# THE IMPACT OF FINANCIAL COMPENSATION ON THE PERFORMANCE OF MARKETING EMPLOYEES

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### THE IMPACT OF FINANCIAL COMPENSATION ON THE PERFORMANCE OF MARKETING EMPLOYEES

(Case Study at PT. Liek Motor, Mayor Mustajab Surabaya Branch)

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#### Abstract

To achieve this goal, companies need to pay attention to employees in all aspects of their work because this becomes an incentive for employees to carry out their work activities and achieve organizational goals. For this reason, it is natural to pay attention to the whereabouts of employees from the start. Employees who are company assets need to know their needs and desires so that they are expected to be able to produce job satisfaction, good performance and high loyalty to the company so as to achieve company goals. Effective human resource management requires managers to find the best way to employ employees to achieve goals. company. There are many things that can be done to empower good human resources, including efforts that include level education, training, and creating a conducive work situation or environment so that employees feel at home carrying out their work. Compensation is an important aspect in determining employee performance. Company attention is important because employees try to achieve the performance determined by the company. Realizing the importance of compensation for company performance, compensation management should be important. In providing compensation, the timeliness of providing compensation and the amount of compensation given by the company to employees affects employee morale, motivation, work performance and performance. An employee's absolute income level will determine the scale of his life and relative income shows his status and dignity. Therefore, if employees perceive that the compensation they receive is inadequate, this will cause employee morale, motivation, work performance and performance to decline drastically. Motivation is a condition that drives employees who are directed or focused on achieving company goals. Achieving this goal means also achieving the personal goals of the members concerned.

Keywords: Compensation, Financial, Performance, Marketing

#### INTRODUCTION

#### **Background**

Considering the intense competition in the business world and increasingly difficult economic conditions, it forces almost all companies to always work hard so that each company can continue to exist and can maximize profits so that it can help the development of its business. In the current era of globalization which is entering increasingly fierce competition in all fields, each institution is required to have its own

competitive advantage so as not to be left behind. One way to have a competitive advantage is to improve employee performance.

Effective human resource management requires managers to find the best way to employ employees to achieve goals

company. There are many things that can be done to empower good human resources, including efforts that include level education, training, and creating a conducive work situation or environment so that employees feel at home carrying out their work.

Compensation is an important aspect in determining employee performance. Company attention is important because employees try to achieve the performance determined by the company. Realizing the importance of compensation for company performance, compensation management should be important.

In providing compensation, the timeliness of providing compensation and the amount of compensation given by the company to employees affects employee morale, motivation, work performance and performance. An employee's absolute income level will determine the scale of his life and relative income shows his status and dignity. Therefore, if employees perceive that the compensation they receive is inadequate, this will cause employee morale, motivation, work performance and performance to decline drastically.

Human work motivation can be increased if there is a balance between personal goals and organizational goals. Providing motivation from leadership so that employee needs can be met so that errors can be minimized. The importance of motivation in supporting company goals can be concluded as follows: Improving employee performance, Supporting the achievement of organizational goals, The possibility of errors in work, lack of a sense of responsibility and reluctance to work can be reduced, Employees are interested in working harder and producing better products or services. high quality. Things that can encourage employees at work are stimulation, namely in the form of increasing their status to a higher status than before. This status is intended for employees whose performance can improve better. Job performance is very important for a positive business, because

the progress and decline of a business is more or less influenced by performance. By working harder you will produce maximum achievement. Philosophically, achievement is a view of life or mental attitude that always strives to improve quality in the future.

Performance comes from the definition of performance. There are also those who define performance as the result of work or work achievement (Wibowo, 2007:2). Thus, performance is about doing work and the results achieved from that work. Performance is about what is done and how to do it. Performance is a condition that must be known and confirmed to certain parties to determine the level of achievement of an agency's results in relation to the vision held by a company as well as knowing the positive and negative impacts of an operational policy.

To maintain employee performance so that it always meets the company's expectations, it is necessary to carry out an assessment of the performance itself, from

this assessment it can be seen whether the performance produced by the employee meets the standards or not. By assessing employee performance, the company hopes to obtain information about their performance that the company can use to improve employee performance. Apart from that, one thing you also need to know is employee financial compensation because it is hoped that this compensation will be able to motivate or influence employee performance.

