



The Influence of Compensation and Work Motivation on Employee Performance at PT Astra Honda Motor

**Bintang Narpati¹, Julian Danu², Theresia³,
Puspita Ayu Maharani⁴, Vira Febianti⁵, Samsul Bachri⁶,
Selvia Annisa Permatasari⁷**

Bhayangkara Jakarta Raya University ^{1,2,3,4,5,6,7}

e-mail : virafebianti9@gmail.com

Abstract

This research aims to analyze the impact of compensation and work motivation on employee performance at PT Astra Honda Motor. The research method employed is qualitative with a literature review approach. This study utilizes secondary data from various sources of literature related to human resource management, motivation theories, and previous research relevant to the topic. A qualitative approach is used to analyze the correlation between the level of compensation received by employees, the perceived level of work motivation, and employee performance at PT Astra Honda Motor. Data collection is conducted through a review of published relevant theories, internal company data, and previous empirical studies. Competitive compensation and appropriate incentives can enhance work motivation, which, in turn, contributes to the improvement of individual and overall organizational performance. The findings of this research are expected to provide a significant contribution to PT Astra Honda Motor in developing more effective human resource management strategies to enhance employee performance. The implications of these results can also serve as a foundation for further research involving direct empirical studies in the field.

Keywords: Compensation, Work Motivation, Employee Performance, PT. AHM.

INTRODUCTION

The era of globalization and digitalization has had a significant impact on the business world. Globalization has led to intense competition among companies to capture their target market share. With globalization, businesses are compelled to strive for effective and efficient organizational structures. The effectiveness and efficiency of a company are crucial for maintaining a competitive edge and sustainability in a fiercely competitive environment. Human resources, specifically the workforce, play a vital role in achieving the pre-established vision and mission of a company. Educated and well-prepared workforce is essential to support the company's development.

In the process of development, several factors need consideration by the company. However, in pursuit of its vision and mission, companies often face challenges due to a decline in employee performance. Besides competent competitive strategies and advanced technology, companies must pay attention

to the condition of their workforce. Human Resource, as a stressor, is the most important asset for an organization, requiring serious attention to achieving both long-term and short-term organizational goals. One crucial objective for companies in developing human resources is to enhance employee performance within the organization, ensuring that employees can fulfill their tasks according to their roles and positions.

To achieve optimal contributions, companies must treat human resources as they would any other production factor owned by the company. Therefore, human resources need protection and maintenance to contribute effectively to the company. Improving human resource performance is not an easy task as performance has diverse concepts, can be analyzed from various perspectives, and is influenced by numerous factors, including the employees' abilities and external motivation, especially from superiors. Human behavior is always driven by motivation, irrespective of its intensity. High motivation among employees is a desirable outcome for every company.

In addition to motivation, compensation is another factor influencing employee performance. Compensation is the acknowledgment or reward for employees who contribute to achieving the company's goals through their work activities. Providing fair compensation is crucial, as it not only impacts the material conditions of employees but also contributes to their job satisfaction, diligence, and initiative, according to (Sutrisno, 2009). A related issue concerning compensation is that leaders often tend to be unfair and inappropriate in rewarding employee performance. For example, some employees who can sell more motorcycles may receive inadequate compensation, leading to dissatisfaction and financial challenges for daily needs. Leaders should be fair and vigilant in monitoring their employees' performance to avoid such issues. According to (Saraswati, 2014) emphasizes that companies need to consider two things when providing compensation: it must be perceived as fair by employees, and the amount should not deviate significantly from employees' expectations. Meeting these criteria leads to employee satisfaction, encouraging them to continually improve their performance.

Performance is an example of work done by employees and is usually used as a basis for evaluating individuals or teams. Great performance is rarely achieved without specific goals, and it can be a determinant target in reaching individual objectives. According to (Mangkunegara, 2007), the term "performance" originates from the words job performance or actual performance, representing the actual work achievement of an individual. The factors influencing someone's performance, according to (Mangkunegara, 2007), are ability and motivation. Indicators to measure employee performance (Moheriono, 2012) include effectiveness, efficiency, quality, timeliness, and productivity. Compensation is something received by employees as a reward for their

contributions to the organization. Compensation, according to (Hasibuan, 2017), includes all financial and non-financial rewards received by employees as part of their employment relationship. Factors influencing compensation, according to (Hasibuan, 2017), include labor supply and demand, the company's ability and willingness, labor unions or employee organizations, job positions, the national economic situation, productivity, job type and nature, and employee education and experience.

