each employee so that the employee's closeness to the leader makes an employee feel good, if employees with the leader coordinate with each other then employees will feel comfortable and performance also affects their level of performance.

According to Mathis and Jackson (2012) compensation is a very important element that affects how a person works in an organization or company and not outside the company who get the rights and obligations in return for services performed by the employees themselves. Here the company will maintain an employee who has a high work ethic and good work loyalty with a bond of compensation. Martoyo (2013) compensation is the overall arrangement of rewarding

services for employers and employees both directly in the form of money (financial) or indirectly in the form (nonfinancial). . Hasibuan (2013) suggested that the Compensation Program or reciprocity generally aims for the benefit of the company, with the purpose of the company will produce reliable performance, often employees feel not maximal in work, due to lack of compensation provided by the company (Manik, 2021).

Communication is the main activity in activities, whether it is a formal or non -formal activity. Communication is an information channel that is produced for the smooth performance of performance, communication is part of the transmission and reception of information properly and correctly and communication can be through print media, electronics and print media, therefore communication is needed in the company so that the process in performance runs smoothly lancer. Wibowo (2014) communication is the process by which a person (communicator) sends information or a story (usually with symbols or emblems) to change the character of another person (communicator) to be accepted by the communicator. Communication is also the transfer of information in the form of ideas or stories to someone who you consider capable of receiving from that information. There is also communication divided into 2 parts:

- a) Vertical communication: this communication from the bottom and continue to the top means communication is built from the lowest thing, from the level of employees that will be done in the form of performance results and the end of performance results received to the company leadership.
- b) Horizontal communication: communication is done so that the results of the work do not lead to disputes. And this communication is the delivery of information cognitively and this communication along with the raging is delivered in order to be precise on the intended goal.

Along with the development of today, there is a lot of biased information delivery through the media, from the results of this information will be developed in the story. In the communication company must also be considered because the closeness between leaders and employees is biased through good communication as well, the relationship between leaders and employees will result in good performance as well. (Nuramalia, 2016)

Organizational performance is the result of actions taken by the employees themselves, employees who work well and in accordance with company rules are considered good performance, and conversely if employees work without following company rules then considered dissenting by the company, so good performance it is always based on the accuracy and precision of a person in completing his work. Hasibuan and Malay (2015) performance employee is the level of success of an employee in completing his work in accordance with the company's expectations. Therefore, we need to observe the success of employees in completing their work is a good employee performance. Handoko (2012) states that performance is (performance) of an employee, with the work performance that results is a process through performance that is done in a company and will produce that achievement is called kaeyawan performance.

Mangkunegara (2012) performance is the level of results that by an employee for a certain period and produce achievements. This means that during the period of work in the company, a person gets the highest value from the performance that is done, it will be evaluated by a leader

and declared good. Based on the above description, the background in this study is, what is the effect of compensation, partial and simultaneous communication on employee performance at Parkson Center Point Medan.

## **LITERATURE REVIEW**

Steers and Porter (in Hernita, 2015) high and low levels of employee performance depend on the compensation provided by the company. This means that the compensation given by the company is not on target and will result in employee gaps. it will affect the performance of employees

Communication according to Amirullah (2015), the process of information transfer that is conveyed and can be understood and can be carried out in accordance with the command. The leader will provide relevant information that is conveyed by an employee of the fund will be followed up by the employee. According to Mangkunegara (2014: 67) employee performance is the result of the work of an employee in a set time so that it can complete well and get maximum results.

### **The Relationship between Compensation and Employee Performance**

The company runs smoothly and well -directed thanks to an excellent management system, the role of human resources here is very important in growing the speed and development in the company. employees so that contract employees feel very satisfied (Dipayana & Heryanda, 2020. Simamora (2014) compensation is a form of appreciation or reward which will be given by employees in return for employee performance, and bias in the form of money or position. contract companies that are dissatisfied with the compensation they receive, especially regarding positions, honors and facilities that are not available by contract employees. The role of company leaders must be fair and still make all employee performance an asset of a company.

### **Communication Relationships With Employee Performance.**

Mangkunegara (2017) is communication as a process of communication, ideas, and understanding of one person to another and expects others to interpret it in accordance with the planned goals. According to Mangkunegara (2017), the duration of the performance comes from the term work performance or real performance (his work or real performance). The definition of performance is the quality and quantity of work performed by employees to perform their duties in accordance with the responsibilities provided. Communication is closely related to employee performance. The existence of good communication has a significant impact on employee performance. Good communication has just understood the purpose of the sender, it should not be an agreement between several parties (As' Ad, A., 2018). Good and efficient communication can improve employee performance. Basically, existing activities require good communication and communication can help increase employee creativity and work style. This is supported by Azwar's (2016) research entitled "The effect of leadership style, communication and discipline on employee performance in Pedcoplan Indoraya Surabaya.

