The Effect of Compensation and Work Motivation on The Performance of Food & Beverage Division Employees at TL Hotel Bandung City

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Abstract

Performance that does not reach the target is suspected to occur due to not maximizing compensation and low work motivation felt by employees. This study aims to test and analyze the effect of compensation and employee motivation on employee performance at TL Hotel Bandung City. The research method uses descriptive and verification, data collection techniques using primary data obtained through questionnaires. The research sample was 33 respondents, the sampling method used purposive sampling. Data analysis techniques using multiple linear regression. From the research results obtained that compensation has a partial effect on performance, while motivation has no significant effect on performance. Competence and motivation affect employee performance simultaneously, with an influence contribution of 28.8% and the remaining 71.2% is influenced by other factors not examined in this study.

Keywords : Compensation, Work Motivation, Employee Performance

Introduction

Hotels have an important role in the tourism industry as a provider of facilities and also food, beverage, and other services. Along with the times, hospitality not only serves the provision of food, drinks, and lodging, but has developed to fulfill other needs such as recreation, sports, therapy, and entertainment. The development of hospitality is influenced by the rapid development of tourist attractions in the city of Bandung which is also followed by the emergence of many new hotels in the city of Bandung as a tourist destination. With the increasing competition, each hotel must be able to survive and compete with its competitors. Hospitality business owners must increase the productivity of company resources including their human resources in order to compete.Human resources are the most important factor in achieving organizational goals. Without the active role of human resources, no matter how many facilities the organization has, it will not function properly.

Human resources (HR) are one of the most important assets in the company, they are the pillars in managing all company activities. Human resources indirectly make contributions that can affect the effectiveness and efficiency of the company. Companies need to manage human resources as well as possible because the key to company success lies not only in funds and technological advances, but also in the human resources sector. To realize company goals, companies need employees who have a high work ethic and performance. Performance is a manifestation of the work done by employees, so efforts are needed to improve performance in order to get good assessment results. HRM is an effort to increase the productive contribution of human resources in the organization in a strategic, ethical, and responsible manner (Mangkunegara, 2019).

In an effort to improve the quality of human resources, the role and support of company management is very important. Human resource management is responsible for labor aspects to support company operations. Humans in the company are individuals who contribute in the form of labor, creativity, and innovation to increase productivity and organizational competitiveness (Dessler, 2020).TL Hotel is one of the 5-star hotels in Indonesia that has a branch in Bandung. On its journey and development many things have been passed in achieving achievements as one of the large and well-known hotels in Indonesia. This is inseparable from the various problems faced in managing human resources. The phenomenon found at TL Hotel Bandung City is related to the ups and downs of employee performance. The employee performance data at TL Hotel Bandung, especially in the F&B and Culinary services section in the last few years are as follows:

Table 1. Food & Beverage Division Employees Performance Achievement of TL Hotel Bandung City

Elements assessed	Average	Mention	Target
Initiative	3.87	C	A
Concern for quality of work	4.21	B	A
Drive and productivity/quantity of work	4.07	B	A
Relationship Building	4.07	B	A
Customer-orientation	4.16	B	A
Teamwork and cooperation	4.26	B	A
Technical expertise	3.99	C	A
Adaptability	3.87	C	A
Professional & personal appearance	4.29	B	A
Dependability	4.09	B	A
Attendance	4.85	A	A
Courage to speak ideas/opinions	3.85	C	A
Willingness to develop oneself and/or others	3.86	C	A
Innovation & creativity	3.60	C	A
Ability to work under pressure (stress)	4	B	A

Source: Company Data (2023)

Based on the data above, the achievement of employee performance at TL Hotel Bandung City shows that employee performance in 2023 is still below the target in several elements of performance appraisal. This must get special attention so that employee performance can be improved.

Improving employee performance is needed so that employees have the ability and skills in accordance with company expectations. Performance is the result of work achieved in carrying out the tasks assigned to him to achieve a goal that has been set by the company within a certain period of time. Wibowo (2019), performance is the result of work in quality and quantity achieved by employees. Performance appraisal is a formal system used to evaluate employee performance against predetermined standards. Performance appraisal concerns various fields such as work ability, craft, discipline, work relations or special matters according to the field and level of work held. Achievement of employee performance that is not in accordance with the target at the TL Bandung City hotel is feared to have an unfavorable impact on the provision of superior services.

