

UDC 332

**THE EFFECT OF WAGE SYSTEMS ON EMPLOYEE PERFORMANCE  
AT PT. MARINAL INDOPRIMA (KAPEDI VILLAGE, BLUTO DISTRICT, SUMENEP  
REGENCY OF INDONESIA)**

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**ABSTRACT**

This research was conducted with a quantitative approach using survey methods and questionnaires. The population in this study were 571 employees, and the sample size was 81 employees in the production division of the AA sorter section. The sampling method used the Slovin formula and was analyzed using multiple linear regression analysis. While the analysis technique used to test the hypothesis is the F test and t-test. The results in this study are the first simultaneously or the F test, both the resulting system (X1) and the wholesale system (X2) have a positive effect on employee performance (Y). This is evidenced by the  $F_{count}$  of 7.891, greater than the F Table of 3.11, with a significance level of  $0.001 < 0.05$ . Partially or t-test that the outcome system variable (X1) does not affect the employee performance variable (Y). This is evidenced by the results that  $t_{count}$  is  $1.221 < t$  Table of 1.994 with a significance level of  $0.226 > 0.05$ . While the wholesale system variable (X2) has a positive effect on the employee performance variable (Y). This can be proven by the results that  $t_{count}$  ( $3.575$ )  $> t$  Table ( $1.994$ ) and a significance level of  $0.001 < 0.005$ .

**KEY WORDS**

Wage system, employee, performance.

The human resource management system is a series of interconnected activities. The scope of human resource management includes labour recruitment, employment placement, job opportunities, wage systems, human resource development through training and motivation activities, job satisfaction, labour relations with time, and division of work tasks.

Proper human resource management will provide an optimal contribution to the company. One of the most important elements in managing human resources is implementing a compensation policy. Employee compensation has one of the main components, namely direct payments in the form of salaries and wages, Dessler (2009: 46)

To carry out good wage activities, it is necessary to have a payroll system that must be owned by the company to have an impact on quality work results.

Work results or performance have an important meaning for the employees themselves, where maximum employee performance will have an impact on the company's development.

The system that has been running at PT. Marinal Indoprima is the time system, the facts in the field of many weaknesses such as weak motivation, low discipline, resulting in low productivity. Therefore we need an effective wage system to improve performance.

Based on the researchers wanted to examine the above theory about the influence of the system of remuneration on the performance of employees at PT. Marinal Indoprima Kapedi Village Bluto District Sumenep Regency.

Based on the background above, the problems raised in this study are as follows:

1. Is the remuneration system which consists of a system of results and a contract system jointly affect the performance of employees of at PT. Marinal Indoprima;

2. Which factor most dominant influence on employee performance at PT. Marinal Indoprima.

To clarify the discussion or analysis of the research conducted by the author, the authors set the research objectives as follows:

1. To find out the wage system which consists of a yield system and a wholesale system jointly affects the performance of employees at PT. Marinal Indoprima;
2. To find out the most dominant factor influencing employee performance at PT. Marinal Indoprima.

## LITERATURE REVIEW

According to Cahyantari and Purwaningsih (2017), in their research "Incentive Wage Planning to Improve Employee Performance at PT Praoe Lajar Semarang". The results of the research conducted state that the wage system should be implemented in PT Praoe Lajar, to increase motivation and employee performance. The system to be implemented is seen from 2 points of view, namely the company's point of view and the employee's point of view. From the employee's point of view, the method that is best used is the piecework method, because the calculation results prove that the wages given are relatively high. Meanwhile, from the company's point of view, the best method is the Rowan method, because the calculation results prove that the wages that must be paid for employees are relatively small. However, from both sides, the best method to use is the company system itself. From the calculations and descriptions that have been described, the authors can conclude that the wage system that has been implemented by the company has been good and profitable for both parties.

According to Khairunnisai (2015) in his research "The Effect of Wages, Work Motivation, and Job Satisfaction on Employee Performance in the Batam City Manufacturing Industry". The results of the research conducted state that wages are positive and significant for employee performance, because wages can contribute to improving employee performance, and job satisfaction are positive and significant for work motivation because job satisfaction is the result of meeting employee expectations.