## **METHODS**

This study uses a quantitative model that is the population here, the researcher uses all

employees who are in Parkson Center Point Medan, a total of 33 respondents with a saturated sample, meaning that all of the population is selected as a sample. Sampling is all employees at Parkson Center Point Medan. The data I use is primary data, and based on the distribution of questionnaires and distribution of questionnaires to respondents or all employees at Parkson Center Point Medan.

## RESULTS AND DISCUSSION

### Results

#### Multiple Linear Regression Analysis

**Table 1. Multiple Linear Regression Test**

		Coefficients <sup>a</sup>	
		Unstandardized Coefficients	
Model		B	Std. Error
1	(Constant)	7.743	3.793
	Compensation	.340	.140
	Communication	.961	.247

a. Dependent Variable: Employee Performance

Based on the results of multiple inier regression test with the formula it can be obtained a significant multiple linear regression equation as follows:

$$Y = 7.743 + 0.340X_1 + 0.961X_2 + \epsilon$$

From the result of the acquisition value of the multiple linear regression model equation, it is known that the variable consisting of Compensation (X1), Communication (X2) shows a positive regression coefficient value, it indicates an influence with a positive direction or a one - way relationship of the variable consisting of Compensation (X1) , Communication (X2) and Stress Levels (X3) on Employee Performance. The result of the value of multiple linear regression is that if there is a policy of compensation then it will increase one unit then the compensation becomes 0.340 units. then if there is a policy of communication then it will go up one unit then the compensation becomes 0.961 units.

#### t-Test

Here are the results of the interpretation of the t test, namely:

- H1. From the results of processing research data, obtained number 2,426 > table 1.69, the conclusion is that the Compensation variable (X1) has a significant positive effect on employee performance.
- H2. From the results of research data processing, obtained 3,895 > table 1.69, the conclusion is that the communication variable (X2) has a significant positive effect on employee performance

#### F-Test

This test is conducted to determine whether the effect of compensation, communication simultaneously has a positive and significant effect on employee performance at the level of trust (Confidence Interval) or the level of hypothesis testing 5%.

**Table 2. F-Test**

ANOVA <sup>b</sup>			
Model		F	Sig.
1	Regression	23.013	.000 <sup>a</sup>
	Residual		
	Total		

a. Predictors: (Constant), Compensation, Communication

b. Dependent Variable: Employee Performance

In table 2 Test F yields  $F_{hitung} 23,013 > F_{tabel} 2.89$  ( $n-k-1$  at  $k = 33-4-1 = 28$  so that  $H_a$  is accepted and  $H_o$  is rejected, i.e. compensation, communication, to employee performance. So that the previous hypothesis ( $H_a$ ) is accepted.

### Determination Test

The coefficient of determination is used to determine the extent of the relationship of several variables in a clearer sense. the ability of an independent variable to contribute to its dependent variable in percentage units. The value of this coefficient is between 0 and 1, if the result is closer to the number 0 means that the ability of independent variables in explaining the variation of variables is very limited. A result close to 1 means that the independent variables provide almost all the information needed to predict the variation of the dependent variable. Coefficient test results

**Table 3. Determination Test**

Model Summary <sup>b</sup>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.778 <sup>a</sup>	.605	.579	1.505

a. Predictors: (Constant), Communcation, Compensation

b. Dependent Variable: Employee Performance

From the results of the determination test can be explained in this table that, adjusted R Square that the value has a value of 579 or (57.9%). This means that this study with the compensation variable, communication of 57.9% and the remaining 42.1% which will later be studied by other researchers outside of this variable.

### CONCLUSION

Based on the analysis of the test results that have been done, it is known that the compensation variable (X1) has a t value of 2,426 which identifies that compensation has a positive and significant effect on employee performance, while a significant value of  $0.002 < 0.05$  means  $H_o$  (accept  $H_a$ ). So it can be concluded that in part there is a significant effect of employee performance. The results of the analysis of the test results that have been done know that the communication variable (X2) has a regression value of 3,895 which identifies that communication has a positive and significant effect on employee performance, while a significant value of  $0.001 < 0.05$  means  $H_o$  (accept  $H_a$ ). So it can be concluded that in part there

is a significant effect of employee performance.

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