

THE INFLUENCE OF PERFORMANCE MANAGEMENT AND COMPENSATION ON THE PRODUCTIVITY OF HOTEL EMPLOYEES

Ariyanto Ariyanto^{1*}, Yulianah Yulianah²

¹Universitas Bina Sarana Informatika, Jakarta, Indonesia

²Perbanas Institute, Jakarta, Indonesia

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E-mail:

ariyanto.yto@bsi.ac.id;
yulianah1288@gmail.com²

ABSTRACT

The purpose of this study is to determine the simultaneous and partial effect of performance management and compensation on employee productivity. The research method used is associative research using quantitative methods. The population in this study was 300 respondents so that the research sample was 50 respondents using the slovin method. The results of the processing of multiple linear regression analysis are that performance management and compensation have a simultaneous and partial effect on the productivity of Hotel Maya Ubud Resort & Spa hotel employees. The magnitude of the influence of performance management and compensation on productivity is able to contribute as much as 64.6%.

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1. INTRODUCTION

Tourism is defined as temporary travel from one's main location to a destination for purposes such as satisfying one's curiosity, enjoying leisure time, vacationing, and other similar purposes (Brian, 2009: 41). Various tourist destinations in Bali, supporting facilities from the tourism industry have emerged, for example hotels, restaurants, spas, vehicle rentals, travel services, water rides, discotheques and so on. According to Mohajerani (2012), "One of the key components of the tourism business is the hospitality industry. The main activities related to tourism are supported by the hotel. Hotels can broadly refer to any type of lodging. In contrast, a hotel is a structure made especially for offering housing along with food and beverage services to visitors (Sihite, 2010:31). According to Adetola (2014), human resource management techniques have improved from year to year in order to increase organizational performance levels.

According to Bella (2011), a business must be able to use human resource management to increase the productivity of existing human resources. Good governance or managerial skills are required to manage an organization or business. The fundamentals of management must be properly understood and utilized by managers if they are to be effective in carrying out their responsibilities and working towards organizational goals. The well-being of society, which consists of various types of organizations, depends on effective administration. The ability of managers to understand the function and importance of individuals who will help achieve organizational goals is one of the basic characteristics of management. Performance management according to Schwartz (Nursam, 2017) is a management approach centered on open communication between managers and employees regarding setting goals, delivering feedback from managers to employees and vice versa, as well as evaluating performance.

In addition to management procedures that must be considered in a company or organization, performance within the organization must also be considered. Because performance is the result of work as well as the work evaluation of someone who participates in the workings of an agency. Therefore, management is also needed for performance so that company goals can be achieved with the results achieved or the performance of workers or employees. Organizations, teams and people will all benefit from implementing performance management. By linking the work of individual employees and managers to the general goals of the work unit, performance management promotes the overarching goals of the organization.

Employee productivity is a key factor in determining the success of a company. According to Ibrahim et al. (2013), there are many factors that have a negative impact on employee productivity, including the political climate, inadequate equipment, obsolete equipment, lack of employee experience, and poor company management. Customer satisfaction with the services offered is a direct result of employee productivity. Therefore, what guests actually expect when staying at a hotel is the productivity

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of the hotel staff in providing services (Sihite, 2010: 14). Turere (2013) shares the same point of view when he says that the performance of an institution or organization does not only depend on the resources and facilities it has, but also on the availability of reliable human resources. The presence of a hotel with an attractive interior design, modern facilities and other features does not guarantee that guests will receive high-quality services or benefits. Companies need to ensure that employee performance management is carried out properly if they want to be successful in the short and long term (Kryukova, 2014). According to Chuanbao et al. (2015), modern hotel management can achieve lower operational costs by utilizing computers, internet, technology, and information application systems. This increases the efficiency of hotel management. Maya Ubud Resort & Spa is one of the resort hotels in Bali. The Maya Ubud Resort & Spa is a hotel operated by Maya Resorts, which also owns Maya Sanur Resort & Spa, a hotel complex in Sanur. There are 108 rooms at Maya Ubud Resort & Spa, divided into six different accommodation types: superior rooms, deluxe rooms, garden villas, pool villas, duplex pool villas and presidential villas. The company, in this case the Maya Ubud Resort & Spa hotel, must be able to provide motivation to its employees so that employees are encouraged to carry out their duties and can increase the overall productivity of the company..

In addition to performance management, there is also the provision of monetary compensation in the form of basic wages, various allowances and bonuses, the amount of which is based on employee performance. Employees who achieve the highest productivity scores are compensated in the form of My Star awards in addition to their basic salary. The management and several owners of Maya Ubud Resort & Spa reward employees who achieve My Star status in the form of cash, free tickets to stay at 5-star hotels, and unique mementos. Based on this, the researcher is interested in formulating the problem of how the influence of performance management and compensation on hotel productivity either partially or simultaneously.

