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The Effect Of Contract Work Patterns And Wage Systems On The Performance Of Convection Employees at PT. Harmoni Sinergi Sentosa

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Employee Performance; Piece-Rate Work Pattern; Wage System

Abstract

This study aims to examine how piece-rate work patterns and wage systems contribute to employee performance levels. The subjects of this study include all production employees working under a piece-rate system at PT Harmoni Sinergi Sentosa. This research employs a quantitative approach with a descriptive design using a survey method, applying the Slovin formula and involving 111 respondents. Data were collected through questionnaires, and the research instruments were measured using a five-point Likert scale. Data analysis was conducted using SPSS through linear regression testing to determine both partial and simultaneous effects among variables. The findings from the first hypothesis testing indicate that the piece-rate work pattern has a positive but not significant effect on employee performance. Furthermore, the results of the second hypothesis testing show that the wage system has a positive and significant effect on employee performance. This implies that the fairer and more competitive the wage system implemented, the higher the level of employee work effectiveness and efficiency. Simultaneously, piece-rate work patterns and wage systems are proven to have a significant effect on employee performance. These findings confirm that the combination of result-based work systems and appropriate wage mechanisms becomes a strategic factor in improving the performance of garment employees at PT Harmoni Sinergi Sentosa..

INTRODUCTION

Employee performance is a strategic factor determining an organization's success in achieving both operational and long-term goals. In the labor-intensive, target-driven garment industry, employee performance directly impacts output quantity, product quality, order completion time efficiency, and customer satisfaction. Employee performance is the result of work that demonstrates an individual's effectiveness and efficiency in achieving established organizational targets (Joo & Aguinis, 2025). This definition emphasizes that performance is not only measured by the quantity of work produced, but also includes quality, timeliness, and contribution to organizational standards. In this study, employee performance is measured through indicators of work effectiveness, task completion efficiency, production quality, and target achievement. Conceptually, performance is influenced by various factors such as work systems, compensation systems, motivation, job satisfaction, and clarity of production targets. Therefore, companies need to manage these factors in an integrated manner to increase productivity.

The manufacturing and garment industry faces increasingly fierce competition, characterized by fluctuating market demand, pressures for production cost efficiency, and demands for continuous product quality improvement. These conditions encourage companies to implement work systems that can improve performance without compromising quality standards. One factor considered to improve performance is the contract work system.

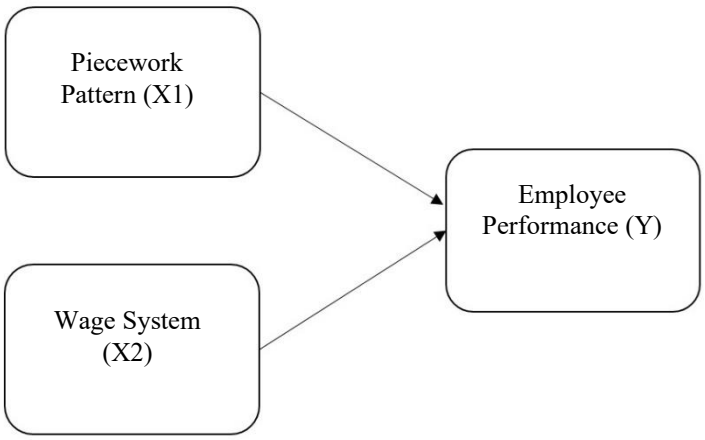
The piecework system in this study is defined as a work system that directly links the quantity and quality of work results to the compensation received by employees based on their

output. This system is a results-based reward method to increase labor productivity (Sastrohadiwiryo & Syuhada, 2021) and emphasizes the quantity and quality of results as the basis for wage calculations (Bachrun, 2019). Indicators used include output volume, target completion speed, work efficiency, quality standards, and punctuality. Empirically, various studies have shown that the piecework system has a positive and significant impact on employee performance (Ku, 2022; Mulyeni & Herlina, 2023; Riyadi et al., 2025; Rosanti & Marlius, 2023; Sauermann, 2023). Furthermore, another factor influencing performance is the wage system.

In labor-intensive production sectors, the piece-rate system is a widely used approach because it links the quantity and quality of output with the compensation received by workers. Results-based compensation systems are designed to create a direct link between performance and rewards, thus encouraging workers to improve output and work quality (Dessler et al., 2025; Gerhart et al., 2020). Empirical evidence shows that piece-rate systems result in higher productivity levels than fixed-wage systems (Ku, 2022). Bloom et al. (2021) also found that shifting from a fixed-wage system to a results-based payment system significantly increased labor productivity. Optimal performance is influenced not only by piecework patterns but also by the overall wage system. Fair and competitive wage mechanisms play a role in increasing employee motivation, job satisfaction, and commitment (Dessler et al., 2025). However, some research has found that financial compensation does not always have a direct effect on performance, but rather through mediating variables such as job satisfaction (Abror, 2025). These discrepancies in results indicate inconsistencies in findings that require further testing, particularly in the context of industries characterized by target-based work systems.