PT. Liek Motor Surabaya is one of the automotive companies in Surabaya. These companies compete fiercely to be able to survive and develop in the future. Effectiveness and efficiency in utilizing the various resources we have is a natural requirement to be able to survive and win the competition. One resource that has an important role in achieving company goals is human resources. Without human resources, sophisticated equipment and technology will be useless, because all activities in the company that designs and operates them are human. The increase or decrease in company performance depends on the human resources within it. Likewise, with the increase or decrease in sales of company products, therefore there is good service from PT employees. Liek Motor Surabaya (Mustajab Mayor Branch) to consumers is an important factor in influencing consumers to make purchases at the company. In this way, good service will be able to increase company income. The large role of marketing employees makes management always pay attention to their welfare in the form of attention to compensation.

PT. Liek Motor Surabaya is one company that is aware of this. The company has designed a compensation program in the form of incentives to its employees if they can sell the products they offer. The compensation system is given directly to employees in the form of incentive money if they are able to sell Toyota car units. The compensation program is expected to improve employee performance in increasing PT company sales. Liek Motor Surabaya. The large role of marketing employees makes management always tention to their welfare in the form of attention to compensation.

Based on the description above, the researcher is interested in conducting research "THE INFLUENCE OF FINANCIAL COMPENSATION ON THE PERFORMANCE OF MARKETING SECTION EMPLOYEES AT PT. LIEK MOTOR BRANCH MAYOR MUSTAJAB SURABAYA".

#### LITERATURE REVIEW

#### Compensation

#### **Understanding Compensation**

According to Prabowo (2007: 157) compensation is a contravention of the use of energy or services provided by workers. Compensation is the total package offered by an organization to workers in return for their labor. According to Nitisemito (1999: 149) Compensation is a reward for services provided by a company to its employees which can be valued in money and has a tendency to be given on a regular basis. Compensation is not the same as wages, even though wages are part of compensation. "Compensation apart from

consisting of wages, can also take the form of in-kind allowances, housing facilities, vehicle facilities, and many others which tend to be given on a regular basis."

From the opinions above, it can be concluded that compensation is remuneration provided by the company to its employees which can be valued in money and tends to be given on a regular basis. Compensation at PT. Liek Motor Surabaya consists of salary, incentives, allowances.

Employees consider that salary, incentives and benefits are the most important things that must be met first before moving on to other needs. However, other factors contained in overall compensation are also no less important.

According to Simamora (2004: 444) the components of compensation can be divided into:

#### **Non Financial Compensation (Non financial compensation)**

- 1. Employment
- 2. Work Environment

#### **Financial Compensation**

The financial component can be defined as follows:

1. Direct Financial Compensation

These are rewards received by employees directly for making contributions to the company. The following is an explanation of the components of financial compensation, namely:

- a) Basic Pay (Salary)
- b) Incentive Pay (Bonus)
- 2. Indirect Financial Compensation

This compensation is usually referred to as allowances which include all financial rewards that are not covered by direct compensation. The indirect financial component consists of:

- a. Protection Program
  - Insurance consisting of: Health insurance, accident insurance, etc.
- b. Pay outside working hours
  - Apart from the compensation above, there is also compensation in the form of providing facilities in the form of holidays, recreation and company car facilities.
- c. Facility

According to Simamora (2004: 445) Benefits are a form of additional component borne by the company that is related to employment, for example: health and life insurance, company-covered holidays, pension programs and other benefits.

Benefits are also called indirect financial compensation, which includes income received by employees due to an event previously experienced by the

employee. Indirect figricial compensation consists of protection programs (insurance, pensions), pay outside working hours (holidays, holidays, maternity leave), and facilities (vehicles, office space), holiday allowances, payments to those who are sick, assistance money for employee savings, distribution in the form of shares, insurance, hospital care and pensions.

From the opinions above, it can be concluded that allowances are compensation given by the company to employees, because these employees are considered to have participated well in achieving the company's goals. The benefits available at PT. Liek Motor includes: Health allowance, achievement allowance, facility allowance.

- a. Purpose of Providing Benefits
- b. Types of Benefits.