The payroll system according to Malayu SP Hasibuan (2010: 124) in the book "Human Resource Management" consists of:

- Yield System (output). In the system of results (output) the amount of salary paid is always based on the number of proceeds that are done not on the length of time to do it. This yield system cannot be applied to permanent employees (time system) and types of work that do not have physical standards such as administrative employees;
- Volume System. The wholesale system is a way of wages which determines the amount of service based on the volume of work and the length of time working. Determining the amount of remuneration based on the wholesale system is quite complicated, takes a long time to work on it, and there are many tools needed to complete it.

Wages are one of the driving factors for work and affect the morale and discipline of the workforce. If the wages paid to workers or employees or labour of a company are low, it will cause difficulties in terms of procuring and hiring capable employees. However, if the wages given by the company are fair and proper, the employees will provide the maximum possible service to the company.

Wages are compensation received by employees from employers or superiors for a job or service that has been and will be performed. The level of employee welfare can be measured by the level of wages received by each employee (Tsui et al., 1997; Osterman, 2000; Sulaiman, 2014: 91; Gawke et al., 2019; Caliendo et al., 2019).

According to Handoko (2010: 14) ; Bishop & Cassidy (2019); Suhartini et al. (2020); Janssen (2020) wages are usually related to the payment of awards for the implementation of work based on the working hours given to a worker for the benefit of the organization or company.

In achieving the goals set organization, there must be efforts undertaken by qualified human resources such as training, development, repair work system as an assessment of employee performance. The performance of an organization or institution is strongly influenced by the performance of individuals, therefore if the performance of the organization wants to improved individual performance certainly needs to be considered (Prawirosentono, 1999: 27).

According to Riva and Basri (2005) in Sinambela (2012) that the performance is the result or the level of success of a person or a whole during certain periods in the duty compared to the wide range of possibilities, such as the standard of the work, the target or the target criteria that have been determined in advance and has been mutually agreed.

#### Performance Measurement

In organizations, performance measurement is used to find out whether the implementation of performance is under the specified schedule or whether the performance results have been achieved as expected. Performance measurement can only be made against real and measurable performance. According to Dharma (1991) in Supriyanto and Maharani (2013) provides benchmarks for performance, namely:

- Quantity, namely the amount that must be completed;
- Quality, namely the quality produced;
- Timeliness, namely conformity to a predetermined time.

Performance doesn't happen by itself. In other words, several factors affect performance. According to Prawirosentono (1999: 236), the factors that affect employee performance are as follows:

- Effectiveness and efficiency;
- Authority and responsibility;
- Discipline;
- Initiative.

## METHODS OF RESEARCH

This research was conducted at PT. Marinal Indoprime which is located in Kapedi Village, Bluto District, Sumenep Regency, with the consideration that researchers want to know the effect of the wage system on employee performance.

This research uses a quantitative approach. The data used in this research is quantitative data, which is measurable data that will produce generalizable conclusions. This study uses statistical tools to prove the hypothesis.

In this research method, multiple linear regression analysis is used wherein this analysis the results of which variables will influence and be influenced by other variables will be obtained. Furthermore, the results of the data obtained are then processed by a series of tests, test data instruments, classical assumption tests, and statistical tests.

The total population of all employees at PT. Indoprime Marinal, Sumenep Branch, totaling 571 employees. The target populations used as the object of the study were 419 employees.

In taking the sample, the respondents studied were daily casual employees. The sample used in the study was 81 respondents.

The variable limitations discussed in this discussion have been put forward theoretically and make it easier to learn the meaning and meaning of the discussion, so it is necessary to describe them in an operational form as follows:

1. The independent variable (X) is the Wage System which consists of
  - Yield System (output) (X<sub>2</sub>)  
The indicators in the output system are:
    - Salary;
    - Wages;
    - Incentives.
  - Volume System. (X<sub>3</sub>)

The indicators in the wholesale system are:

- The amount of service is determined based on the volume of work.
- The number of facilities and infrastructure needed to complete work within the company.

2. Employee performance (Y) or the dependent variable.

Employee Performance Indicators as follows:

- Quality;
- Quantity;
- On-time.

