

The Effect of Compensation And Motivation on Employee Performance At The Palopo City Land Office

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Abstract

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This study was conducted to analyze the effect of compensation and work motivation on employee performance at the Palopo City Land Office. The approach used is a quantitative research method with a descriptive and analytical design. The research sample includes all employees in the office, totaling 47 people. Data were collected through a questionnaire that had been tested for validity, and the data were analyzed using multiple linear regression with the help of SPSS software. The results of the study revealed that work discipline and work motivation, both individually and simultaneously, have a positive and significant effect on employee performance.

Keywords: *Compensation, Motivation, Employee Performance*

INTRODUCTION

An organization can function effectively if it can combine the various resources it has, including capital, human resources, and machine resources, to enable the achievement of the desired goals. Human resources of an organization are a crucial component and have a higher position than other resources. High-quality human resources are expected to support the organization in achieving its goals. According to Andriani et al., (2022), competent human resources can face challenges when organizational circumstances change. Syarif et al., (2022). Organizational productivity and employee performance can be improved through effective human resource management. Therefore, human resource management is essential for a business to achieve its strategic goals. A number of factors, including motivation and compensation, are considered to play a very important role because according to Rivai et al. (2018), employees value compensation and remuneration because it shows how much their work is appreciated by colleagues, family, and the wider community. In addition, Adhari (2021) emphasized that motivation plays an important role in supporting, directing, and motivating people to work hard and be enthusiastic to obtain the best results.

Compensation and motivation play an important role in improving employee performance. Compensation serves as a driver for individuals to carry out tasks with the aim of achieving the best results, while employees' work motivation needs to be cultivated so that they can work optimally. Employees who have low motivation will find it difficult to work effectively and are less likely to show responsibility, even if they have adequate operational skills. However, if the motivation of employees' performance can be improved, their performance in the organization or agency will increase.

As a city that continues to grow, the city of Palopo faces various challenges in the land sector, such as land conversion, agrarian conflicts, and the need for land certification and legality for the community. Therefore, the Palopo City Land Office plays a role in ensuring that land policies run in accordance with applicable regulations, including the Basic Agrarian Law and its

derivative regulations. The Palopo City Land Office is a local government agency responsible for the management, planning, and supervision of land use and utilization in the Palopo City area. The existence of this service is very important in supporting sustainable development, spatial planning, and solving various land problems that occur in the community. This agency also has a strategic role in supporting government programs, such as agrarian reform, complete systematic land registration (PTSL), and the development of spatial planning oriented to community welfare. With coordination between the local government, the National Land Agency (BPN), and other related agencies, it is hoped that land management in Palopo City can run more effectively and transparently

. This research also has important implications in policy formulation in the government sector. By understanding the factors that affect employee performance, local governments can take strategic steps to improve employee welfare while ensuring better quality of public services. The results of this study are expected to be a reference in developing compensation and motivation policies that are more in line with the needs of employees at the Palopo City Land Office. Based on the description above, this study aims to analyze in depth the influence of compensation and motivation on employee performance at the Palopo City Land Office Office. With the findings produced, it is hoped that this research can contribute both theoretically and practically in improving the work effectiveness of employees in the government sector.

METHODS

This research uses a quantitative approach, which Sugiyono defines as a research methodology that utilizes numerical data and statistical analysis. In addition, this study also uses a correlational approach. Thus, the purpose of this quantitative research is to analyze the data and identify the impact of compensation and motivation on the performance of employees at the Palopo City Land Office Office.

In this study, the object studied was employees at the Palopo City Land Office with a total population of 47 people. To facilitate the distribution of questionnaires, this study uses the Google Form platform as an effective data collection medium, resulting in a final sample. The saturated sampling approach is a sampling strategy used, meaning that each employee is subjected to a thorough analysis and the entire population is sampled. This research was carried out at the Palopo City Land Office to dig deeper into the influence of the variables that have been determined. The statistical package for social sciences, or SPSS, is used to examine the data collected., which allows statistical testing to identify relationships between independent and dependent variables. Through SPSS, the results of statistical analysis can be carried out in detail and provide valid information about the influence of compensation and motivation on employee performance.

RESULTS AND DISCUSSION

1. Validity test

Validity testing is performed to verify and ensure that each statement as well as the number of variables in the questionnaire is suitable for data collection. The researcher tested the validity of the questionnaire to ensure that each question was relevant and in accordance with the indicators to be measured. A questionnaire is declared valid if the statement in it can reveal what the questionnaire measures, with a significance level of 0.05 or 5% and a table value of 0.287. Once the rtable values are known, the values on each element in the questionnaire are compared. If the estimated r value is greater than the r of the table, then each item in the questionnaire is considered valid.