In executing their duties, employees produce what is called job performance. Job performance is also known as work achievement or work demonstration. Job performance is the process by which organizations evaluate the quality of an employee's work over a specific period. Job performance is the result of work achieved by an individual or a group of people within an organization, aligned with their authority and responsibilities, in an effort to achieve the organization's goals legally, without violating laws, and in line with morals and ethics. Performance is the result of work that has a strong connection with the strategic goals of the organization, customer satisfaction, and contributes to the economy. Therefore, performance is a benchmark for an individual's work, and a successful employee can be seen from their performance.

LITERATURE REVIEW

According to (Dessler, 2015), employee compensation is any form of payment or reward given to employees arising from their work. There are two basic ways to make financial payments to employees: direct and indirect payments. Direct payments include wages, salaries, incentives, commissions, and bonuses, while indirect payments include financial benefits such as insurance. According to (Simamora, 2015), compensation is financial rewards and intangible services and benefits received by employees as part of the employment relationship. According to (Hasibuan, 2017), compensation is all income, in the form of money or direct and indirect goods, received by employees as a reward for the services they have provided to the company. According to Marwansyah (2016), compensation is a fair and reasonable acknowledgment or reward from the company, whether material or non-material, given to employees as a response to their contributions to achieving the company's goals.

If the value of compensation given by the company meets the expectations of employees, job satisfaction can be achieved because employees' expectations regarding compensation are fulfilled. Motivation, according to (Rivai, 2015), is a series of attitudes and values that influence individuals to achieve specific goals according to their own objectives. Research (Sedarmayanti, 2017) defines motivation as the force that drives an individual to perform an action, either positively or negatively, and work motivation is something that stimulates work enthusiasm or motivates work enthusiasm. According to (Hasibuan, 2017) states that compensation is all income, in the form of money or direct and

indirect goods, received by employees as a reward for the services they have provided to the company. The establishment of an effective compensation system is an essential part of human resource management as it helps attract and retain talented workers. Moreover, a company's compensation system has an impact on strategic performance.

RESEARCH METHODS

In this study, the researcher employed a qualitative descriptive research method. A method is an organized approach used to carry out a task to achieve the desired goals. It can also be considered as a systematic and organized work system aimed at facilitating activities. In this case, the method is highly beneficial in conducting research, helping to keep the research on track and systematic. In this study, the researcher utilized a qualitative method with data collection through literature review.

Qualitative descriptive research is a procedure for writing research that is done by describing a phenomenon in words and language, elaborated as it is. The approach in this research adopts the constructivist paradigm. According to (Muslim, 2016), the constructivist paradigm is an approach that starts from an effort to find explanations about social or cultural events based on the views or experiences of the object being studied. According to (Newman, 1997) generally defines the constructivist approach as a social system that interprets behavior in detail through observation. The constructivist paradigm sees a fact as something unique and has a specific context or meaning within it. In this context, the constructivist paradigm evaluates a phenomenon or event, whether it is good or bad, as something unique and good. This is because a phenomenon or event has its own meaning depending on who is evaluating it.

RESULT AND DISCUSSION

Table 1
Previous Research

Num	Researcher	Research Title	Research Methods	Result and Discussion
1.	Jhony Fahrin Sapar (2022)	Pengaruh Kepuasan Kerja dan Motivasi Terhadap Kinerja Karyawan Pada PT. Astra International Tbk Daihatsu Banjarmasin	Quantitative	Employee job satisfaction influences performance, and the factors affecting it are social, physical, and financial in nature. The most influential factor is the financial aspect, as employees have high expectations for the company to provide bonuses and incentives. The SPSS data processing measurement uses a Likert

