



Analysis of the effect of motivation, compensation and work environment on employee performance with competency as intervening variable at PT. Pegadaian Medan

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ABSTRACT

Organizational success is strongly influenced by the performance of its employees, and in improving employee performance, adequate competence and ability are needed. This study aims to determine the role of motivation, compensation, and work environment on employee performance with competency mediating variables. This study uses a quantitative approach with SPSS software and involves 65 employees of PT. Pegadaian Medan. The results of this study found that motivation, compensation, and work environment affect the performance of employees at PT. Pegadaian Medan. Competence affects the performance of employees at PT. Pegadaian Medan. Motivation, compensation, and work environment affect employee performance with competence as an intervening variable at PT. Pegadaian Medan. Companies need to increase the above variables in improving the performance of employees of PT. Pegadaian Medan.

Keywords: Motivation, Compensation, Work Environment, Competency, Employee Performance

1. INTRODUCTION

Good human resource management by organizations or companies affects the performance of individual employees. In improving the performance of its employees, companies take several ways, for example by providing proper compensation and providing motivation. Employees will be more motivated if the organization or company pays attention to their rights and what they need because basically they work to earn money, in this case salary.

Pegadaian Limited Liability Company is a type of business engaged in the field of financial services intended for the community/customers. In the implementation process, the customer may pawn gold, diamonds and other valuables as collateral to obtain the funds needed by the customer from the pawn shop with the motto PT. Pegadaian is "Solving Problems Without Problems". Customers owned by PT. Pegadaian are very diverse, including traders, employees/employees, housewives, students, laborers to entrepreneurs (Mafra, 2019).

The development of the Pegadaian business makes competition in pawn services increasingly stringent, so that Pegadaian businesses compete with each other in providing services.

Currently there is a lot of attention in various print and electronic media that are spread in society, which shows the number deficiencies related to service quality and comfort at PT. Pegadaian. This gives a negative image, so that customers still lack confidence in the service and convenience of PT Pegadaian (Parinding, 2017).

To produce optimal employee performance is not easy because performance can be created if the variables that influence it include work motivation, compensation and work environment can be properly accommodated and accepted by all employees in an organization/company. Organizational performance depends on individual performance or in other words individual performance will contribute to organizational performance, meaning that the behavior of organizational members both individually and in groups gives strength to organizational performance because motivation will affect organizational performance (Adnan Bataineh, 2019).

Work motivation is a factor that can encourage members of the organization to be more active in working to be more motivated to work (Asaari et al., 2019), this will encourage increased employee performance. In this case a manager needs to direct

motivation by creating organizational conditions (climate) through the establishment of a work culture or organizational culture so that employees feel motivated to work harder so that the performance achieved is also high. Motivation must be properly directed according to priorities and well received by employees, because motivation cannot be given to every employee in different forms.

In addition to motivational factors, there are also compensation factors that affect employee performance. Compensation provided by companies can vary, usually based on the opinion of the leadership and management of the company regarding the importance of a form of compensation to be given to employees and also adjusted to the ability of the company concerned. If the compensation provided by the company is in accordance with employee expectations, then employees will feel that they are treated fairly by the company (An & Han, 2020).

In addition, there are also work environment factors, which are a system of spreading beliefs and values that develop within an organization and direct the behavior of each of its employees. The work environment can be the main instrument of competitive advantage, namely if the work environment supports the company's strategy, and if the work environment can answer or overcome environmental challenges quickly and precisely.

PT Pegadaian is a company in Indonesia that has progress in the field of lending to the public or known as pawn law. To achieve the goals of the organization, PT. Pegadaian must be able to compete with other similar companies such as: FIF, OTO, and ADIRA Finance and other finance companies.

Service improvement can be achieved well when employees of PT. Pegadaian Kanwil I Medan has a good performance (Adnan Bataineh, 2019). PT. Pegadaian Kanwil I Medan always maintains good and harmonious relations with its employees by directing motivation by creating organizational conditions (climate) through the establishment of a comfortable organizational environment so that employees feel motivated to work harder so that the performance achieved is also high.

