

SALARY: DOES AFFECT EMPLOYEE MOTIVATION AND PERFORMANCE?

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ABSTRACT

Work is a mandatory thing that must be done to meet human needs. People work to make ends meet. One of the necessities of life can be fulfilled by means of income, namely wages or salaries. To get wages or salaries we are required to work professionally with the consequences of getting a bigger income. The purpose of this study was to determine and analyze the salary on work motivation and employee performance of UD. Sido Makmur Lumajang. population is all employees at UD. Sido Makmur Lumajang, as many as 35 employees. The sampling method used in this study was saturated samples. Methods of data analysis using Simple Linear Regression. The result of this research is that there is a relationship between salary and work motivation and employee performance.

Keywords: Salary, Work Motivation and Employee Performance



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INTRODUCTION

Work is a mandatory thing that must be done to meet human needs. People work to make ends meet. One of the necessities of life can be fulfilled with income, namely wages or salaries. To get wages or salaries we are required to work professionally with the consequences of getting a bigger income.

Salary according to (Rivai, 2009) is remuneration in the form of money received by employees as a consequence of their position as employees who provide contributions and thoughts in achieving company goals. Salaries are generally paid on a regular monthly basis to employees of a company. Sufficient salary is expected to increase employee motivation. Employee work motivation is a vital thing that should not be ignored. Because, when employees are not motivated to work optimally, sooner or later it will affect the company's development. Apart from a good work system, a comfortable working atmosphere, adequate salaries, bonuses can also be given to motivate employees.

Work motivation according to (Siagian, 2008) is a driving force that causes an employee to be willing and willing to mobilize the ability to form the skills and skills of his personnel and his time to carry out various activities that are his responsibility and fulfill his obligations in order to achieve the goals and objectives of the company that have been predetermined. In the context of work, motivation is an important factor in encouraging an employee to work. Motivation is the willingness of individuals to make high efforts to

achieve organizational goals (Robbins, 2001). There are three key elements in motivation, namely effort, organizational goals and needs. Effort is a measure of intensity. If a person is motivated, he will try his best to achieve goals, but not necessarily high efforts will result in high performance. Therefore, it requires the intensity and quality of these efforts as well as focused on organizational goals. Needs are internal conditions that give rise to impulses, where unsatisfied needs will cause tension that stimulates impulses from within the individual. This impulse gives rise to a search-to-find, specific goal. If there is a fulfillment of needs, there will be a reduction in stress. Basically, employees who are motivated are in a tense state and seek to reduce tension by exerting effort. A motivational process that shows an unsatisfied need will increase tension and give a person impetus and lead to behavior described as follows: unsatisfied need, stress, impulse, seeking behavior, stress reduction, satisfied need. In general, high performance is associated with high motivation. Conversely, low motivation is associated with low performance. Sometimes a person's performance is not related to the competence they have, because there are self and work environment factors that affect performance.

Employee performance according to (Hasibuan, 2007) is a result of work achieved by a person in carrying out the tasks assigned to him based on skills, experience, and seriousness and time. A company will certainly never be able to carry out its function if it does not have employees who have maximum performance. For this reason, companies must understand five important things that have a strong influence on employee performance, including: clarity of division of tasks and authority, a comfortable and conducive office atmosphere, a supportive yet firm character, a clear career path, fulfillment of equal rights and obligations.

UD. Sido Makmur Lumajang was founded in 1993. UD. Sido Makmur Lumajang during this one year period has experienced a decline in sales turnover. This decline is not due to consumers who are less buying, but lower employee morale. Based on the existing phenomena in the UD environment. Sido Makmur, when viewed from the salary given by UD. Sido Makmur is sufficient to meet the minimum wage standard. Based on this phenomenon, the purpose of this study is to determine and analyze the relationship between salary and work motivation and employee performance of UD. Sido Makmur Lumajang.

METHODS

The location of this research was carried out at UD. Sido Makmur Lumajang. The time of the research was carried out for approximately one month in July 2020-August 2020. In this study the population was all employees at UD. Sido Makmur Lumajang, as many as 35 employees. The sampling method used in this study was saturated samples. The method of data collection is done by interview, questionnaire, and documentation study. The data sources of this research are primary data and secondary data. Methods of data analysis using Simple Linear Regression.