				scale to assess social and physical factors.
2.	Bayu Andika Pratama (2022)	Pengaruh Kompensasi dan Kepuasan Kerja terhadap Kinerja Karyawan PT. ASTRA Internasional Tbk - Daihatsu Cabang Pondok Pinang	Quantitative	Simultaneously, partial compensation and job satisfaction have an influence on the performance of employees at PT. ASTRA International Tbk - Daihatsu with a cumulative impact contribution of 65.9%.
3.	Achmad Adi (2019)	Pengaruh Lingkungan Kerja, Pelatihan, Kompensasi, Dan Kepemimpinan Terhadap Kinerja Karyawan Pada Pt.Astra Internasional Tbk Toyota Sales Operation Auto 2000 Waru Sidoarjo	Quantitative	The results of the T-test for the variables show that the t-values are as follows: Workplace Environment variable has a t-value of 2.088, Training variable has a t-value of 2.410, Compensation variable has a t-value of 3.008, and Leadership variable has a t-value of 2.999. This indicates that the Workplace Environment, Training, Compensation, and Leadership variables simultaneously influence Employee Performance at PT. Astra Internasional TBK Toyota Sales Operation Auto 2000 Waru.
4.	Agung Bagus Wijayanto, Ahmad Hermanto (2020)	Pengaruh Kompensasi Dan Disiplin Kerja Terhadap Kepuasan Kerja Karyawan Pt Astra Internasional Daihatsu, Tbk Cabang Narogong	Qualitative and Quantitative Descriptive Analysis	The results show that Compensation and work discipline have a positive and significant influence on employee job satisfaction at PT. Astra International Daihatsu, Tbk Narogong, both partially and simultaneously.
5.	Nurul Asma, Fandi Kharisma (2021)	Pengaruh Kompensasi dan Lingkungan Kerja Fisik Terhadap Kinerja Karyawan PT. Astra Honda Samarinda	Quantitative	The hypothesis of this research indicates that Compensation has a positive and significant impact on Employee Performance, while the Physical Work

				Environment has a positive but not significant impact on Employee Performance at PT. Astra Honda Samarinda.
6.	Ni Made Retno Wati, I Wayan Suartina (2023)	Pengaruh Kompensasi Finansial, Kecerdasan Emosional, dan Disiplin Kerja Terhadap Kinerja Karyawan Pada PT. Astra Motor Honda Cokroaminoto Denpasar	Quantitative	The results of the analysis indicate that: 1) financial compensation has a positive and significant effect on employee performance, with a t-value of 2.454 and significance of 0.019. 2) emotional intelligence has a positive and significant effect on employee performance, with a t-value of 2.230 and significance of 0.032. 3) work discipline has a positive and significant effect on employee performance, with a t-value of 2.695 and significance of 0.010. 4) simultaneously, financial compensation, emotional intelligence, and work discipline have a significant effect on employee performance, with an F-value of 16.866 and significance of 0.000. The magnitude of the influence of independent variables on employee performance is 53.7%.
7.	Sarmila, Indra Kusdianto, Samsinar (2023)	Pengaruh Disiplin Kerja dan Motivasi Kerja terhadap Kinerja Karyawan pada PT. Astra Honda Masamba	Quantitative	It can be concluded that the incentive variable has a positive influence on performance. We obtained a multiple linear regression equation model Y. between work discipline and work motivation with an adjusted coefficient of determination (adjusted R-squared). Work discipline and work motivation simultaneously (together)

				influence employee performance, while being influenced by other factors not examined in the study.
8.	Desak Kadek Rismayani, I Wayan Bagia, I Wayan Suwendra (2020)	Pengaruh Budaya Kerja Dan Motivasi Kerja Terhadap Komitmen Kerja Karyawan Pada Pt Astra International Tbk-Honda Sales Office Di Singaraja	Quantitative	The research results indicate a positive influence of 1) work culture and work motivation on employee work commitment, 2) work culture on employee work commitment, 3) work motivation on employee work commitment, 4) work culture on employee work motivation at PT Astra Motor Singaraja.
9.	Sudiantini et.all (2023)	Pengaruh Lingkungan Kerja Dan Motivasi Kerja Terhadap Kinerja Karyawan Pt Astra Honda Motor Cikarang	Quantitative	The results of this research indicate that the workplace conditions have an impact on productivity. This study provides valuable insights into the elements influencing employee performance and can serve as a guide for businesses as they strive to manage and enhance staff output.
10.	Melda Yunita, Fedi Faizar Pratama (2022)	Pengaruh Kompensasi, Disiplin Kerja, Dan Motivasi Terhadap Kinerja Karyawan Pt. Astra Motor Cabang Bengkulu	Quantitative	From the conducted tests, it can be concluded that the Compensation, Work Discipline, and Motivation variables have both partial and simultaneous effects on the performance of employees at PT. Astra Honda Panorama in Kota Bengkulu. Keywords: Compensation, Work Discipline, Motivation, and Employee Performance.