Like PT. Pegadaian Kanwil I Medan provides appropriate awards to outstanding employees, improves employee competence through developing and enhancing individual employee skills and abilities, provides legal protection guarantees to employees in relation to their duties at PT. Pegadaian. providing a safe and comfortable work environment and providing health insurance for employees and their families, providing appropriate service compensation and pension guarantees, providing certainty for an employee transfer system for the sake of creating comfortable and harmonious work and respecting the rights and obligations of employees based on laws and regulations and company norms and agreements in the Collective Labor Agreement.

The problem that arises is employee discipline in office hours which is so low, which in turn will result in low performance as well. Employees who are present after 08.00 (tolerance limit) are quite high. In April and May during the month of Ramadan, working hours at PT. Pegadaian Kanwil I Medan is as usual, only the time for going home is brought forward to 16.00, but there are still some employees who still arrive late even though it is slightly less than usual. The average number of employees

employees who still frequently arrive late each month is 27 employees. This can affect the productivity of employees of PT. Pegadaian Kanwil I Medan.

Based on the data above, it can be seen that throughout 2020 there were quite a number of employees who were present at the office after 8:00 when compared to the total number of employees, which numbered 186 people. In order to provide excellent service to customers there should be no delays made by employees so that employee performance is maintained in quality and results in customer satisfaction.

There are many factors that affect employee performance, one of which is the motivational factor which is currently not felt by most employees of PT. Pegadaian so that the incentive to work better is still minimal, then compensation is the biggest factor affecting employee performance where compensation received in the form of money can be used for the needs of the employee himself and his family but currently in reality the compensation received by employees is still not optimal like the bonuses that received is not like before, the leave allowance that is the right of employees is also reduced for no apparent reason.

To create good employee performance at work, there are also work environment factors that are very important and influence employee performance where a good work environment greatly influences employee performance to create a sense of comfort and safety at work.

In order for employee performance to be maximized there are also other factors that must be possessed by employees, namely competence, where competence is the ability of employees to carry out their work and be responsible for their work. The competencies and abilities possessed by employees in responding to their environment will affect the performance of each employee, from these competencies and abilities employees will be required to know and understand what things will be done (Fahlevi, 2020).

Therefore, the success of an organization is greatly influenced by the performance of its employees, and in improving employee performance, adequate competence and abilities are needed. Competence has a very important role, because in general competence involves a person's basic ability to do a job and ability as an important thing for individual life because ability determines how individuals behave/act in various situations.

2. METHODOLOGY

As for the place of research, the writer chose the institution where the writer worked with the assumption that he could better know the character of the informant in order to obtain accurate and scientifically justifiable data. The implementation of this research was carried out in the environment of PT Pegadaian Medan which is located at Jl Setia Budi No 94 G. According to (Saunders et al., 2009) population is a

generalization area consisting of objects and subjects, which have certain qualities and characteristics, which are determined by researchers to be studied and concluded. This can also be strengthened by According (Sekaran & Bougie, 2016) population is a generalization area consisting of objects or subjects that have certain qualities and characteristics determined by researchers to be studied and then drawn conclusions. The total population in this study were 186 employees of PT. Pegadaian Medanshop.

In this study, the researcher chose a random sampling technique or random sampling/probability sampling. Where the techniques and samples that the researchers used were random, regardless of the sample on the basis of strata or any social status. The samples that will be used as research objects in this proposal are all employees of PT. Pegadaian Medan whose amount has been determined based on the calculation of the following Slovin formula:

$$n = \frac{N}{1 + Ne^2} \longrightarrow n = \frac{186}{1 + 186(0,1)^2} = 65$$

Based on sample calculations using the slovin formula, it is known that the number of samples used in this study were 65 employees.

