

# THE IMPACT OF JOB APPRAISAL AND COMPENSATION ON EMPLOYEE PRODUCTIVITY IN THE SUB-DISTRICT OFFICE SOUTH NIAS REGENCY

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**Abstract:** *This study aims to examine the effect of Work Appraisal and Compensation on Work Productivity of Sub-district Office Employees Maniamolo South Nias Regency. This research includes population research which has been conducted on 30 employees at the Maniamolo Sub-District Office. The questionnaire was tested for validity and reliability before collecting data research. The test tool used in this study uses the classical assumption test which includes the data normality test, classical assumption test, and classical assumption test. Assumption test which includes data normality test, multicollinearity test, autocorrelation test, and heteroscedasticity test. The data analysis method used is multiple regression. The research resulted in the following: (1) Work Appraisal has a positive and significant effect on Employee Productivity which is indicated by the value of  $t_{count} (6.947) > t_{table} (1.703)$  and a significant level of  $0.000 < (0.05)$ . (2) compensation has a positive and significant effect on employee work productivity which is indicated by the value of  $t_{count} = (3.093) > t_{table} (1.703)$  and a significant level of  $0.005 < (0.05)$ . (3) Appraisal Work Appraisal and Compensation have a joint effect on employee work productivity, which is indicated by the value of  $f_{count} 41.365 > 3.354$  significant level of  $0.000 < \alpha = 0.05$ , and while the value of the coefficient of determination ( $R^2$ ) of 0.754 or 75.4%, which means that the ability of the independent variables (Work Appraisal and Compensation) can explain the dependent variable (Work Productivity Employees) is 75.4% and the remaining 24.6% is explained by other variables. Therefore it can be concluded that Job Appraisal and Compensation have a positive and significant effect on Employee Productivity.*

**Keywords:** *Job Appraisal, Compensation, Employee Productivity*

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## Introduction

In an organization is strongly influenced by the quality of its human resources. Every organization is required to be able to optimize human resources and how human resources are managed. Human resource management cannot be separated from the employee factor which is expected to perform as well as possible by achieving organizational goals, employees are the main assets of the organization and have a strategic role in the organization, namely as thinkers, planners, and controllers of organizational activities Sutrisno (2009). To achieve the organization greatly affects employee work compensation on work productivity. Work appraisal is the process of evaluating or assessing employee work. Work appraisals that are carried out properly, orderly and correctly, can help increase employee productivity in an organization (Evita et al., 2019).

Based on the results of observations made by researchers at the Maniamolo Sub-District Office, South Nias Regency, several problems were found as follows: lack of understanding and direction of the work assigned to employees, in this case employee work appraisal is still lacking, there are still employees who lack confidence in working, unclear division of tasks, low work discipline, resulting in a decrease in the level of employee productivity which will ultimately have an effect on achieving organizational goals.

Organizations need employees who have high productivity, because of the high productivity of employees, employees can work according to the standards given by the organization and can improve work quality (Kandou, 2013). Productivity is the result of employee work shown in the existence of the organization. Employees who have low productivity to the organization can disrupt the work of the organization, the organization cannot achieve the expected targets (Wijaya et al., 2020). Low employee productivity can reduce employee work levels and high absentee levels and the emergence of employee disobedience to their leaders. In organization, it can lead to behavior that is contrary to organizational goals so that it can damage the vision and goals of the organization (Arifudin et al., 2020).

### **Literature Review**

Job appraisal is a formal process for periodically reviewing and evaluating a person's work. According to Handoko (2005: 198) "job appraisal is the process through which organizations evaluate or assess employee performance". Meanwhile, according to Panggabean (2014) "job appraisal is a systematic evaluation of the work that has been done by employees and is shown for development". Furthermore, according to Mangkunegara (2005: 177) states that "work appraisal is an evaluation of the quality of work achieved by a person in carrying out his duties in accordance with the responsibilities given to him".

According to Ardana (2012: 153) compensation is: "everything that is received by employees as a reward for their contribution to the organization". Meanwhile, according to Cahyani (2005: 77) argues that "compensation is a system that is able to ensure the satisfaction of organizational members who can obtain, maintain and be able to employ high performers for the common good".

Meanwhile, according to Hasibuan (2003: 117) compensation is: "all income in the form of money, direct or indirect goods received by employees in return for what is given to the organization".

Employee work productivity is a concept that describes the relationship between the results of an organization both large and small. According to Yuniarsih (2009: 156) argues that "employee work productivity can be interpreted as concrete results (products) produced by individuals or groups, during a certain unit of time in a work process". Meanwhile, according to Nawawi (2009: 157) states that "employee work productivity is a comparison between the results obtained (output) and the amount of resources used as input". Furthermore, according to Mangkunegara (2005) states that: "productivity develops from technical understanding to behavior".

### **Method**

The type of research conducted is quantitative, which is associative in nature, aims to describe the actual situation about the effect of work appraisal and compensation on employee work productivity at the Maniamolo Sub-District Office, South Nias Regency.

The population in this study were all employees at the Maniamolo Sub-District Office, South Nias Regency. Population is an area consisting of generalizations consisting of subjects / objects that have certain quantities and characteristics set by researchers to study and then draw conclusions Sugiyono (2017). Based on the data obtained, the number of employees at the Maniamolo Sub-District Office, South Nias Regency is 30 people.