Compensation is one of the factors that can affect employee performance. Robbins & Judge (2019) compensation that is fair and in accordance with employee contributions is very important to encourage them to be more productive and committed to the company. (Dessler, 2020) compensation is all forms of payment or reward both in cash and non-cash given to employees arising from their work. Every job can be done well if there is encouragement to do it. In other words, compensation is a system that is able to guarantee a number of productive activities of employees for the benefit of the company. The compensation can be direct or indirect financial, and the rewards can also be indirect.

Another factor that can affect employee performance is work motivation. Motivation is one of the important elements, motivation has an influence on the performance of an employee because motivated employees have enthusiasm for work. Motivation is an encouragement for employees to work better. Robbins & Judge (2019) state that motivation is a process that explains the drivers behind individual behavior in organizations, motivation can be influenced by internal and external factors, and greatly affects the level of performance and employee job satisfaction. Providing motivation to employees is very important to be considered by companies as a supporter of human behavior so that they want to work hard to achieve optimal results.

Table 2.

Compiled Employees Engagement Survey Food & Beverage Division

No	Motivation Indicator	Score Average	Description
1	I am fairly rewarded for my contribution to the company	5,9	Medium
2	I feel my opinion is valued at work	6	Quite
3	I have the materials and equipment I need to do a good job.	4,7	Quite low
4	If I do a good job, I know that I will be recognized.	6	Quite
5	The company provides enough support for my mental and physical health so that I can continue my work effectively.	5,7	Medium
6	The company inspires me to do my best every day	6,4	Quite high
7	There are many opportunities for me to acquire new skills in the company.	6,5	Quite high
8	The company is very supportive of the learning and development process of its employees	6,4	Quite high
9	The locker facilities, prayer room, employee lounge, employee dining room, learning room and cooperative in my unit match the hotel's ambition to have the most valued employees.	6	Quite
10	The company motivates me to contribute more than necessary to get my job done.	6,7	Quite high
Average		6,03	Quite

Source: Company Data (2023)

Based on the data above, it can be seen that the elements of motivation and compensation at TL Hotel are still considered less in accordance with the expectations and targets of the company with an average value of 6.03. This must get attention from the management of Hotel TL to avoid a decrease in performance as well as to prevent a high turnover rate due to poor motivation and compensation. This can also prove that this phenomenon regarding compensation and motivation is

one of the causes of employee performance not in accordance with the expected target at TL Hotel Bandung City.

Literature Review

Compensation

Compensation is a reward received by employees in the form of both financial and non-financial in lieu of their service contributions to the company. Providing compensation is carried out in an effort to implement one of the functions of human resource management, the correct compensation system will be able to provide satisfaction for employees and enable companies to hire, obtain and retain employees. According to Hasibuan (2020) compensation is all income in the form of money, direct or indirect goods received by employees in exchange for services provided to the company. Compensation is all forms of payment or reward both in cash and non-cash given to employees arising from their work (Dessler, 2020). Compensation relates to all types of individual rewards in exchange for performing organizational tasks.

For companies, compensation has a very important role because it reflects the organization's efforts to maintain and improve the welfare of its employees. If the compensation provided is insufficient, this will have an impact on decreasing employee motivation, performance, and job satisfaction, and in some cases can even cause potential employees to leave the company. Compensation is influenced by several factors, according to Hasibuan (2020) the factors that affect the amount of compensation, among others: (1) labor supply and demand, (2) company capabilities and availability, (3) labor unions / employee organizations, (4) employee work productivity, (5) government with its laws and presidential decrees, (6) cost of living / cost of living, (7) employee position, (8) employee education and experience, (9) national economic conditions, (10) type and nature of work.