The research design is a quantitative descriptive research that measures the strength of the relationship between two or more variables. The approach used in this study is a survey approach, namely the activity of collecting as much data as possible regarding facts that are supporting the research with the aim of knowing status, symptoms of finding similar statuses by comparing with standards that have been selected or determined (Lind et al., 2018).

The analysis technique using multiple linear regression and mediation using the Sobel test aims to determine the influence of each independent variable partially (one by one) on the dependent variable (Fahlevi, 2021; Marhaeni et al., 2022). The test results were carried out on the output of SPSS version 22 in the coefficient table.

3. RESULT AND DISCUSSION

A Brief History of PT. Pegadaian

The history of PT Pegadaian (Persero) is grouped into two eras, namely the colonial/colonial era and the era of independence. Based on this history, the pawn business which is inherent in the daily lives of Indonesian people has become a formal institution since the Dutch Colonial government through the Veenigde Oostindische Compagnie or VOC established the Van Leening Bank as a financial institution that provides credit with a pawn system. The initial momentum for the establishment of the Pegadaian institution in Indonesia occurred on August 20, 1748 in Batavia (www.pegadaian.co.id).

When the British took over the Dutch East Indies Government in 1811, the Van Leening Bank was dissolved and instead, the public had the freedom to set up a Pegadaian business as long as they received a license from the local government (licentie stelsel). In its development, this method had a negative impact because license holders carried out loan sharking practices which were felt to be unprofitable for the British government.

On March 12, 1901, the Staatsblad (Stbl) Regulation No. 131 which stipulates that the Pegadaian business is a monopoly of the government so that the first State Pegadaian institution was established in Sukabumi, West Java April 1, 1901 and that date is then commemorated as the birthday of the Pegadaian (www.pegadaian.co.id).

After the war, the Pegadaian office was again based in Jakarta and managed by the Government of the Republic of Indonesia. Since being managed by the Government, Pegadaian has undergone a number of status changes, starting from a State Company on January 1, 1961 and becoming a Bureau of Companies (PERJAN) in 1969 based on PP number 7 of 1969. Then in 1990 the legal entity was changed again from PERJAN to PERUM. Subsequently, changed to PT Pegadaian (Persero) based on the Deed of Establishment of PT Pegadaian (Persero) Number 01 dated April 1 2012 which was made before Nanda Fauziwan, SH. M.Kn Notary in South Jakarta and later ratified based on the Decree of the Minister of Law and Human Rights of the Republic of Indonesia Number AHU-17525, AH.H.01.01 of 2012 dated April 4 2012 concerning ratification of the company's legal entity. (Persero) which was last amended by deed number: 10 dated 12 August 2015 made before Nanda Fauz Iwan SH. M.Kn Notary in South Jakarta whose notification has been received by the Minister of Law and Human Rights of the Republic of Indonesia by letter number AHU-AH.01.03-0956467 dated 12 August 2015 (www.pegadaian.co.id).

The establishment of Islamic Pegadaian is inseparable from the desire to prevent debt bondage, loan sharks and other improper loans. Apart from that, it is also because of the desire to prosper the lives of people with a middle to lower economy and to support government programs in the field of economy and national development (www.pegadaian.co.id). , one of which is a pawn transaction.

The community wants to carry out pawn transactions in accordance with sharia principles, besides that it is also supported by government policies in developing sharia-based financial institutions. Sharia Pegadaian is a relatively new institution in Indonesia. The concept of sharia Pegadaian operations refers to a modern administration system, namely the principles of rationality, efficiency and effectiveness which are aligned with Islamic values. Sharia Pegadaian was first established in Jakarta under the name Sharia Pawn Service Unit (ULGS) branch of Dewi Sartika in January 2003.