Several previous studies have shown that piecework patterns and wage systems simultaneously have a positive and significant effect on employee performance (Munawarah & Arwansyah, 2023; Noorazem et al., 2021; Rauuf et al., 2022; Rosanti & Marlius, 2023). However, some studies have also shown insignificant results (Abror, 2025; Herdianto, 2025; Rahman, 2025). These discrepancies in findings indicate empirical inconsistencies, necessitating further testing in the context of the garment industry, characterized by piecework systems.

Based on existing theory and empirical data, the research model is described as follows:



Based on the research model above, the hypotheses of this study are:

H_1: The piecework pattern has a significant effect on employee performance.

H_2: The wage system has a significant effect on employee performance.

H_3: The piecework pattern and the wage system simultaneously have a significant effect on employee performance.

METHODS

This study uses a quantitative approach with a survey method, so that the relationship between piecework patterns, wage systems, and employee performance can be tested objectively, measurably, and has the potential for broader generalization. The quantitative

approach was chosen because this study aims to test the causal relationship between variables through numerical data and systematic statistical analysis (Creswell & Inoue, 2025). The relevant survey method was used because it allows respondents to provide a direct assessment of the work system and wage system they experience, so that the data obtained reflects the actual conditions of production employees at PT. Harmoni Sinergi Sentosa. The population in this study includes all production employees who work with a piecework system at PT. Harmoni Sinergi Sentosa. The sampling technique used was purposive sampling with the following criteria: (1) active employees in the production department, (2) working with a piecework system, and (3) having a minimum of one year of service. These criteria were determined so that respondents have sufficient experience in understanding the work patterns and wage systems implemented by the company, thus being able to provide objective and relevant answers. Data collection was conducted through a closed-ended questionnaire using a five-point Likert scale, ranging from "strongly disagree" to "strongly agree." The research instrument was developed based on three main constructs: piecework patterns (X_1), wage systems (X_2), and employee performance (Y). The piecework pattern variable was measured using indicators reflecting clarity of production targets, standard completion times, an output-based system, and a direct link between work results and compensation. The wage system variable was measured using indicators of wage fairness, appropriateness of wages to workload, transparency of the payment system, and wage adequacy and competitiveness (Dessler et al., 2025; Gerhart et al., 2020). Meanwhile, employee performance variables were measured using indicators of work effectiveness, quality of production results, timeliness of work completion, responsibility, and teamwork ability (Joo & Aguinis, 2025; Mangkunegara, 2021). The purpose of this instrument was to comprehensively map the relationship between results-based work systems, wage mechanisms, and performance achievement in the context of the garment industry. Prior to the main analysis, the validity of the research instrument was tested using Pearson Product Moment correlation. An item was declared valid if the calculated r-value was greater than the table r-value, in accordance with statistical testing requirements (Ghozali & Latan, 2021). Reliability testing was conducted using the Cronbach's Alpha coefficient, where an α value ≥ 0.70 indicates that the instrument has good internal consistency (Gliem & Gliem, 2003). This stage ensured that the measuring instrument used was able to measure the research constructs accurately and consistently. Data that met the validity and reliability criteria were analyzed using SPSS version 27 software. The analysis was conducted using descriptive and verification analysis. Descriptive analysis was used to describe the characteristics of respondents and the tendency of responses to each variable. Verification analysis was conducted using linear regression to test the partial and simultaneous effects of piecework patterns and wage systems on employee performance. Through this approach, the research seeks to produce empirical findings that can serve as a basis for managerial considerations in designing effective work systems and wage systems to improve employee performance in the garment industry.

RESULTS AND DISCUSSION

The results of the study were obtained through the distribution of questionnaires to respondents who were part of the employees at the garment company that was the object of the study, with the data collection process carried out during the period of February to March 2026. The characteristics of the respondents showed a relatively balanced gender composition between men and women, thus reflecting a proportional representation in describing the conditions of

the workforce in the company. Viewed from the age aspect, the majority of respondents were in the productive age group, which was dominated by the early to middle adult age range. This condition indicates that the workforce in the garment company tends to be in the age phase that has a high level of work energy, productivity, and adaptability to the demands of work based on production targets. Based on the length of service, the majority of respondents were in the relatively short to medium service period category, with a dominance of employees with work experience of less than ten years and no employees with very long service periods. This indicates that the characteristics of the workforce in the company tend to be dynamic with a fairly high employee turnover rate, which can affect work patterns, adaptation to the piecework system, and perceptions of the applied wage system.