PT. Liek Motor applies all the allowances that have been explained by Simamora (2004: 250), namely in the form of allowances that replace income, namely accident allowances, so if an employee has an accident during working hours and while carrying out company duties, then the next allowance is the allowance that provide an increased sense of security for employees by paying for extra or extraordinary expenses experienced by employees unexpectedly in the form of health insurance, apart from that there are also benefits that can be seen as opportunities for employees, including holidays which are usually held once a year by all employees PT. Liek Motor.

#### Employee performance

#### **Understanding Performance**

According to Wibowo (2007) performance comes from the definition of performance. There are also those who define performance as the result of work or work achievement. Thus, performance is about doing work and the results achieved from that work. Performance is about what is done and how to do it. According to Manglanegara (2000: 67), performance or work achievement is the result of quality work achieved by an employee in carrying out his duties in accordance with the responsibilities given to him.

According to Simamora (2004: 409) "Performance is the level of success of employees in achieving job requirements in accordance with company expectations." Performance is a condition that must be known and confirmed to certain parties to determine the level of achievement of an agency's results related to the vision carried by a company as well as knowing the positive and negative impacts of operational policies.

#### **Factors that influence Performance**

The factors that influence performance, stated by Armsrong and Baron, 1998 (in Wibowo, 2007: 99), are:

- 10
- 1. Personal factors
- 2. Leadership factors
- 3. Team factors
- System factors
- Contextual / Situational factors

#### Performance Model

The organizational performance process is influenced by many factors. Wibowo (2007: 75) describes the relationship between performance and influencing factors in the form of a satellite model. According to the Satellite Model, organizational performance is obtained from the integration and factors of knowledge, non-human resources, strategic position, human resource processes, and structure.

Performance is a function of the desire to do the job, the skills necessary to complete the task, a clear understanding of what is being done (Poter and Lawler in Wibowo, 2007: 75). So a performance equation model was formulated = f (desire to do the job, skills, understanding of what and how to do it). Meanwhile, Loursh and Laurence (in Wibowo, 2007: 75) expressed the opinion that performance is a function of individual, organizational and environmental attributes, so a performance equation model = f (attribute, individual, organizational, environment) was formulated.

#### Things Assessed in Performance Appraisals

In a company there are several criteria for evaluating employee performance. One type of employee performance assessment criteria is based

- 1.  $\overline{Q}$  uantity of work
- 2. Quality of work,
- 3. Job knowledge
- 4. Creativeness
- 5. Cooperatiaon
- 6. Dependability
- 7. Innitiative
- 8. Personal Oualities

From the opinion above, it can be concluded that performance is measured by looking at work quality, work quantity, work knowledge, creativity, cooperation, reliability, initiative and personal quality. This is necessary in order to find out whether employees of PT. Liek Motor Surabaya has carried out work in accordance with established standards. With this, if an employee experiences a decline in their performance, the leader can take action to increase their performance again.

#### **Performance Issues**

Performance does not always run smoothly as expected, problems often occur along the way. Therefore, it is necessary to identify problems, look for causal factors, and find effective solutions to overcome them (Wibowo, 2007: 257). These problems include:

- a. Ability
- b. Training
- c. Motivation
- d. Disturbance
- e. Exile

The company's low performance is caused by the low performance of its human resources. So if a company wants to be successful, it must improve employee performance by providing what is rightfully due to employees or overcoming any existing problems related to the survival of the company.

#### Performance assessment

Performance appraisal is basically a key factor in developing an organization of the existence of better policies or programs for human resources in the organization. Individual performance assessment is very beneficial for the overall growth dynamics of the organization, through this assessment the actual conditions of how employees are performing can be known.

According to Simamora (2004: 397) "The performance appraisal system can be used to promote various management goals and suggestions. Apart from systematically encouraging employee performance levels, the performance appraisal system is also useful in identifying potential employees, providing rewards fairly, and determining employee development needs."

Performance appraisal is an evaluation carried out periodically and systematically regarding the work performance or position of a worker, including their development potential (Wahyudi, 2000). Performance appraisal is a process used by organizations to evaluate the performance of individual employees' work.

#### **Performance Improvements**

Improvements to performance must be made because the work performance achieved is not as expected (Wibowo, 2007: 419). By improving performance, it is hoped that future organizational goals can be achieved even better. Performance improvements must also be carried out even if a person or organization has been able to achieve the expected work performance because the individual or organization can set higher targets with high quality.