Motivation

Motivation is basically a process to influence someone to do something according to what we want. Therefore motivation is a push from the outside so that someone wants to do something

according to what we tell them, Motivation in work means giving goals, or things that cause encouragement in the person to carry it out. It can also be said that motivation encourages a person to act in his own way. According to Handoko in Wicaksono & Casri (2020) Motivation is a condition in a person's personality that encourages him to do certain things that are useful for achieving goals.

According to Tiffany (2023) work motivation is a situation that can arouse, direct, and maintain behavior related to the work environment. Meanwhile, according to Steven P. Robbins in Wicaksono & Casri, 2020) Says that motivation is a process of a person being given direction or sustainable energy in order to achieve a goal. According to Djamarah in (Hasanah, 2018) explains that motivation is a change in energy within a person characterized by the emergence of a feeling towards a goal. This energy change is in the form of a real activity in the form of physical activities. Because someone has a certain goal, then someone has a very strong motivation to achieve that goal.

There are five factors that can affect employee motivation, according to Eksan (2020) needs affect employee work motivation, indicator dimensions are derived from these needs factors to determine the level of employee motivation, namely: (1) physical needs, (2) needs for security and safety, (3) needs for affiliation, (4) needs for appreciation, (5) needs for self-realization. Motivation can be divided into two types, namely: (1) Intrinsic Motivation, (2) Extrinsic Motivation, (Eksan, 2020).

Employee Performance

Employee performance is the result of work that has been achieved by a person or group of people in accordance with the duties and responsibilities they bear during a certain period in achieving organizational goals. Employee performance is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him (Mangkunegara & Prabu, 2020). The existence of employee performance appraisals helps organizations to identify problems that may occur and need improvement to increase work productivity. Darmawan et al. (2020) state that employee performance appraisals can help identify employee strengths and weaknesses, as well as determine training and development needs.

According to Milala (2022), there are factors that affect performance, including: (1) ability

factors consisting of potential abilities and educational abilities, (2) motivational factors formed from a person's attitude in dealing with a situation. Performance is also influenced by the abilities possessed by a person, the support received, the individual's relationship with the company, and the motivation, both material and non-material, given to the individual to fulfill needs and satisfaction.

Some of the hypotheses proposed in the study are:

H1: Compensation affects employee performance

H2: Work motivation affects employee performance

H3: Compensation and work motivation affect employee performance

Review of Previous Researchers

The results of Lakoy's research (2020) explain that compensation significantly affects performance. Apart from compensation, motivation also has a significant effect on performance. Research conducted by Sipahutar & Hasyim (2021) found a significant relationship between compensation and motivation on employee performance. Finally, research conducted by Syah et al., (2021) shows that compensation and motivation have a significant influence on employee performance.

Methods

The method in this study uses descriptive and verification methods. Descriptive method is intended to answer the formulation of the problem, namely how compensation, motivation and performance at TL Hotel Bandung. The verification research method is used to determine and examine the effect of compensation and work motivation on employee performance at TL Hotel Bandung City both partially and simultaneously.

The population in this study were all employees of the food & beverage division of TL Hotel Bandung, totaling 33 people. A variable is anything that can be distinguished or has a variable value. As for this study, there are two main variable elements, namely the independent or independent variable (Variable X) and the dependent variable (Variable Y). In this study, the independent variables are compensation (X1) and work motivation (X2) and the dependent variable is employee

performance (Y).

Quantitative data analysis techniques by testing instruments, testing regression models, and testing hypotheses. Instrument testing is carried out using validity tests, reliability tests and classical assumption tests (normality tests, heteroscedasticity tests, and multicollinearity tests). In testing the regression model, the data is tested using the model test (F test) for further multiple regression analysis, correlation coefficient analysis and coefficient of determination.

Results and Discussion

Based on the research that has been done, the following results are obtained:

Validity Test

Table 1.