Followed by the establishment of ULGS in Surabaya, Makassar, Semarang, Surakarta and Yogyakarta in the same year until September 2003. Still in the same year 4 Pegadaian branch offices in Aceh were converted into Sharia Pegadaian (Soemitra, 2010: 393). However, at this time Pegadaian Syariah has established itself as an institution under the auspices of PT. Pegadaian (Persero) and fully managed by PT. Pegadaian (Persero). Managed by PT. Pegadaian is expected to have

sharia Pegadaian at Pegadaian Syariah to improve performance, facilitate operations and develop their business so that they can experience an increase every year both in terms of the number of customers for financing and other products offered, the number of sharia branch offices and the number of sharia Pegadaian units in Indonesia.

Path Analysis

Sub-struktur model I dan model II in the research is part of the path analysis proposed in the research. Employee competency variable (Z) is proposed as a mediating variable in this research (J. Hair et al., 2010; J. F. Hair et al., 2011; Lind et al., 2018; Saunders et al., 2009; Sekaran & Bougie, 2016). Evaluation of the overall path coefficient in the study is summarized in Table 1.

Table 1. Path Analysis

Independent	Dependent	Intervening	Direct Effect	Indirect Effect
Motivation (X1)	Employee performance		0,100	
Compensation (X2)	Employee performance		0,116	
Work Environment (X3)	Employee performance		0,680	
Competency (Z)	Employee performance		0,590	
Motivation (X1)	Competence		0,184	
Compensation (X2)	Competence		0,585	
Work Environment (X3)	Competence		0,073	
Motivation (X1)	Employee performance	Competency		0,108
Compensation (X2)	Employee performance	Competency		0,345
Work Environment (X3)	Employee performance	Competency		0,043

Table 1 summarizes the influence between research variables. The direct effect between variables (direct effect) is the effect that occurs based on the results of the regression between the research variables. Indirect effect (indirect effect) includes the presence of a mediating variable in the calculation of the effect.

The indirect effect is calculated based on the multiplication between the direct effect of the independent variable on the mediating variable and the mediating variable on the dependent variable. For example, the calculation of the indirect effect of compensation (X2) on employee performance (Y) through employee competence (Z) is calculated as the effect of X2 on Z multiplied by the effect of Z on Y (0.585 x 0.590), which is 0.345 .

Table 4.20 informs that the most powerful influence in shaping employee competence is compensation, while the formation of performance is greatly influenced by the competence possessed by the employees themselves. Work discipline is very low directly in shaping employee performance. However, work discipline has a very large influence indirectly in producing performance through employee competence. Work discipline has a contribution of 74.25% indirect influence in creating employee performance. Thus, disciplined employees will only improve their performance if the discipline encourages the

formation of competence within them.

4. CONCLUSION

Berdasarkan hasil analisis data yang diperoleh melalui kuesioner yang disebarkan kepada karyawan PT. Pegadaian Persero Medan maka diperoleh beberapa kesimpulan sebagai berikut motivasi berpengaruh terhadap kinerja karyawan PT. Pegadaian Medan. Kompensasi berpengaruh terhadap kinerja karyawan pada PT. Pegadaian Medan. Lingkungan kerja berpengaruh terhadap kinerja karyawan pada PT. Pegadaian Medan. Motivasi berpengaruh terhadap kompetensi pada PT. Pegadaian Medan. Kompensasi berpengaruh terhadap kompetensi pada PT. Pegadaian Medan. Lingkungan kerja tidak berpengaruh terhadap kompetensi pada PT. Pegadaian Medan. Kompetensi berpengaruh terhadap kinerja karyawan pada PT. Pegadaian Medan. Motivasi berpengaruh terhadap kinerja karyawan dengan kompetensi sebagai variabel intervening pada PT. Pegadaian Medan. Kompensasi berpengaruh terhadap kinerja karyawan dengan kompetensi sebagai variabel intervening pada PT. Pegadaian Medan. Lingkungan kerja berpengaruh terhadap kinerja karyawan dengan kompetensi sebagai variabel intervening pada PT. Pegadaian Medan.

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