Performance improvement is carried out by involving all human resources in the organization including improving the entire performance management process. Performance improvement is a process of transforming performance conditions to a better one in the future

#### The Relationship between Financial Compensation and Employee Performance.

According to Nitisemito (1991: 188-204), explains that compensation must meet several criteria, namely:

- 1. Must meet minimum requirements
- 2. Must be able to bind
- 3. Must be able to generate enthusiasm and enthusiasm for work
- 4. Must not be static
- Must be fair
- 6. Composition and compensation must be considered

So from the explanation above it can be concluded that providing fair financial compensation can motivate employees to work better, so that their performance will improve better and provide the best for the company in accordance with the expected company goals.

#### Hypothesis

The hypothesis of this research is stated "Financial compensation influences the performance of marketing employees at PT. Liek Motor have competence Surabaya" Companies that in the fileds marketing, manufacturing and innovation can make its as a sourch to achieve competitive advantage (Daengs GS, et al. 2020:1419). The research design is a plan to determine the resources and data that will be used to be processed in order to answer the research question. (Asep Iwa Soemantri, 2020:5). Standard of the company demands regarding the results or output produced are intended to develop the company. (Istanti, Enny, 2021:560). Time management skills can facilitate the insplementation of the work and plans outlined. (Rina Dewi, et al. 2020:14). Saat mengumpulkan sumber data, peneliti mengumpulkan sumber data berupa data mentah. Metode survei adalah metode pengupulan data primer dengan mengugunakan pertanyaan tertulis( Kumala Dewi, Indri et all, 2022 : 29). The Research model or framework is intended to further clarify the essence of the discussion of previous research result and the theoretical basis in the research, including the relationship between influential variables. (Enny Istanti, et al. 2024: 150)

#### RESEARCH METHODS

#### **Conceptual Framework**

The conceptual framework underlying this research is that compensation can encourage direction, strengthen, and attempt to influence (pervasiveness) and achieve goals. Incentives themselves are a form of compensation that is often used, where employees are paid based on the quantity or results achieved. Incentives are a type of

reward that is linked to employee performance. The better the performance, the greater the incentives given. According to Sentono (1999), employee performance will be good if they are paid or paid according to the agreement.

This influence can be described in the following conceptual framework:



Picture 1 Conceptual Framework

#### **Population and Sample**

#### Population

According to Sekaran (2006: 121) population refers to the entire group of people, events or things of interest that want to be investigated. The target population determined in this research is employees of PT. Liek Motor Surabaya's marketing department has 225 employees.

#### Sample

A sample is a part of a population that has relatively the same characteristics and is considered to represent the population. This is in accordance with the guidelines for determining sample size explained by Solimun (2002: 83). Considering that the population is quite large, the sampling technique used is non-probability sampling where each member of the population does not have the same chance of being selected as the sample. So it can be said that the number of samples in this research was 35 marketing employees.

## **Definition of Concepts and Operational Variables Concept Definition**

#### a. Financial Compensation

According to Nitisemito (1999: 149) Compensation is a reward for services provided by a company to its employees which can be valued in money and has a tendency to be given on a regular basis.

#### b. Employee performance

Performance comes from the definition of performance. There are also those who define performance as the result of work or work achievement (Wibowo, 2007: 2). Thus, performance is about doing work and the results achieved from that work. Performance is about what is done and how to do it.

#### **Operational Definition**

#### 1. Incentives

Incentives are additional income that will be given to employees who can provide achievements as determined.

Purpose of Providing Incentives:

The main function of incentives is to provide responsibility and encouragement to employees. Incentives guarantee that employees will direct their efforts to achieve organizational goals.

Meanwhile, the main aim of providing incentives is to increase individual and group work productivity

Incentive Indicators are as follows:

- a) Bonuses
- b) Commission
- c) Profit Sharing

#### 2. Employee Performance

What is meant here is employee performance in the form of sales turnover at the Liek Motor Dealer branch of the Mayor of Mustajab branch. So it is hoped that by increasing the compensation value, employees can increase unit sales.

Performance indicators are as follows:

- 1. quality of work
- 2. quantity of work
- 3. Time utilization

#### Research Instrument

In this research, the instrument used was a questionnaire, namely a list of questions given to employees. The questionnaire must be tested for validity and reliability first.