The technique used to collect data is by distributing questionnaires to respondents using a research scale with a Likert range of 1 to 5 to identify answers strongly agree-strongly disagree. The Likert scale is as follows:

1. Answers Strongly Agree = Given a weight of 5;
2. Answer Agree = Weighted 4;
3. Answers Simply Agree = Weighted 3;
4. Answers Disagree = Weighted 2;
5. Answers Strongly Disagree = Weighted 1.

In this study, researchers used multiple linear regression analysis. According to the formula used in multiple regression is the same as in single regression (simple regression), it's just that in multiple regression added other variables are included in the study. The formula used is adjusted to the number of variables under study. The formula is as follows:

$$Y = a + b_1 X_1 + b_2 X_2$$

Where:

Y = Performance;

a = Constant;

$b_1, b_2$  = regression coefficient;

$b_1 X_1$  = System results (output);

$b_2 X_2$  = Wholesale system.

## RESULTS AND DISCUSSION

The following is research data that shows the characteristics of the production division of the AA sorter employee. The grouping of the sections is described in Table 1.

Table 1 – Characteristics of Respondents by Section Year 2020

| No.    | Part      | Amount (employee) | Percentage (%) |
|--------|-----------|-------------------|----------------|
| 1      | Packing   | 5                 | 6%             |
| 2      | Vibro     | 3                 | 4%             |
| 3      | Magnets   | 7                 | 9%             |
| 4      | Sorter AA | 66                | 81%            |
| amount |           | 81                | 100%           |

The following is research data showing the age characteristics of the AA sorter section employees at PT. Marinal Indoprima, Sumenep branch. The age groupings are described in Table 2.

Table 2 – Characteristics of Respondents by Age Years 2020

| No.    | Mapping Age (Year) | Number of people | Percentage (%) |
|--------|--------------------|------------------|----------------|
| 1      | 20 - 25            | 15               | 19%            |
| 2      | 26 - 30            | 52               | 64%            |
| 3      | 30 - 35            | 14               | 17%            |
| amount |                    | 81               | 100%           |

Following this research data that shows the characteristics of the sex of employees of the sorter AA PT. Marinal Indoprime, Sumenep branch. The grouping of the types of groups is described in Table 3, namely:

Table 3 Characteristics of Respondents by Gender Year 2020

| No.    | Gender | Number of people) | Percentage (%) |
|--------|--------|-------------------|----------------|
| 1      | Women  | 81                | 100%           |
| amount |        | 81                | 100%           |

The following is research data that shows the characteristics of the length of service of the AA sorter section employees at PT. Marinal Indoprime, Sumenep branch. The grouping of the length of work is described in Table 4, namely:

Table 4 Characteristics of Respondents Based on Length of Work, the Year 2020

| No.    | Length of working | Number of people) | Percentage (%) |
|--------|-------------------|-------------------|----------------|
| 1      | 12 years old      | 15                | 18%            |
| 2      | 3 - 4 years       | 55                | 68%            |
| 3      | 5 Years and Up    | 11                | 14%            |
| Amount |                   | 81                | 100%           |

The following is research data that shows the characteristics of the level of education of the AA sorter section employees at PT. Marinal Indoprime, Sumenep branch. The educational groupings are described in Table 5, namely:

Table 5 Characteristics of Respondents by Education Year 2020.

| No.    | Level of education            | Number of people) | Percentage (%) |
|--------|-------------------------------|-------------------|----------------|
| 1      | SD Equal                      | 10                | 12%            |
| 2      | Junior High School equivalent | 15                | 19%            |
| 3      | High School equivalent        | 56                | 69%            |
| Amount |                               | 81                | 100%           |

This regression analysis is used to determine the extent of the relationship between the independent variables and the dependent variable. Based on the results of the regression analysis using software Package for Social Science (SPSS) version 21 for Windows obtained the results as Table 6 below:

Table 6 Results of Coefficients Regression Analysis

Coefficients<sup>a</sup>

| Model              | Unstandardized Coefficients |            | Standardized Coefficients | t     | Sig  |
|--------------------|-----------------------------|------------|---------------------------|-------|------|
|                    | B                           | Std. Error | Beta                      |       |      |
| 1 (Constant)       | 3,008                       | ,416       |                           | 7,231 | ,000 |
| X1 (Yield System)  | ,060                        | ,049       | ,127                      | 1,221 | ,226 |
| X2 (Volume System) | ,348                        | ,097       | ,373                      | 3,575 | ,001 |

Source: Data Processed by SPSS Veri 21.