Compensation Validity Test

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Compensation 1	15.6667	6.042	.679	.763
Compensation 2	15.8182	6.778	.600	.788
Compensation 3	15.1818	6.591	.612	.784
Compensation 4	14.7879	6.860	.684	.771
Compensation 5	15.5152	6.133	.538	.816

Source: SPSS

Table 2

Validity Test of Work Motivation

	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Motivation 1	14.8788	6.797	.809	.843
Motivation 2	14.7576	7.689	.588	.890
Motivation 3	14.8182	7.153	.666	.874

Motivation 4	14.7879	6.297	.829	.835
Motivation 5	14.9394	6.434	.745	.858

Source: SPSS

Table 3

Employee Performance Validity Test

	Scale Mean if Item Deletet	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted
Performance 1	16.5455	4.381	.778	.718
Performance 2	16.6970	4.655	.665	.750
Performance 3	16.8182	4.216	.618	.758
Performance 4	16.6364	4.489	.621	.758
Performance 5	16.8182	4.653	.374	.848

Source: SPSS

Reliability Test

Table 4

Variabel	Cronbach's Alpha	N of Items
X1	.820	5
X2	.886	5
Y	.805	5

Source: SPSS

F-test and T-test

Table 5

Test ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.379	2	2.189	6.077	.006[b]
	Residual	10.808	30	.360		
	Total	15.187	32			

Source: SPSS

Table 6

Test Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.462	.638		3.860	.001
	Compensation	.500	.206	.514	2.427	.021
	Motivation	.030	.193	.033	.158	.876

Source: SPSS

Based on the results of the correlation test that occurred of 0.537 or 53.70%, which means that the relationship that occurs between compensation and motivation to performance is moderate. The amount of influence between compensation and motivation variables is 0.288 or 28.80% or low.

The results of instrument testing are that all data from each variable shows valid, reliable, normally distributed, has no multicollinearity problems, has no heteroscedasticity problems, and can use regression models. The next test is to perform multiple linear regression analysis. Multiple linear regression analysis is used to determine the direction of the effect of compensation and job satisfaction on employee performance. The results of multiple regression analysis are that if compensation and work motivation are the same value without change (constant) then employee performance will be valued at 2,462. If compensation increases with the assumption that other variables are constant, then employee performance will also increase by 0.500. Meanwhile, if job satisfaction increases with the assumption that other variables are constant, employee performance will increase by 0.030.

The next step is to analyze the correlation coefficient. Correlation coefficient analysis is used to measure how strong the relationship is between compensation, job satisfaction, and employee performance variables. The result of the calculation of the correlation coefficient (R) is 0.537, indicating the closeness of the relationship between the variables of compensation, work motivation, and employee performance including moderate criteria in the interval 0.41 - 0.60. The amount of contribution of the influence of compensation and work motivation on and employee performance

of TL Hotel Bandung City is shown through the coefficient of determination. It is known that the coefficient of determination (R square) is 0.288 or 28.8%. This means that compensation and work motivation have contributed to the influence on the performance of TL Hotel Bandung employees by 28.8% and the remaining 71.2% is influenced by other factors not examined in this study.

The last stage in data analysis is by testing the hypothesis. Partial hypothesis testing (t test) is carried out to show how far the influence of independent variables individually in explaining variations in the dependent variable using an alpha (α) confidence level of 5%. It is known that the test results for the compensation variable (X1) obtained a t value of 2.427 and a ttable of 2.0422. Because the calculated t value is greater than the t table (2.427> 2.0422) with a significance value of 0.021 <0.05, Ho is rejected and H1 is accepted. This means that compensation has a significant effect on the performance of TL Hotel employees in Bandung City. The test results for the work motivation variable (X2) obtained a t value of 0.158 and a ttable of 2.0422. Because the calculated t value is smaller than the t table (0.158 < 2.0422) with a significance value of 0.0876 > 0.05, Ho is accepted and H2 is rejected. This means that work motivation has no significant effect on the performance of TL Hotel employees in Bandung City.

Conclusion

Based on the results of data processing tests and discussions, it can be concluded that compensation has a significant and positive effect on the performance of employees of Hotel Tl Bandung City. These results indicate that the higher the compensation, the better the employee performance. Work motivation has no significant effect on the performance of TL Hotel employees in Bandung City. This can be interpreted that this variable does not have a meaningful influence on the results.Compensation, work motivation, and employee performance together have an influence on results.

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