1. Validity of research instruments

Validity tests are used to show that a measure really measures what it wants to measure. (Sunyoto, 2007: 106). The basis for decision making is:

- a) If r count > r table, then the item or question is valid.
- b) If r count < r table, then the item or question is invalid.
- 2. Reliability of Research Instruments

Reliability testing is carried out to find out whether the measurement tool is reliable in measuring. In this case, if the Reliability coefficient (alpha) value is > 0.60 then the variables and question items being measured can be trusted or relied upon. (Sunyoto, 2007: 107)

#### **Data Analysis Techniques**

According to Kerlinger (2003: 217), data analysis is categorizing, structuring, manipulating summarizing data to obtain answers to research questions. In this research, the data analysis technique used is descriptive and inferential statistical analysis.

- a. Descriptive Statistical Analysis
- b. Regression Analysis

Simple Regression Analysis: used to determine the influence of the independent variable on the dependent variable or in other words to find out how far changes in the independent variable influence the dependent variable. In simple regression analysis, the influence of one independent variable on the dependent variable can be made into the following equation: Y = a + b X. Information: Y: Dependent Variable; X: Independent variable (Independent Variable)

a: Constant; and b: Regression coefficient. To find the equation of the regression line, various approaches (formulas) can be used, so that the constant value (a) and regression coefficient value (b) can be found using the following method:

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$$a = [(\Sigma Y . \Sigma X^2) - (\Sigma X . \Sigma XY)] / [(N . \Sigma X^2) - (\Sigma X)2]$$
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$$atau \ a = (\Sigma Y/N) - b(\Sigma X/N)$$

$$b=[N(\Sigma XY)-(\Sigma X . \Sigma Y)]/[(N . \Sigma X^2)-(\Sigma X)^2]$$

c. Correlation Analysis

Correlation Analysis (r): used to measure the degree of relationship between the variables studied. The high or low degree of closengs can be seen from the correlation coefficient. A correlation defficient that is close to + 1 means there is a close positive relationship, if it is close to - 1 it means there is a close negative relationship. Meanwhile, the correlation coefficient is close to 0 (zero), meaning the relationship between the two variables is wilk or not close. Thus, the correlation coefficient value is  $-1 \le r \le +1$ . For a correlation coefficient equal to -1 or +1, it means that the relationship between the two variables is very closure or very perfect and this very rarely happens in real data. To find the value of the correlation coefficient (r) the following formula can be used:  $r = [(N \cdot \Sigma XY) - (\Sigma X \cdot \Sigma Y)] / \sqrt{\{[(N \cdot \Sigma X2) - (\Sigma X)2] \cdot [(N \cdot \Sigma Y2) - (\Sigma Y)2]\}}$ 

#### **Hypothesis Testing**

The final step that must be taken in data analysis is submitting a hypothesis, which aims to test the research hypothesis that has been put forward by the researcher. Hypothesis testing that needs to be done is:

#### 1. T test

To test whether there is an influence between financial compensation variables on employee performance, a t-test is used.

The t test criteria are as follows:

- a. If t<sub>count</sub> < 12e then Ho is accepted and Ha is rejected, which means the influence of the independent variable on the dependent variable is not significant.</li>
- b. If t<sub>count</sub> > t<sub>table</sub> then Ho is rejected and Ha is accepted which means the independent variable has a significant influence on the dependent variable or by looking at the significance of t, namely:
  - 1. If sig t < 0.05 then Ho will be rejected. Ha will be accepted
  - 2. If sig t > 0.05 then Ho will be accepted and Ha will be rejected (Sandy, 2009)

The formula for the t statistical value:

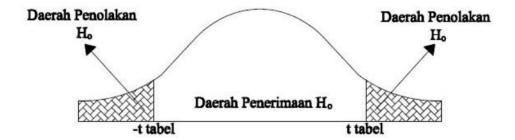
$$t = \frac{bj}{Se (bj)}$$

Se (bj) = standard deviation of the regression coefficient for variable X which can be obtained using the following formula:

Se (bj) = 
$$\frac{\sqrt{1}}{n - k \sum_{i=1}^{n} e_{i}^{2}}$$

If bj = regression regression regression of variable X, compare the results of t count and t table, The t test in this research was carried out with the help of the SPSS software program.