Based on the calculated figures in Table 6, the resulting regression equation is:

$$Y = 3.008 + 0.060 X_1 + 0.348 X_2 + e$$

Where:

3,008: Constants

0.060 + 0.348: Coefficient

X<sub>1</sub>: Result System (output)

X<sub>2</sub>: Volume System

Y: Employee Performance

e: Error Level.

Table 7 – Coefficient Determination R and R2

Model Summary<sup>b</sup>

| Model | R                  | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|--------------------|----------|-------------------|----------------------------|
| 1     | 0.410 <sup>a</sup> | 0.168    | 0.147             | 0.36087                    |

Source: SPSS Version 21.

Table 8 – Calculation Results of the F Test

ANOVA<sup>a</sup>

| Model         | Sum of Squares | df | Mean Square | F     | Sig               |
|---------------|----------------|----|-------------|-------|-------------------|
| 1. Regression | 2,055          | 2  | 1,028       | 7,891 | ,001 <sup>b</sup> |
| Residual      | 10,158         | 78 | ,130        |       |                   |
| Total         | 12,213         | 80 |             |       |                   |

Source: SPSS Version 21.

Table 9 – Calculation Results of the t-test (partial)

| Item               | Don't count | t <sub>table</sub> | Sig   |
|--------------------|-------------|--------------------|-------|
| Constanta          | 7,231       | 1,994              | 0,000 |
| Yield System (X1)  | 1,221       | 1,994              | 0.226 |
| Volume System (X2) | 3,575       | 1,994              | 0.001 |

Source: SPSS Version 21.

The following is a discussion description of the results of data analysis that have been tested for the correctness of the hypothesis using SPSS version 21 for windows. This discussion will discuss the simultaneous or simultaneous test or test together. Judging from the analysis of the research results, it shows simultaneously or together that the calculated F value of 7.891 is greater than the f<sub>table</sub>, namely 3.11 with a significance level of 0.001 < 0.05, which means that the overall variables of the output system and the wholesale system affect. Positive and significant towards the dependent variable, namely employee performance. So that from these results, H<sub>0</sub> is rejected and H<sub>1</sub> is accepted.

## CONCLUSION

Based on the results of the analysis, the following conclusions can be drawn, namely:

1. The resulting system variable (output) shows that partially the independent variable (wholesale system) does not affect the dependent variable (employee performance) in the production division of the AA sorter section at PT. Marinal Indoprma, Sumenep branch. This can be seen by the regression coefficient (B) of 0.060 and has a significance value of 0.226 which is greater than alpha (α) = 0.05. While the result of the t<sub>count</sub> is 1.221 which is smaller than the t<sub>Table</sub> of 1.994.

2. The wholesale system variable shows that partially the independent variable, namely the wholesale system, has a positive and significant effect on the dependent variable, namely the performance of employees of the AA sorter division production division at PT. Marinal Indoprma, Sumenep branch. This can be seen with the regression coefficient (B) of 0.348 and has a significance value of 0.01 which is smaller than alpha (α) = 0.05. While the result of the t<sub>count</sub> is 3.575 which is greater than 1.994.

3. Meanwhile, simultaneously or together the independent variables, namely the resulting system (output) and the wholesale system have a positive and significant impact on the dependent variable, namely the performance of employees of the production division of the AA sorter section at PT. Marinal Indoprma, Sumenep branch.

This is evidenced by seeing the significance level value of 0.001 is smaller than alpha (a) = 0.05 or comparing the <sup>calculated</sup> F value of 7.891, which is greater than the F Table of 3.11.

As for suggestions that could be done with the author after doing this research from both variables in the wage system that the system results (output) and a contract system that has the effect of a significant or positive is variable contract system. That is why the management of PT. Marinal Indoprime should pay more attention to the wages of AA sorter employees on a wholesale basis.

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