Compensation and work motivation are two driving factors that can inspire employees to enhance their performance within a company. This has been revealed in the research conducted by (Sapar, 2022), where compensation has a positive and significant impact on employee performance at PT. Astra Honda Nusa Dua Kabupaten Badung. The study states that fair and adequate compensation given to employees can improve their performance. Providing

fair and adequate compensation to employees has a significant positive impact on their performance. When employees feel they are treated fairly and rewarded in accordance with their contributions, it can motivate them to work better.

Adequate compensation not only includes financial aspects but also acknowledges the values and unique contributions brought by each employee (Supriyanto, 2022). Additionally, transparent and easily accessible compensation for employees can build trust and satisfaction, reducing the potential dissatisfaction that can affect performance (Efi and Supriyanto, 2023). With a clear and fair compensation system, employees feel valued and recognized for their efforts, thereby encouraging intrinsic motivation to achieve better performance. Therefore, fair compensation is not only a financial investment for the company but also a strategic step to enhance employee well-being and, consequently, improve overall productivity and company performance. This will undoubtedly drive financial motivation for employees as they work, with substantial compensation motivating them to surpass targets and earn rewards (Supriyanto et al., 2023). According to (Sudiantini et.al., 2023), there is intrinsic motivation in improving productivity in the workplace. In this research, the relationship between work motivation and employee performance is defined within Abraham Maslow's Hierarchy of Needs theory as outlined by Sudiantini et.al. The theory explains that:

1. Physiological Needs

Physiological demands encompass the basic human needs for sustaining life.

2. Safety Needs

Human self-protection from threats that can endanger their lives.

3. Social Needs

Fundamentally, humans are social beings who require others in their lives. Thus, individuals inherently need various forms of interaction within their social environment.

4. Esteem Needs

The concept of self-esteem in human life relates to how individuals are acknowledged by their surroundings, recognition for hard work, acknowledgment of abilities, etc.

5. Self-Actualization Needs

Self-actualization needs define that humans need to manifest their abilities, talents, or possessions within the social sphere.

Basically, compensation and work motivation are two interconnected aspects. Compensation can serve as motivation for an employee, and motivating employees to work can be derived, in part, from fair and just compensation. This is closely related to how employee performance will unfold. From the relationship between compensation and employee performance, as well as the relationship between work motivation and employee performance, it can be

concluded that compensation and work motivation are indeed related to employee performance (Dewi and Supriyanto, 2017).

Compensation and work motivation are two aspects that have a close relationship and mutually influence each other in the work environment. Compensation, which includes various forms of rewards such as salary, allowances, and bonuses, is not just a means of providing financial rewards to employees. Fair and comprehensive compensation can also be a source of motivation for employees. When employees feel appreciated with compensation commensurate with their contributions and performance, it can enhance their intrinsic motivation. Conversely, work motivation, encompassing internal and external drives that encourage individuals to achieve goals and deliver optimal performance, can also influence how a company designs compensation policies. Efforts to understand the intrinsic motivation needs of employees, such as recognition, career development, and increased engagement, can help companies create more effective and relevant compensation programs. Thus, a good integration of adequate compensation and efforts to meet work motivation needs can create a balanced work environment, boost employee productivity, and contribute to sustainable organizational goal achievement.

CONCLUSION

Overall, it can be concluded that there is a positive relationship between compensation and work motivation with employee performance at PT Astra Honda Motor. These findings underscore the crucial role of human resource management in designing appropriate compensation policies and creating a work environment capable of motivating employees. The importance of a good integration between adequate compensation and efforts to meet intrinsic motivation needs becomes a key factor in enhancing overall employee productivity and performance. Therefore, effective human resource management strategies should consider not only the financial aspects of compensation but also the intrinsic motivation factors that drive employees to achieve optimal performance. Thus, companies can achieve better results in enhancing employee well-being and improving organizational goal achievement.