#### Image of Distribution of Partial Acceptance or Rejection of Hypothesis



#### RESULTS AND DISCUSSION

#### Validity and Reliability Test

#### Validity Test

Validity tests are used to show that a measure really measures what it wants to measure. (Sunyoto, 2007: 106). The basis for decision making is:

- a. If r count > r table, then the item or question is valid.
- b. If r count < r table, then the item or question is invalid.

Validity Test Results Table

Variable	Item	Total pearson correlation	r table	Information
	X1	0,856	0,334	Valid
Financial	X2	0,789	0,334	Valid
	X3	0,787	0,334	Valid
compensation (X)	X4	0,789	0,334	Valid
	X5	0,615	0,334	Valid
	Y1	0,610	0,610 0,334	Valid
Employee	Y2	0,781	0,334	Valid
Employee performance	Y3	0,693	0,334	Valid
	Y4	0,787	0,334	Valid
(Y)	Y5	0,765	0,334	Valid
	Y6	0,755	0,334	Valid

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Based on the table above, it can be seen that all the questions that measure the variables of financial compensation (X) and employee performance (Y) are valid because the total Pearson correlation is > 0.334.

#### Reliability Test

A measurement tool is said to be reliable if it obtains the same results from unchanged measurement phenomena carried out at different times. Reliability is an index that shows the extent to which a measuring instrument is trustworthy or reliable. An instrument is said to be reliable if it is used several times to measure the same object and will produce the same data. In this test, the results of the reliability test with the Cronbach alpha statistical test show that a variable is said to be reliable if it gives a Cronbach alpha value > 0.6 (Arikunto 2002).

Reliability Test Results Table

Variabel	Cronbach's alpha	Information
Financial compensation (X1)	0,829	Reliable
Employee performance (Y)	0,827	Reliable

From the table above it can be seen that all variables from both the independent variables, namely financial compensation (X) and employee performance (Y) are reliable because the Cronbach alpha is > 0.6.

#### Model Analysis and Hypothesis Testing

#### **Model Analysis**

Based on the problem formulation and hypotheses that have been put forward, multiple linear regression analysis was used in processing the data, based on the data and using SPSS version 16.0 program calculations, the calculation results are shown in the table below.

Simple Linear Regression Coefficient Data Table

	Regression coefficient	t	Sig.
Constant	2,643	-	-
X	0,402	3,021	0,005
R	= 0,465		
R Square	= 0,217		

From the table above, it can be used to construct a multiple linear regression equation model as follows:

$$Y = a + bX + e$$

$$Y = 2.643 + 0.402 X + 0.783$$

From the form of the simple linear regression equation above, it can be seen that the financial compensation variable (X) has a positive influence on employee performance (Y).

The constant of 2.643 indicates that if financial compensation (X) is assumed to be zero or non-existent, then employee performance (Y) will be 2.643.

The financial compensation variable (X) has a positive influence on the employee performance variable (Y) of 0.402. A positive coefficient indicates a unidirectional relationship between the two variables. This shows that every change in the financial compensation variable of one unit will result in a change in the employee performance variable of 0.402, assuming the other independent variables are constant.

The coefficient of simple determination or R square value of 0.217 means that 21.7% of the variation in changes in employee performance variables is caused by financial compensation variables, while the remaining 78.3% of the variation in changes in employee performance is caused by other variables not included in this research.

#### **Hypothesis Test (t Test)**

Table of t Test Results

Variable	t count	Sig.
Financial compensation (X <sub>1</sub> )	3,021	0,005

From the table above it can be used to test the second hypothesis with the following steps:

1. Formulate a statistical hypothesis

Ho: It is suspected that there is no partial significant influence of the independent variable on the dependent variable.



Ha: It is suspected that there is a partially significant influence of the independent variable on the dependent variable.