RESULTS AND DISCUSSION

Respondents in this study were employees of UD. Sido Makmur Lumajang. The number of respondents taken was 35 people. In this section the respondents are divided according to gender groups. From the data shows that of the 35 respondents it can be seen, namely: 23 people or 66% of them are men and the remaining 12 people or 34% are women. The amount of data shows that the dominate in UD. Sido Makmur Lumajang is a male employee. In this section the respondents are divided by age group. Based on the description of respondents with an age range between 17-21 years there were 11 people or 32%, while for respondents with an age range between 22-26 years were 18 people or 51% and for respondents with an age range between > 27 years were as many as 6 people or 17%. Thus it can be concluded that the respondents in this study were dominated by employees with an age range between 22-26 years.

The results of the classical assumption test associated with the normality test show that the data used in this study for the variables of Salary, Work Motivation and Employee Performance are normal. Thus, the assumption of normality can be fulfilled. Likewise the assumption of multicollinearity, the test results show that all the variables used as predictors of the regression model show quite small VIF values, where all are below 10 and the tolerance value is more than 0.1. This means that the independent variables used in the study do not show any multicollinearity symptoms, which means that all independent variables in this study are mutually independent variables. The results of the heteroscedasticity test with a scatterplot showed that there was no clear pattern and the dots spread above and below the number 0 on the Y axis, so it can be concluded that heteroscedasticity did not occur. Thus all classical assumptions can be fulfilled.

**Table 1. Simple Linear Regression
Salary Against Work Motivation**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	15,951	1,540		10,358	0,000		
Salary	0,397	0,075	0,397	5,264	0,000	1,000	1,000

a. Dependent Variable: Work motivation

Source: Data Processed (2020)

**Table 2. Simple Linear Regression
Salary Against Employee Performance**

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	4,723	1,395		3,385	0,001		
Salary	0,535	0,068	0,541	7,817	0,000	1,000	1,000

a. Dependent Variable: Employee Performance

Source: Data Processed (2020)

The t test is used to determine the partially significant effect of the independent variable (salary) on the dependent variable (motivation and employee performance). To perform t tests on each independent variable, the results of t tables are needed. The results of t table at a significance level of 5% with degrees of freedom $(n - 2) = 35 - 2 = 33$, then the obtained t table = ± 2.03452 .

The results of the t test for variable X (salary) obtained the value of t count = 5,264 with a significance level of 0,000. By using the 0.05 limit, the t table is ± 2.03452 . This means that t table < t count, which means that H₀ is rejected and H_a is accepted. Thus, the first hypothesis can be accepted. In other words, it can be concluded that there is a significant effect of salary on work motivation.

The results of the t test for variable X (salary) obtained the value of t count = 7.817 with a significance level of 0.000. By using the 0.05 significance limit, the t table is ± 2.03452 . This means that t table < t count, which means that H₀ is rejected and H_a is accepted. Thus, the second hypothesis can be accepted. In other words, it can be concluded that there is a significant effect of salary on employee performance.

The coefficient of determination (R^2) is intended to determine the best level of accuracy in regression analysis, this is shown by the magnitude of the coefficient of determination (R^2) between 0 (zero) to 1 (one). To see the coefficient of determination in simple linear regression is to use The value of R Square. From the coefficient of determination (R^2), a value can be obtained to measure the amount of the contribution of several X variables to the fluctuation variation of variable Y which is usually expressed in percentage. The results of the determination coefficient test (R^2) can be seen in the table as follows:

**Table 3. Determinant coefficient results
Salary Against Work Motivation**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,397 ^a	0,158	0,152	2,91377

a. Predictors: (Constant), Salary
b. Dependent Variable: Work motivation

Source: Data Processed SPSS (2020)

From the results of calculations using the SPSS version 21 program, it can be seen that the coefficient of determination (RSquare) is 0.158. This means that 15.8% of work motivation can be explained by the salary variable, while the remaining 84.2% of work motivation is influenced by other variables not examined in this study such as job satisfaction, work productivity and others.