REFERENCES

- Asma, N., & Kharisma, F. (2021). Pengaruh Kompensasi dan Lingkungan Kerja Fisik Terhadap Kinerja Karyawan PT. Astra Honda Samarinda. *Borneo Student Research*.
- Dewi, N.P. and Supriyanto, A. (2017) 'Dampak Media Sosial Terhadap Kinerja Bisnis Melalui Pemasaran Berbasis Output Dan Biaya', *Riset Manajemen Dan Akuntansi*, 8(2).

- Efi, N. and Supriyanto, A. (2023) 'Pengaruh Hunger Marketing terhadap Perceived Value untuk Meningkatkan Pembelian Tidak Terencana', *JEBISKU: Jurnal Ekonomi dan Bisnis Islam IAIN Kudus*, 1(3), pp. 397-414.
- Muslim. (2016). Varian-varian Paradigma, Pendekatan, Metode, dan Jenis Penelitian dalam Ilmu Komunikasi. *Jurnal Wahana*, Vol.1(No.10), Hal. 77-85
- Nugraha, A., & Tjahjawati, S. S. (2017). Pengaruh Kompensasi Terhadap Kinerja Karyawan. *Jurnal Bisnis dan Investasi*.
- Pratama, B. A. (2022). Pengaruh Kompensasi dan Kepuasan Kerja terhadap Kinerja Karyawan PT. ASTRA Internasional Tbk - Daihatsu Cabang Pondok Pinang. *UIN Syarif Hidayatullah*.
- Ramadya, W. A., Hadi, S. P., & Suryoko, S. (2016). Pengaruh Lingkungan Kerja Dan Kompensasi Terhadap Kepuasan Kerja Karyawan Bagian Service Departement Pada Pt Astra International, Tbk - Daihatsu Branch Office Semarang.
- Sapar, J. F. (2022). Pengaruh Kepuasan Kerja dan Motivasi Terhadap Kinerja Karyawan Pada PT. Astra International Tbk Daihatsu Banjarmasin. *Jurnal Riset Inspirasi Manajemen dan Kewirausahaan*.
- Sarmila, Kusdianto, I., & Samsinar. (2023). Pengaruh Disiplin Kerja dan Motivasi Kerja terhadap Kinerja Karyawan pada PT. Astra Honda Masamba. *SEIKO : Journal of Management & Business*.
- Setiawan, K. A., & Mujiati, N. W. (2016). Pengaruh Gaya Kepemimpinan Dan Kompensasi Terhadap Kinerja Karyawan Pt. Astra Honda Nusa Dua. *E-Jurnal Manajemen Unud*.
- Sudiantini, D., Nurfitri, N., Wulandari, I., Sihombing, I. P., & Shawa, B. N. (2023). Pengaruh Lingkungan Kerja Dan Motivasi Kerja Terhadap Kinerja Karyawan Pt Astra Honda Motor Cikarang. *Neraca Manajemen, Akutansi Ekonomi*.
- Supriyanto, A. (2022) 'Pelatihan Digital Marketing pada UMKM Uliq Food di Kecamatan Bae Kabupaten Kudus', *Journal of Community Service and Empowerment* Vol, 3(1).
- Supriyanto, A. et al. (2023) 'Penjualan Melalui Tiktok Shop dan Shopee : Menguntungkan yang Mana?', *BUSINESS: Scientific Journal of Business and Entrepreneurship*, 1, pp. 1-16. Available at: <https://journal.csspublishing.com/index.php/business/article/view/43/16>.

- Wati, N. M., & Suartina, I. M. (2023). Pengaruh Kompensasi Finansial, Kecerdasan Emosional, dan Disiplin Kerja Terhadap Kinerja Karyawan Pada PT. Astra Motor Honda Cokroaminoto Denpasar. *Widya Amrita : Jurnal Manajemen, Kewirausahaan, dan Pariwisata*.
- Wijayanto, A. B., & Hermanto, A. (2020). Pengaruh Kompensasi Dan Disiplin Kerja Terhadap Kepuasan Kerja Karyawan Pt. Astra International Daihatsu, Tbk Cabang Narogong. *Jurnal Ekonomi dan Industri*.
- Yunita, M., & Pratama, F. F. (2022). Pengaruh Kompensasi, Disiplin Kerja, Dan Motivasi Terhadap Kinerja Karyawan Pt. Astra Motor Cabang Bengkulu. *Jurnal Manajemen Modal Insani dan Bisnis*.