



## Compensation Analysis on The Performance Of Employees Of The Public Work Of Civil Work And Regional Spatial District Nganjuk Regency

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### **Abstract**

*Natural resources in the mining sector are one of the natural resources in Indonesia. The sector produces various types of mining commodities that have different economic values. Ngawi Regency is one of the regions in East Java Province which has potential in the mining sector. One of the potential of the mine is group C excavation material. Since the construction of toll roads in the Ngawi Regency area, demand for mining products in the form of class C excavation materials as materials for toll road construction has increased rapidly. This has encouraged the growth of mining businesses in the region. Mining activities or businesses in addition to having a positive impact, such as the absorption of labor, also cause various negative impacts that affect the welfare of the community. Employment in the mining sector is indeed wide open which then causes people to switch from various sectors of employment to employment in the mining sector. The shift of employment to the mining sector has an impact on rising levels of income. However, this does not significantly affect the level of community welfare.*

**Keywords:** Mining, Labor, Community Welfare

### **Abstrak**

Sumber daya alam sektor pertambangan merupakan salah satu hasil kekayaan alam di Indonesia. Sektor tersebut menghasilkan berbagai jenis komoditas hasil tambang yang memiliki nilai ekonomis berbeda-beda. Wilayah Kabupaten Ngawi termasuk salah satu wilayah di Provinsi Jawa Timur yang memiliki potensi di sektor pertambangan. Salah satu potensi tambang tersebut adalah bahan galian golongan C. Sejak berlangsungnya pembangunan jalan tol di wilayah Kabupaten Ngawi permintaan hasil tambang berupa bahan galian golongan C sebagai bahan material pembangunan jalan tol meningkat pesat. Hal ini mendorong tumbuhnya usaha pertambangan di wilayah tersebut. Kegiatan atau usaha pertambangan selain membawa dampak positif seperti penyerapan tenaga kerja juga menimbulkan berbagai dampak negatif yang berpengaruh terhadap kesejahteraan masyarakat. Lapangan pekerjaan di sektor tambang memang terbuka lebar yang kemudian menyebabkan masyarakat beralih dari berbagai sektor lapangan pekerjaan ke lapangan pekerjaan di sektor tambang. Beralihnya lapangan pekerjaan ke sektor tambang tersebut membawa dampak naiknya tingkat pendapatan. Akan tetapi hal tersebut tidak secara signifikan mempengaruhi tingkat kesejahteraan masyarakat.

Kata Kunci : Pertambangan, Tenaga Kerja, Kesejahteraan Masyarakat

## INTRODUCTION

The existence of human resources in an organization holds an important role. Workers or employees have the potential to influence the activities of government organizations. The potential of every human resource in a government organization must be utilized as well as possible so that it can provide optimal output.

The achievement of the main tasks and functions of the organization depends not only on modern equipment, complete facilities and infrastructure, but rather it depends more on the human being carrying out the work. The success of an organization is influenced by the performance of individual employees. Every organization, both company and government agency, will always strive to improve the performance of its employees with expectations of what the tasks and functions of the organization will be achieved.

In improving employee performance, an organization can take several ways, including through education, training, providing appropriate compensation, creating a conducive work environment and providing motivation. Through these processes, employees are expected to maximize the responsibility for their work. Employees are provided with education and training related to the implementation of their work. While compensation, a good work environment, and giving motivation, are basically the rights of employees. This is the obligation of the organization to support the contribution of employees in their ranks to reach the stated goals.

Improving employee performance is not a coincidence, but many factors influence, including compensation. Optimal employee performance can be achieved if it is preceded by an act that is carrying out the task charged. Employees will be more motivated to take responsibility for their work. If the company understands and pays close attention to the needs of employees who are basically working to get money, in this case it is in the form of a salary.

Every member of an organization has its own interests and goals when he joins the organization. For some employees, the hope of earning money is the only reason to work. But others argue, that money is only one of the many needs that are met through work. A person who works will feel more appreciated by the people around him, than those who do not work. To ensure the achievement of alignment of objectives, organizational leaders can give attention by giving one of the compensation. Compensation is part of the reciprocal relationship between organizations and human resources.

Fulfillment of good compensation will certainly improve the performance of employees. According to Suyadi Prawirosentono (1999) the meaning of performance or performance is the result of work that can be achieved by a person or group of people in an organization, in accordance with the authority and responsibility of each, in order to achieve the goals of the organization legally, not violating the law and in accordance with morals and ethics. Meanwhile, according to Old Marihot E.H. (2002) performance is the result of work produced by

employees or real behavior displayed in accordance with its role in the organization. Employee performance is a very important thing in the organization's efforts to achieve its goals.

Therefore, it is one of the best ways to increase the capacity of employee performance is to link compensation with employee development. If the compensation program is perceived as fair and competitive by employees, the company will be easier to attract potential employees, maintain it and motivate employees to improve its performance, so that productivity increases and the organization is able to perform its duties and functions optimally. The Nganjuk Regency Regional Space can be seen from the compensation given to its employees.