**Table 4. Determinant coefficient results
Salary Against Employee Performance**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0,541 ^a	0,292	0,287	2,64009

a. Predictors: (Constant), Salary
b. Dependent Variable: Employee Performance

Source: Data Processed SPSS (2020)

From the results of calculations using the SPSS version 21 program, it can be seen that the coefficient of determination (RSquare) obtained is 0.292. This means that 29.2% of employee performance can be explained by the salary variable, while the remaining 70.8% of employee performance is influenced by other variables not examined in this study such as job satisfaction, work productivity and others.

The results of this study indicate that there is a relationship between salary and work motivation. This explains that the salary provided by UD. Sido Makmur can be said to be in accordance with the expectations of employees in supporting their work motivation, so that salaries have a significant effect on increasing employee motivation. Every company or organization must have goals to be achieved, in order to achieve these goals, employees who have high motivation to work are needed, therefore company leaders must be able to motivate their employees so that these goals can be achieved smoothly. Meanwhile, the owner of UD. Sido Makmur really understands how to motivate its employees to work, so that it is easy to shape employee motivation. This is in accordance with the opinion (Arifin R. & Khalikussabir, 2017) who say that in order to move people to what the organization wants, it must be understood that the motivation of the people who work in the organization, because this motivation determines the behavior of people working.

The results of this study are in line with research (Ni'am et al., 2018), (Bukhori, 2018), (Tarigan, 2018) which states that salary has a significant influence on employee motivation. The level of salary given to employees is based on work productivity and employee performance, where this will motivate employees to produce a number of

products that are in accordance with large salaries so that the needs and desires of each employee are met.

However, this study is not in line with research (Maryadi, 2013) which states that there is a difference between permanent employees and contract or honorarium employees, contract or honorarium employees sometimes have a minimum standard of salary. Meanwhile, the minimum salary standard can result in employees being reluctant or less motivated to do work. However, the minimum salary standard is sometimes caused by the position the employee has. This is in accordance with (Hasibuan, 2007) which states that if the remuneration provided is large enough, it will be easy for managers to motivate their subordinates.

The results of this study indicate that there is a relationship between salary and employee performance. This explains that the salary shows the level of wages received by an employee. With a higher level of salary, it means that a person's belief is stronger that he has good skills in completing his job. The results of this study are supported by an opinion (Kadarisman, 2012) that Wages are a kind of remuneration provided by companies / organizations for daily work (temporary workers), the amount of which is agreed upon by both parties. Therefore, employee wages can be said to be encouragement, this encouragement aims to provide enthusiasm that can improve a person's performance, so that in the future they can have a high level of performance and can bring the company or organization to a good goal.

The results of this study are in line with research (Arimurti et al., 2014), (Sutanto & Patty, 2014), (Batubara et al., 2013), (Subianto, 2016) which states that the level of trust given is higher than the level of the required trust. Salary can be used as a tool to motivate employees in order to improve their performance and stimulate employees to play an active role in the role of achieving company goals. In addition, salary is one of the factors that affect employee performance. Salary is an acceptance as a reward and the provision of work to work acceptance for a job or service that has been and will be carried out, functions as a guarantee for the continuity of life worthy of humanity and production is expressed or valued in the form of money which is determined according to an agreement, law and regulations and are paid on the basis of an employment agreement between the employer and the employer (Heidjrachman & Suad, 2002).

CONCLUSION

There is a relationship between salary and work motivation. This is because the salary given by UD. Sido Makmur can be said to be in accordance with the expectations of employees in supporting their work motivation, so that salaries have a significant effect on increasing employee motivation. Every company or organization must have goals to be achieved, in order to achieve these goals, employees who have high motivation to work are needed, therefore company leaders must be able to motivate their employees so that these goals can be achieved smoothly. Meanwhile, the owner of UD. Sido Makmur really understands how to motivate its employees to work, so that it is easy to shape employee motivation. There is a relationship between salary and employee performance. This is because the salary shows the level of wages received by an employee. With a higher level of salary, it means that a person's belief is stronger that he has good skills in completing his job.

This study only has one independent variable (salary) and two dependent variables (work motivation and employee performance). While there are many other factors that can affect work motivation and employee performance. The research period used was still quite short, namely one month, so that the results of the study were less representative. The situation at the time of the research was not conducive, because it could not describe the actual condition of the company.

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