2. t table

The value of the t table is determined as follows:

$$df = n - k - 1 = 35 - 1 - 1 = 33$$

$$\alpha = \frac{5\%}{2} = 2,5\% \text{ or } 0,025$$

So the t table value is 2.0345

3. Test criteria

If = t count > t table, then Ho is rejected and Ha is accepted

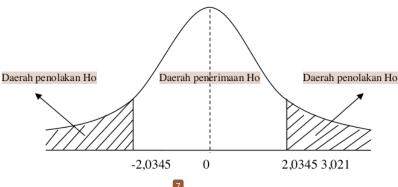
If = t count < t table, then Ho is accepted and Ha is rejected

Or Ho is accepted if the significance of t > 0.05 and Ha is rejected

Or Ha is accepted if the significance of t < 0.05

4. Area curve of acceptance and rejection of Ho.

Draw the "t" Test Trve
Financial Compensation Variable (X)



From the picture above it can be seen that the calculated t for the financial compensation variable (X) is located in the Ho rejection area or t calculated (3.021) > t table (2.0345) with a significance level of 0.005 < 0.05 or 5%, so Ho rejected and H<sub>1</sub> accepted. So it can be said that the financial compensation variable (X1) has a significant influence on the performance of employees (Y) in the marketing department at PT. Liek Motor Surabaya. This research will be conducted in three phases: measurement model (external model), structural model (internal model), and hypothesis testing. (Pramono Budi, et al., 2023; 970) Melalui proses tersebut, karyawan diberikan pelatihan dan pengembangan yang relevan dengan kinerja pekerjaannya, sehingga diharapkan dapat menjalankan tanggung tawab pekerjaannya dengan sebaik - baiknya. (Abdul Aziz Sholeh et.al. 2024:82) Memilih merupakan bagian dari suatu upaya pemecahan sekaligus sebagai bagian dari proses pengambilan keputusan. Oleh karena itu dibutuhkan keputusan pembelian yang tepat (Kristiawati Indriana et.al. 2019:28) Kerja sama antara pemerintah, industri, lembaga penelitian dan masyarakat sipil dalam

merancang menerapkan, Komitmen dan kerja sama yang kuat dari seluruh pemangku kepentingan menjadi kunci keberhasilan upaya - upaya tersebut. (Gazali Salim et al. 2024: 63) The SERVQUAL model includes calculating the difference between the values given by customers for each pair of statements related to expectations and perceptions (Diana Zuhro et al. 2024: 98)

#### Discussion

From the test results using simple linear regression analysis with the equation Y = 2.643 + 0.402 X, it is known that the influence of the independent variable, namely financial compensation (X), is positive on employee performance. This shows that there a unidirectional relationship between these variables and employee performance, which means that the more positive the independent variable is, the stronger the employees performance.

Based on the results of the t test, it can be seen that the financial compensation variable (X) has a significant influence on employee performance (Y).

An employee's work enthusiasm is very important to do a job because of the responsibilities that must be carried out for the company. Anoraga (2001: 68) states that if you want to foster someone's enthusiasm for work, you need to emphasize several factors related to work, working conditions, company policies, quality of supervision, quality of relationships between individuals and superiors, subordinates and fellow workers.

#### Conclusion

From the results and analysis and tests that have been carried out, the following research conclusions are obtained:

- 1) The financial compensation variable (X) has a positive influence on the employee performance variable (Y) of 0.402. A positive coefficient indicates a unidirectional relationship between the financial compensation variable and employee performance. This shows that every change in the financial compensation variable of one unit will result in a change in the employee performance variable of 0.402, assuming the other independent variables are constant.
- 2) Based on the research that has been carried out, it can be seen that the coefficient of multiple determination or R square is 0.217, meaning that 21.7% of the variation in changes in employee performance variables is caused by financial compensation variables, while the remaining 78.3% of the variation in changes in employee performance is caused by variables. other variables not included in this study.
- 3) Based on the research that has been carried out, it can be seen that the calculated t test results for the financial compensation variable (X) (3.021) > 1 table (2.0345) with a significance level of 0.005 < 0.05 or 5%, so that Ho is rejected and H<sub>1</sub> accepted. So it can be said that the financial compensation variable (X1)

has a significant influence on the performance of employees (Y) in the marketing department at PT. Liek Motor Surabaya.

#### Suggestion

- 1. The incentives given to employees must be better in the sense that they are in accordance with employee performance.
- 2. Companies should pay more attention to the amount of commissions, namely rewards given based on a percentage of sales, so that employees' work in selling products can be appropriated and can increase employee loyalty to the company.
- 3. For future research, it is hoped to increase the number of samples used and use other factors that influence employee performance, such as job satisfaction, environmental factors, etc.

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