

The Effect of Empowerment and Compensation on the Employee Performance of CV Siliwangi Palembang

Sendi Tri Utami¹⁾, Siti Komariah²⁾, Muhammad Wadud³⁾

Universitas Indo Global Mandiri, Palembang, Indonesia

Email: utamisenditri@gmail.com¹⁾, hildayanti@uigm.ac.id²⁾, wadud@uigm.ac.id³⁾

Abstract

This study aims to determine the effect of empowerment and compensation on employee performance at CV Siliwangi Palembang. The data used are primary and secondary data obtained through the distribution of questionnaires and interviews. The sampling method used is a saturated sample. The data analysis technique used is multiple linear regression analysis, t-test, and coefficient of determination analysis. The results show that there is a positive and significant influence between empowerment (X1) and employee performance (Y). The results of the study obtained the value of the correlation coefficient (R) = 0.944 which shows the influence of empowerment and compensation on employee performance is very strong or close to 94.4%. Furthermore, the value of coefficient of determination (R^2) is 0.891 which indicates the contribution of the independent variables (X1) and (X2) to the dependent variable (Y) of 89.1% while the remaining 10.9% can be explained or influenced by other variables not examined in this study. This research is expected to provide benefits to companies in terms of improving employee performance.

Keywords: compensation, empowerment, employee performance, multiple linear regression

1. Introduction

Human Resources (HR) is a very important factor that cannot be separated from an organization, whether institutional or company. Human resources are also the key that determines the company's development. In essence, human resources are people who are employed in an organization as movers, thinkers and planners to achieve organizational goals. Human resources are expected by the organization to provide positive value for all company activities in achieving goals. According to Hasibuan (2017), human resources is a science and art that regulates the relationships and roles of the workforce so that they are effective and efficient in helping to realize the goals of the company, employees and society. Humans are one of the production factors that need special attention from the company because humans are the driving force of company activities, so human resource management focuses its attention on employee problems.

Performance is the work result achieved by a person in carrying out tasks in accordance with the responsibilities given to him. Hasibuan (2017) stated that the factors that influence performance are ability and motivation factors. Every company will try to improve the performance of its employees to achieve the company goals that have been set.

Empowerment is considered capable of growing and increasing employee creativity. According to Wibowo (2007), empowerment is something important because in facing the era of competition and service, every company has a competitive advantage through its human resources. Employee empowerment is an effort to create a safe and comfortable work environment so that employees can make optimal contributions to the company.

In the current era, organizations, both private and government, are always required to be able to adapt to current developments. As we all understand, currently, it is full of competition and



demands to continue to move forward away from existing competitors. In the current context of change with a high level of turbulence, empowering employees is a must. On CV. Siliwangi Palembang, only employees who receive empowerment correctly will have better competence. Employee empowerment programs are required to empower employees to have greater responsibility and work skills. Employee empowerment basically creates productive and committed employees. Because in business you must also pay attention to the conditions of the work environment so that it can provide an increase in empowerment efforts. An empowering organization will be filled with caring and involved people who can help efforts achieve flexibility, responsiveness to customers, in a challenging and competitive business environment. Apart from empowerment, compensation can also influence performance.

Based on the things described above, it is very necessary to empower employees so that they are able to achieve work targets and demonstrate their high performance. Apart from that, employees who are empowered will certainly feel more appreciated by the company, so that it is ingrained in employees to feel ownership and be more responsible for the company's progress.

But the reality on CV. Siliwangi Indah Palembang employees have not worked optimally. This is influenced by employee selection that does not meet company standards. Another reason for their lack of effectiveness at work is because some of them are elderly and easily get bored with work.

2. Method

Data obtained from respondents through questionnaires, or also the results of researchers' interviews with resource persons . Data obtained from primary data must be processed again, data sources that directly provide data to data collectors. According to Sujarweni (2018) data collection techniques are a method used by researchers to reveal or collect information from respondents according to the scope of the research. The data collection technique used was a questionnaire distributed to CV employees. Siliwangi Palembang, To measure the responses and opinions of respondents in this research, the author used the Likert Scale method. The population that will be used as subjects in this research is 38 employees at CV Siliwangi Palembang. because the population is no more than 100 respondents, the author took 100% of the population in Siliwangi Palembang, namely 38 respondents.