Table 1. Compensation Validity Test Results (X1)

statement	r-count	r-table	Information
KO1	0. 748	0.287	Valid
KO2	0.778	0.287	Valid
KO3	0. 845	0.287	Valid
KO4	0. 858	0.287	Valid
KO5	0. 800	0.287	Valid
KO6	0. 797	0.287	Valid
KO7	0. 882	0.287	Valid
KO8	0. 775	0.287	Valid
KO9	0. 734	0.287	Valid

Source : SPSS version 30

Table 2. Motivational Validity Test Results (X2)

statement	r-count	r-table	Information
MO1	0.893	0.287	Valid

MO2	0.789	0.287	Valid
MO3	0.784	0.287	Valid
MO4	0.834	0.287	Valid
MO5	0.916	0.287	Valid
MO6	0.747	0.287	Valid
MO7	0.884	0.287	Valid
MO8	0.943	0.287	Valid
MO9	0.879	0.287	Valid

Source : SPSS version 30

Table 3. Results of the Employee Performance Validity Test (Y)

statement	r-count	r-table	Information
KP1	0,851	0.287	Valid
KP2	0,855	0.287	Valid
KP3	0,889	0.287	Valid
KP4	0,868	0.287	Valid
FP5	0,923	0.287	Valid
KP6	0,920	0.287	Valid
KP7	0,890	0.287	Valid

FP8	0,845	0.287	Valid
KP9	0,752	0.287	Valid

Source : SPSS version 30

Based on the results of the validity test carried out, after considering the existing data, because the calculated r value is greater than the table r value, which is 0.287, it can be said that all statement items in the questionnaire can be said to be valid. Thus, all statements in the questionnaire can be trusted to represent the concepts being measured. In other words, the research instrument, namely the questionnaire, is declared feasible and capable of collecting the information needed to produce accurate research.

2. Reliability Test

The Cronbach alpha coefficient formula was used in the reliability test of this study to evaluate the dependency of the questionnaire. Measuring instruments are declared reliable and trustworthy if they are stable and consistent. To ensure the reliability of the questionnaire, the researcher checked the reliability of the questionnaire using the SPSS program version 30. If the alpha coefficient results exceed the significance level of 60%, then the questionnaire is considered reliable. On the other hand, the questionnaire is considered unacceptable if the alpha coefficient results are less than the significance level of 0.6 or 60%.

Table 4. Reliability Test Results

Variable	r Alpha	Reliability value	information
Compensation (X1)	0.926	0,60	Reliable
Motivation (X2)	0.952	0,60	Reliable
PerformanceOfficer(Y)	0.962	0,60	Reliable

Source : SPSS version 30

From the results of the reliability test in Table 4, it can be seen that each variable item has a Cronbach's Alpha value of more than 0.6 or 60%, which shows that each variable—namely: Compensation (X1) = 0.926, Motivation (X2) = 0.952, and Employee Performance (Y) = 0.962—is reliable. These values show that the research instruments used have good to very good consistency, which allows the questionnaire to produce reliable data.

3. Multiple Linear Regression Test

The hypothesis regarding the influence of independent factors, especially compensation (X1) and motivation (X2), on the dependent variable, employee performance (Y), was tested

in this study using multiple linear regression analysis. Based on data collected from two studies, both for dependent (Y) and independent (X) variables, the analysis was carried out using SPSS software version 30. The following results are displayed by multiple linear regression calculations.

Table 5. Summary of Multiple Linear Regression Test Results

		Coefficient			
Type		Unstandardized Coefficients	Standardized Coefficients	t	Sig.
		B	Std. Error	Beta	
1	(Constant)	,920	2,736		,336
	Compensation	,364	,126	,333	2,892
	Motivation	,616	,118	,602	5,230

a. Dependent Variable: Employee Performance

Source : SPSS version 30

This study used multiple linear regression analysis to test the hypothesis that the characteristics of compensation (X1) and motivation (X2) affect employee performance (Y). Based on the research data that has been collected for the dependent variable (Y) and the independent variable (X), the results of the analysis were obtained through data processing using the SPSS version 30 program. The following are the results of the multiple linear regression calculation obtained.

$$Y = 0.920 + 0.364X1 + 0.616X2$$

1. Constant (a) of 0.920 indicates how employee performance is positively affected by incentives and compensation. This consistent value suggests that employees perform better when they are paid higher and more motivated.
2. Employee performance will increase by 0.364 units for each unit increase in the salary variable, according to the compensation variable coefficient (X1) of 0.364.
3. The coefficient for the motivation variable (X2) of 0.616 indicates that every one unit increase in the motivation variable will increase employee performance by 0.616.

To ensure the validity of the results of this method, the method is equipped with several techniques to test hypotheses, including partial tests, simultaneous tests, and determination tests (R2) as described below:

a. Partial Test (t-test)

In this study, a partial test (t-test) was used to determine whether independent variables, namely compensation and motivation, have an influence on the dependent variable, namely employee performance, individually. Using the t-test, it can be determined whether each independent variable has a positive or significant influence on employee performance, as well as which variable makes the greatest contribution to the model, with a significance level ($\text{sig} < 0.05$).

Based on the results of the t-test in table 6, the t-value of the compensation variable calculation is 2.892, and the motivation variable is 5.230. The degree of freedom (df) and the significance level (α) of 0.05 are used to generate the value of the table. which is calculated using the formula $n-k-1$. In this study, df was calculated as $47-3 = 44$. By using a double-sided test at a significance level of 0.05, a table t-value of 2.015 was obtained.