The sample is part of the number and characteristics of the population Bungin (2015). The sample in this study used a saturated sample, namely the population of 30 people as well as a sample because it was less than 100 people.

The test tool used in this study uses a classic assumption test which includes data normality test, multicollinearity test, autocorrelation test, and heteroscedasticity test. The data analysis method used is multiple regression.

## Result and Discussion

### T Test (Partial)

To determine the effect of each independent variable on employee performance using a partial test (t test). The t test results are shown in the table as follows:

#### T Test (Partial)

##### Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	7.809	4.406		1.772	.088
penilaian kerja	.553	.080	.707	6.947	.000
Kompensasi	.291	.094	.315	3.093	.005

a. Dependent Variable: produktivitas kerja pegawai

Sumber : Data diolah dengan software SPSS 15.0 for Windows

In the table above, it can be seen that the tcount of the work appraisal variable (X1) is 6,947 and a significant level of 0.000. While the ttable value at  $df = n-k-1$  or  $30-2-1 = 27$  is 1.703. Because the value of tcount (6.947) > ttable (1.703) and a significant level of  $0.000 < (0.05)$ , then  $H_a$  is accepted and  $H_o$  is rejected. This means that the work appraisal variable (X1) has a positive and significant effect on employee work productivity at the Maniamolo sub-district office, South Nias Regency.

In the table above, it can be seen that the tcount of the compensation variable (X2) is 3.093 and a significant level of 0.005. While the ttable value at  $df = n-k-1$  or  $30-2-1 = 27$  is 1.703. Because the value of tcount (3.093) > ttable (1.703) and a significant level of  $0.000 < (0.05)$ , then  $H_a$  is accepted and  $H_o$  is rejected. This means that the compensation variable (X2) has a positive and significant effect on employee work productivity at the Maniamolo sub-district office, South Nias Regency.

### F Test (Simultan)

Testing the independent variables together on the dependent variable the test results can be seen below.

### F Test (Simultan)

ANOVA <sup>b</sup>					
Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	361.290	2	180.645	41.365	.000 <sup>a</sup>
Residual	117.910	27	4.367		
Total	479.200	29			

a. Predictors: (Constant), kompensasi (X<sub>1</sub>), penilaian kerja (X<sub>2</sub>)

b. Dependent Variable: produktivitas kerja pegawai (Y)

Sumber : Data diolah dengan software SPSS 15.0 for Windows

From the table above, the Fcount value of 41.365 is greater than the Ftable value of 3.354 at df = n-k-1 or 30-2-1 = 27 of 3.354 .This means that all work appraisal variables (X1) and compensation (X2) are able to explain the independent variables in other words the independent variables jointly affect the dependent variable.

### Test Coefficient of Determination (R<sup>2</sup>)

From the results of data processing, the coefficient of determination (R<sup>2</sup>) is obtained = 0.754 (75.4%) so that it can be shown that 75.4% of the diversity of the dependent variable (employee work productivity) can be explained by the independent variable (work appraisal and compensation). While the remaining 24.6% is influenced by other variables outside the model. Complete data processing can be seen in the table below:

### Test Coefficient of Determination (R<sup>2</sup>)

Model summary (b)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.868 <sup>a</sup>	.754	.736	2.08975

a. Predictors: (Constant), kompensasi (X<sub>1</sub>), penilaian kerja (X<sub>2</sub>)

b. Dependent Variable: produktivitas kerja pegawai (Y)

### Conclusion

Based on the results of data analysis research on the effect of work appraisal and compensation on employee work productivity at the Maniamolo Sub-District Office, South Nias Regency, this is described as follows:

- From the results of the estimation carried out, the work appraisal variable (X1) partially has a positive and significant effect on employee work productivity (Y) at the Maniamolo Sub-District Office, South Nias Regency, which is indicated by the tcount value of 6.947 > t table 1.703. Because the tcount value (6.947) > ttable (1.703) and a significant level of 0.000 < (0.05), then Ha is accepted and Ho is rejected. This means that the work appraisal variable (X1) has a positive and significant effect on employee work productivity.

- Hypothesis testing for compensation variables (X2) partially has a positive and significant effect on employee work productivity (Y) at the Manitoba Sub-District Office. (Y) at the Maniamolo Sub-District Office, South Nias Regency, which is indicated by the tcount value of  $3.093 > t \text{ table } 1.703$ . Because the value of tcount ( $3.093$ )  $>$  table ( $1.703$ ) and a significant level of  $0.005 < (0.05)$ , then  $H_a$  is accepted and  $H_o$  is rejected. This means that the compensation variable (X2) has a positive and significant effect on employee work productivity at the Maniamolo Sub-District Office, South Nias Regency.
- The work appraisal and compensation variables together have a positive and significant effect on employee work productivity at the Maniamolo Sub-District Office, South Nias Regency, which is indicated by the Fcount value of  $41,365 > F \text{ table value of } 3,354$  with  $\alpha = 5\%$ , meaning that the independent variable can affect the dependent variable on employee work productivity at the Maniamolo Sub-District Office, South Nias Regency.

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