Table 1

Summary of Descriptive Analysis Results

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Piecework Pattern (X1)	111	22	40	30.16	4.684
Wage System (X2)	111	21	35	28.63	4.178
Employee Performance (Y)	111	24	40	32.65	4.246
Valid N (listwise)	111				

The results of the descriptive analysis show the condition of each research variable, including the piecework pattern, wage system, and employee performance. The piecework pattern variable has an average value of 30.16 with a score range of 22–40 and a standard deviation of 4.684, indicating that the results-based work system is considered quite good by employees. The wage system variable has an average of 28.63 with a range of 21–35 and a standard deviation of 4.178, indicating that the wage mechanism is considered relatively fair and appropriate. Meanwhile, the employee performance variable has an average of 32.65 with a range of 24–40 and a standard deviation of 4.246, indicating that the level of work target achievement and the quality of production results are in the good category. Conceptually, a results-based work system and fair compensation are known to increase employee motivation and productivity, thus positively impacting performance (Dessler et al., 2025; Gerhart et al., 2020; Joo & Aguinis, 2025).

Tabel 2
Pearson Correlation Test Results

Correlations

		Piecework Pattern (X_1)	Wage System (X2)	Employee Performance (Y)
Piecework Pattern (X1)	Pearson Correlation	1	.474**	.427**
	Sig. (2-tailed)		.000	.000
	N	111	111	111
Wage System (X2)	Pearson Correlation	.474**	1	.754**
	Sig. (2-tailed)	.000		.000
	N	111	111	111
Employee Performance (Y)	Pearson Correlation	.427**	.754**	1
	Sig. (2-tailed)	.000	.000	
	N	111	111	111

**. Correlation is significant at the 0.01 level (2-tailed).

Based on the results of the Pearson correlation analysis in Table 2, it is known that there is a positive and significant relationship between the research variables. The Piecework Pattern variable (X1) has a correlation of 0.474 with the Wage System (X2) and 0.427 with employee performance (Y) with a significance value of 0.000 (<0.01). Meanwhile, the Wage System variable (X2) shows a stronger correlation with employee performance (Y) with a value of 0.754 and a significance level of 0.000. These results indicate that the relationship between variables is in the positive and significant category at the 0.01 level (2-tailed) with a total of 111 respondents. This finding indicates that the better the implementation of the piecework pattern and wage system in the company, the higher the tendency for employee performance to increase. The positive relationship between the compensation system, work mechanisms, and employee performance is also in line with previous research findings which state that a results-based work system and fair compensation can increase workforce motivation and productivity (Munawarah & Arwansyah, 2023; Noorazem et al., 2021; Rauuf et al., 2022; Rosanti & Marlius, 2023)..

Correlation
Test
Table 3
Results of the Analysis of the Coefficient of Determination ($R^{2)}$

Model Summary

Model	R	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
1	.758a	.574	.566	2.796

a. Predictors: (Constant), Wage System (X2), Piecework Pattern (X1)

Based on the results of the coefficient of determination test in the Model Summary Table, a multiple correlation coefficient (R) value of 0.758 was obtained, indicating that the relationship between the variables of piecework patterns and wage systems on employee performance is in the strong category. The coefficient of determination (R Square) value of 0.574 indicates that 57.4% of the variation in employee performance can be explained by the variables of piecework patterns and wage systems, while the remaining 42.6% is influenced by other factors outside this research model. In addition, the Adjusted R Square value of 0.566 indicates that the regression model built has a fairly good ability to explain the relationship between research variables.

Table 4
Anova (F-test)

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	1138.900	2	569.450	72.834	.000[b]
	Residual	844.397	108	7.818		
	Total	1983.297	110			

a. Dependent Variable: Employee Performance (Y)

b. Predictors: (Constant), Wage System (X2), Piecework Pattern (X1)

The ANOVA test results as shown in the Table indicate that the regression model used in this study has a good level of feasibility. The calculated F value of 72.834 with a significance level of 0.000 (<0.05) indicates that the piecework pattern and the wage system simultaneously have a significant effect on employee performance, so that the third hypothesis (H3) can be accepted. This finding indicates that the combination of a results-based work system and an appropriate compensation mechanism can increase employee productivity and work performance. The results of this study are also in line with various previous studies which state that an effective work system and fair compensation play an important role in increasing employee motivation and performance (Amindrawati et al., 2025; Desky, 2023; Ilmi & Juliana, 2023; Pujangga et al., 2025).