It can be concluded that:

- Compensation variable (X1) The estimated t-value of 2.892 is greater than the table t-value of 2.015, which shows that the independent variable has a considerable influence on employee performance.
- Employee performance was also positively and significantly influenced by the motivation variable (X2) with a calculated t value of 5.230 greater than the table t-value of 2.015.

b. Simultaneous Test (F Test)

The significance of the overall relationship between the independent variable (compensation, X1) and the bound variable (motivation, X2) was evaluated using the F test (simultaneous). The free variable has a significant effect on the bound variable if the significance value ($\text{sig} < 0.05$).

Table 6. Test F

Table 4.13						
Test F						
NEW ERA						
Type		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	824,873	2	412,436	86,688	,000b
	n					

Residual	209,340	44	4,758
Total	1034,213	46	

a. Dependent Variable: Employee Performance

b. Predictors: (Constant), Motivation, Compensation

Source : SPSS version 30

The F value of the table used in this study is 3.204, while the F value calculated based on table 6 is 86.688. It can be concluded that the combination of motivation and compensation factors has a significant effect on the performance of Palopo City Land Office employees, namely 86,688 is greater than 3,204 and F is greater than F table.

c. Determinant Coefficient Test (R²)

The following table presents the information on the results of data collection that has been processed using the calculation model through the SPSS application version 30.

Model Summary				
Type	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,893a	,798	,788	2,181

a. Predictors: (Constant), Motivation, Compensation

Source : SPSS version 30

The correlation coefficient (R) of 0.893 in the table above indicates a significant relationship between factors that affect employee compensation and motivation and performance at the Palopo City Land Office. which falls into the category of high relationships. Meanwhile, the Adjusted R Square value of 0.788 or 78.8% indicates that compensation and motivation factors contribute 78.8% to employee performance, while the remaining 21.2% (100% - 78.8%) is the rest of the explanation in this research model.

DISCUSSION

The Effect of Compensation on Employee Performance

The calculated t-value of 2.892 is higher than the table's t-value of 2.015, which indicates a positive value, according to the results of the t-test on the impact of salary on performance. This shows that salary affects performance significantly and positively. In addition, a coefficient of determination (R^2) of 0.788, or 78.8%, indicates that salary accounts for 78.8% of performance, while other factors not included in this regression model affect the remaining 21.2% (100% - 78.8%).

Based on the results of the study, it was found that there was a positive and significant relationship between salary and performance. This finding is in line with the statement of Hasibuan (2016:118), It is stated that all income received by employees in return for their services to the company, whether in the form of cash or goods, either directly or indirectly, is considered compensation. This effort needs to continue to be improved to encourage performance at the Palopo City Land Office, so that it not only remains stable, but can also experience a better improvement.

The Effect of Compensation on Employee Performance

Based on the results of the t-test, the effect of motivation on performance had a calculated t-value of 5.230, greater than the positive t-value of the table which was 2.015. This indicates that the motivation variable at the Palopo city land office has a positive and significant effect on performance.

Motivation has an important role in encouraging employees to change their behavior according to the organization's goals. Providing motivation aims to increase enthusiasm and enthusiasm, discipline, achievements, morals, sense of responsibility, productivity, efficiency, and build employee loyalty to the organization. This statement is in line with the opinion of Priansa (2021) who reveals that motivation is a driving force that arises from the process of interaction between attitudes, needs, perceptions, subordinates or individuals with the surrounding environment.

The Influence of Compensation and Motivation on Employee Performance

The results of the F test showed that the performance of employees of the Palopo City Land Office was influenced by compensation and motivation. This can be seen from the F_{cal} value of 86.688 > the F_{table} value of 3.204. These results show that compensation and motivation both have a major influence on worker performance at the same time. As a result, hypothesis 3 (H_3) states that compensation and motivation both affect employee performance.

This research is also in line with the research conducted by Mundakir, (2018), his research examines the influence of motivation and compensation on employee performance, that motivation has a more dominant influence on employee performance. The results of the study resulted in the conclusion that high motivation and compensation are needed to encourage better employee performance.

CONCLUSION

Based on the analysis of the data and the discussion presented, it can be concluded that both compensation and motivation have a positive effect on the performance of employees of the Palopo City Land Office. Therefore, the hypotheses of H_1 , H_2 and H_3 are acceptable. Overall, it can be seen that compensation and motivation are important factors that can support improvement and become the basis for maintaining the sustainability of employee performance at the Palopo City Land Office.

The following suggestions were made in connection with this study based on the findings and conclusions of the study: 1) The Palopo City Government, especially the Land Office, should continue to pay attention to the compensation given to employees to increase their trust in the agency, create a calm and focused work atmosphere, so that employees feel more satisfied and their performance can improve. 2) The Palopo City Land Office should maintain the motivation given to employees so that they can improve their performance. 3) For researchers who will conduct similar research, it is recommended to consider other variables other than those in this study so that the results of the study are more comprehensive.

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