## LITERATURE REVIEW

Understanding of human resource management according to several experts (Sutrisno, 2009: 3), among others:

According to Simamora (2002), human resource management is utilization, development of research, provision of remuneration, and management of individual members of organizations or groups of workers.

According to Dessler (2002) human resource management can be defined as a policy and practice needed by someone who runs the "people" or human resources aspects of a management position, including recruitment, screening, training, rewarding and assessment.

Compensation is something that employees receive as a substitute for their service contribution to the

company. Compensation is one of the implementation of human resource management functions that relate to all types of individual rewards in exchange for performing organizational tasks (Veithzal Rivai, 2004: 357). Compensation is often called appreciation and can be defined as any form of award given to employees as compensation for contributions they give to the organization (Mutiara S. Panggabean, 2002).

According to Dr. B. Siswanto Sastrohadiwiryo (2003: 181-184) Compensation problems besides being sensitive because they become a driver for someone to work. Therefore, any company or organization should be able to provide a balanced compensation with the workload borne by employees.

Hani Handoko (2002) termed performance with performance, namely the process through which the organization evaluates or assesses employee performance. While Old Marihot Efendi (2002) argues that performance is the result of work produced by employees or real behavior that is displayed according to its role in the organization. Performance also means that the results achieved by someone both quality and quantity are in accordance with the responsibilities assigned to them.

Besides that a person's performance is influenced by the level of education, initiative, work experience, and employee motivation. A person's work will provide feedback for the person himself to always be active in doing his job well and is expected to produce good quality work. Education

influences a person's performance because it can provide broader insight to take initiative and innovate and then affect its performance.

## METHOD

The research that will be carried out is explanatory research. This study only discusses human resource management specifically regarding the effect of compensation on employee performance. This research was conducted in government agencies, namely the Department of Public Works and Regional Spatial Planning of Nganjuk Regency, located on Jalan Raya Kedondong No. 01, Bagor District, Nganjuk Regency.

This research data collection technique uses primary data and secondary data. Because the population is only 63 respondents, the study uses census studies, namely how to collect data in which all elements of the population are investigated one by one (Cooper and Emory, 2001: 215). Data collection techniques used were using a questionnaire and documentation study.

## ANALYSIS AND DISCUSSION

Government agencies are required to create new and correct employee performance for optimal achievement of service duties and functions. The success of an organization is influenced by the performance of individual employees. The *Nganjuk* Regency Public Works and Regional Spatial Planning Office is expected to provide motivation to improve employee performance. Such efforts can be carried out through education, training, providing

appropriate compensation, creating a conducive work environment.

To ensure the achievement of alignment of objectives, organizational leaders can give attention by giving one of the compensation. Compensation is a factor of employees to improve their performance. This means that by providing compensation to employees both financial and non-financial compensation. Financial compensation in the form of salary/wages, incentives and benefits while non-financial compensation includes awarding and promotion.

The results of the analysis carried out on employees of the Department of Public Works and Regional Spatial Planning of *Nganjuk* Regency, it is known that the most dominant variable is the financial variable. This means that employees of the Department of Human Settlements and Spatial Planning of *Nganjuk* Regency consider that financial variables which consist of items or salary received on time, rewards received in accordance with the work done, wages or salaries received in accordance with the level of education, incentives are accepted if the work done has been completed done, the number of incentives received as expected, differences in incentives for each position within the agency are in line with expectations, the amount of work accident insurance is in accordance with the risk of work, allowances received according to expectations, allowances given outside the basic salary meet the needs.

After knowing that financial variables have a dominant influence, the

Department of Public Works and Regional Spatial Planning of *Nganjuk* Regency should focus on several things that can affect compensation, especially financial variables. Thus, the employees of the Department of Public Works and Regional Spatial Planning of *Nganjuk* Regency will have a strong impetus to improve their performance.

The results of multiple regression also showed a positive number in all variables used. This shows that the consumer compensation factor has a significant positive effect on the performance of employees of the Department of Public Works and Regional Spatial Planning of *Nganjuk* Regency. Based on the regression coefficients of each independent variable, it can be seen that the order of influence from the largest to the smallest of compensation for the performance of employees of the Department of Public Works and Regional Spatial Planning of *Nganjuk* Regency is financial and non-financial.

The performance of the employees of the Department of Public Works and Regional Spatial Planning of *Nganjuk* Regency greatly determines the improvement of the progress of Government Agencies. Therefore, the Department of Public Works and Regional Spatial Planning of *Nganjuk* Regency must be able to influence employees through compensation. This is done as an effort and aims to further encourage employees in improving their performance.

## CONCLUSION

The compensation variable which consists of financial and non-financial variables simultaneously has a significant effect on the performance of employees in the Department of Public Works and the Spatial Planning of the *Nganjuk* Regency Regional Office. Financial variables have the greatest influence when compared to the performance of employees of the Department of Public Works and Regional Spatial Planning of the *Nganjuk* if Regency compared to the influence of non-financial variables on the performance of employees in the Department of Public Works and Spatial Planning of the *Nganjuk* District Regional Office.

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