3. Results and Discussions

t Test Results

The t test is used to determine the effect of each independent variable on the dependent variable. Below is the partial test output of the Independent Empowerment variable (X1) on the dependent variable Employee Performance (Y). And the influence of Compensation (X2) on Employee Performance (Y).

Table 1. Empowerment variable t test results

Coefficients ^a					
	Unstandardized		Standardized		
	Coefficients		Coefficients		
Model	B	Std. Error	Beta	t	Sig.



1	(Constant)	6,643	1,381		4,811	,000
	Empowerment	,224	,080	,325	2,789	,008

a. Dependent Variable: Employee Performance

In table 1, the t test conclusion is obtained partial Empowerment variable (X1) based on the *SPSS output significance value* . Basic decision making Partial t test (multiple linear regression) based on calculated values and tables:

If the calculated t value $> t_{table}$ then it means that the independent variable (X) partially influences the dependent variable (Y).

With the formula $t_{table} = (\alpha/2 ; nk-1) = (0.05/2 ; 37-2-1) = (0.025 ; 37) = 1.690$

H_1 : The empowerment value (X1) influences employee performance (Y) because the X1 value < 0.05 means the constant influences the regression model. It is known that the Sig value. The effect of empowerment (X1) on employee performance (Y) is $0.008 < 0.05$ and. The calculated t value is $2.789 > t_{table} 1.690$ so it can be concluded that empowerment (X1) has an effect on employee performance (Y).

Table 2. Compensation Variable t Test Results

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	6,643	1,381		4,811	,000
	Compensation	,452	,082	,646	5,536	,000

a. Dependent Variable: Employee Performance

H_2 : It is known that the Sig value for the influence of compensation (X2) on employee performance (Y), is $0.000 < 0.05$ and the calculated t value is $5.536 > t_{table} 1.690$ so it can be concluded that compensation (X2) has an influence on employee performance (Y).

F Test Results (Simultaneous Test)

According to Imam Ghozali (2015), if the Sig value < 0.05 then it means that the Independent variable (X) simultaneously influences the dependent variable (Y).

Table 3. F Test Results (Simultaneous)

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	356,315	2	178.157	143,690	,000 ^b
	Residual	43,396	35	1,240		
	Total	399,711	37			

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Compensation, Empowerment

Table F formula $(k ; nk) = (2 ; 37-3) = (2 ; 34) = 3.27$

Based on table 9, empowerment and compensation for employee performance has a calculated F value of $143.690 > F_{table} 3.27$. and significance of 0.000. Because the significance level is 0.000 ($0.000 < 0.05$), the hypothesis is accepted, so it can be said that empowerment and compensation have a simultaneous effect on the performance of CV employees. Siliwangi

Palembang.

4. Conclusion

Based on the results of the research and discussion in the previous chapter, the following conclusions can be drawn:

1. The results of the research using the t test of the empowerment variable (X1) obtained a value of $t_{count} > t_{table}$ ($2.789 > 1.690$) and a significant value < 0.05 ($0.000 < 0.05$). So it can be concluded that the empowerment variable (X1) partially has a significant effect on CV Employee Performance. Siliwangi Palembang.
2. From the research results using the t test of the Compensation variable (X2), the value obtained was $t_{count} > t_{table}$ ($5.536 > 1.690$) and significant < 0.05 ($0.000 < 0.05$). So it can be concluded that the Compensation variable (X2) partially has a significant effect on CV Employee Performance. Siliwangi Palembang
3. The results of research using the F test obtained $F_{count} > F_{table}$ ($143.690 > 3.27$) and significant < 0.05 ($0.000 < 0.05$). So it can be concluded that the Empowerment (X1) and Compensation (X2) variables simultaneously have a significant effect on CV Employee Performance (Y). Siliwangi Palembang.

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