Table 5
Partial Significance Test Analysis (t)

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	9.500	2.084		4.559	.000
	Piecework Pattern (X1)	.082	.065	.090	1.261	.210
	Wage System (X2)	.723	.072	.711	9.970	.000

a. Dependent Variable: Employee Performance (Y)

Based on the regression analysis results in the Coefficients Table, the influence of each independent variable on employee performance can be explained through partial testing (t-test). The Piecework Pattern variable (X1) shows a regression coefficient of 0.082 with a calculated t-value of 1.261 and a significance level of 0.210, which is greater than the 0.05 level. This value indicates that although the relationship is positive, the piecework pattern does not significantly influence employee performance. This condition indicates that the results-based work system is not fully capable of directly improving performance, as performance achievement is also influenced by other factors such as the compensation system, work motivation, and work environment conditions.

Partial testing of the Wage System variable (X2) shows a regression coefficient of 0.723 with a calculated t-value of 9.970 and a significance level of 0.000, which is less than the 0.05 level of significance. These results indicate that the wage system has a positive and significant influence on employee performance. The standardized beta coefficient of 0.711 also indicates that the wage system is the variable with the largest contribution in this research model. This finding confirms that the better the implementation of a fair, transparent, and appropriate wage system, the higher the likelihood of employee performance improvement.

The results of the hypothesis testing in this study indicate that the piecework system does not have a significant impact on employee performance, although the direction of the relationship is positive. This suggests that the implementation of a piecework-based work system has not been able to optimally drive performance improvement in the organizational context studied. This condition reflects that in practice, the piecework system is more oriented towards achieving work quantity targets than the quality of work results, causing employees to tend to focus on completing tasks quickly without paying attention to the company's quality

standards. Furthermore, the effectiveness of the piecework system is highly dependent on the presence of other supporting factors, such as clear standard operating procedures, a consistent supervisory system, proportional task allocation, and the provision of additional incentives that can increase employee motivation. Therefore, if these factors are not optimally met, the piecework system cannot make a significant contribution to improving employee performance.

The research findings also show that the wage system has a positive and significant influence on employee performance, indicating that this variable is a dominant factor in driving increased work productivity. The implementation of a wage system that is fair, transparent, and appropriate to the workload and contribution of employees can create a sense of justice and job satisfaction, which ultimately has implications for increasing employee work motivation as a whole. From a human resource management perspective, compensation is not only seen as a form of financial reward, but also as a form of organizational appreciation for the contributions made by employees. Therefore, when employees feel that their efforts and work results are properly appreciated, there will be an internal drive to improve performance in both the quantity and quality of work. Thus, the better the wage system implemented, the greater the potential for improving employee performance in the long term.

Simultaneous hypothesis testing further demonstrated that piecework patterns and wage systems jointly contribute to employee performance. Although partial testing did not demonstrate a significant effect, it is understood that employee performance is the result of the interaction of various complementary factors within the organizational system. In this case, the wage system plays a primary role, directly influencing motivation and work productivity, while the piecework pattern serves as an operational mechanism that supports the efficient completion of work. Integration between these two variables is crucial, as the effectiveness of piecework patterns will be more optimal if supported by a fair wage system that provides motivational support to employees. Overall, the results of this study confirm that improving employee performance will be more effective if companies focus not only on implementing work patterns but also pay attention to comprehensive, transparent, and performance-based wage system management to achieve optimal and sustainable work results.

The results of this study indicate that the wage system is a more dominant factor in influencing employee performance than the piecework pattern. This situation emphasizes the importance of compensation policies that adequately reward employee performance, thereby increasing motivation, productivity, and work commitment within the organization. This finding is in line with various previous studies which state that an effective compensation system has an important role in improving employee performance and productivity in organizations (Chaidier & Suratman, 2025; Ihsan et al., 2024; Junio, 2023).

CONCLUSION

Based on the research findings, the first hypothesis (H_1) indicates that the piecework pattern has a positive but insignificant effect on employee performance, meaning that the implementation of a results-based work system has not directly and significantly improved performance. The second hypothesis (H_2) is accepted, stating that the wage system has a positive and significant effect on employee performance, meaning that the better the wage system implemented, the higher the employee performance. The third hypothesis (H_3) is also accepted, indicating that the piecework pattern and the wage system simultaneously have a significant effect on employee performance.

These findings demonstrate the importance of implementing a wage system that is fair, transparent, and commensurate with employee work contributions to increase motivation and productivity. Furthermore, an evaluation of the implementation of the piecework pattern is also needed to support optimal employee performance improvement.

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