2. LITERATURE REVIEW

Work management

Performance management according to Schwartz in Nursam (2017) is a management approach that is built on open communication between managers and employees regarding setting goals, delivering feedback from managers to employees and vice versa, as well as performance reviews. According to Hayat (2018), performance management is the use of resources and information in this context to advance organizational goals through transparent and measurable procedures. The performance management cycle has four stages, according to Blanchard and Garry Ridge referred to by Wibowo (2016). These stages are as follows: The most crucial step in the performance management process is performance planning. According to Bacal in Wibowo (2016), planning is a process in which managers and employees work together to determine what workers need to do in the coming year, determine how performance should be evaluated, identify and plan, overcome obstacles, and develop shared knowledge about the nature of work. The second is performance implementation. Wibowo (2016) states that at this point, managers or leaders observe and supervise the performance of their subordinates, praise skills, and provide instructions as needed. The third is performance appraisal, which according to Bacal in (Wibowo, 2016) is a set organizational procedure for assessing or assessing the individual performance of each employee. The fourth is performance review. According to Wibowo (2016), the process of evaluating people for their performance at work involves looking at various factors.

Compensation

Employee compensation according to Dessler (2011: 85) is any form of payment or reward given to employees and arising from the employment of employees. Employee compensation affects productivity and their tendency to stay with the organization, although researchers and managers disagree about the extent to which compensation affects employee performance.

According to Notoatmodjo (2012: 67), the objectives of the compensation policy include: 1. Appreciate employee achievements; 2. Ensuring the fairness of employee salaries; 3. Retain employees or reduce employee turnover; 4. Obtain qualified employees; 5. Cost control; 6. Meet the regulations. The compensation indicators put forward by Umar (2012:16) are 1. Salary; 2. Incentives; 3. Bonuses; 4. Wages; 5. Premiums; 6. Treatment; 7. Insurance

Work productivity

Work productivity, defined by Sinungan (2013), is the overall output created by individuals during one unit of work time, including efficient actions that produce output from input. Work productivity

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according to Yusuf (2015) is a comparison of the results obtained with the labor market per unit time and as a benchmark to determine whether the expansion and activity of the attitude of the sources used during productivity lasts by comparing the volume produced with each resource used. According to Ravianto (2014), the following elements have an impact on employee productivity: (a) motivation; (b) skills; (c) education; (d) supervision; (e) environment; and (f) human resource management/HRM.

3. METHODS

This research is an associative research that uses a quantitative methodology to ensure the relationship between two or more variables (Sugiyono, 2014: 14). The theory underlying how performance management and compensation affect staff productivity at Hotel Maya Ubud Resort & Spa is tested in this study. Employees at Maya Ubud Resort & Spa are the research subjects. Maya Ubud Resort & Spa employs a total of 300 people, divided into 6 different departments: housekeeping, engineering, reception, sales & marketing, accounting and food and beverage. The organization, history, and roles of the Maya Ubud Resort & Spa hotel personnel are just a few examples of the qualitative data used in this research, in the form of information or descriptions relevant to the topic under study. Quantitative information in the form of survey responses from guests at Maya Ubud Resort & Spa. In contrast, the primary data used in this study came from interviews with reception staff at Maya Ubud Resort & Spa. Reviews posted online by guests of Maya Ubud Resort & Spa during their stay provide secondary data about guest satisfaction. The research population is 300 people who work as staff at Maya Ubud Resort & Spa. Maya Ubud Resort & Spa employees who answered the questionnaire were 50 samples in this study, which used the slovin method and random sampling methodology to obtain samples. The data analysis technique used in this study is a multiple linear regression analysis technique. Multiple linear regression models.

4. RESULTS AND DISCUSSION

Respondents in this study were 50 employees at Maya Ubud Resort & Spa. Based on the gender, age and tenure of the respondents, it is described as follows.

Table 1. Characteristics of Respondents

No	Karakteristik Responden	Description	Total	Percentage %
1	Gender	Male	30	60
		Female	20	40
	Total		50	100
2	Age	18-30 years	20	40
		31-55 years	30	60
	Total		50	100
3	Working Period	0-1 years	5	10
		2-3 years	10	20
		4-17 years	35	70
	Total		50	100

Based on Table 2, a survey of 50 respondents revealed that men were the majority group based on gender, amounting to 30 people or 60% of the total respondents, while women consisted of 20 people or 40% of the total respondents. According to age, it is known that a survey of 50 respondents revealed that those aged over 18 to 30 years amounted to 20 people or 40% of the total respondents, while those aged between 31 and 55 years amounted to 30 people or 60% of the total respondents. According to years of service, a study of 50 respondents revealed that the most common classification based on years of service was 4-17 years, which represented 35 people or 70% of the total respondents. Conversely, 2-3 years as many as 10 people or 20% of the total respondents, and 0-1 years as many as 5 people or 10% of the total respondents.

Validity Test Results

Validity testing is done by calculating the Pearson correlation value. According to Sugiyono (2012) an instrument is said to be valid if the value of the r pearson correlation to the total score is above 0.30. The following is a table that presents the results of the validity test of the research instrument.

Table 2. Validity Test Results

Variable	Item	Pearson Correlation	Description
X1 Performance Management	X1.1	.426	Valid
	X1.2	.437	Valid
	X1.3	.433	Valid
	X1.4	.539	Valid
X2 Compensation	X2.1	.647	Valid
	X2.2	.649	Valid
	X2.3	.623	Valid
	X2.4	.676	Valid
	X2.5	.699	Valid
Y Work Productivity	Y.1	.534	Valid
	Y.2	.610	Valid
	Y.3	.666	Valid
	Y.4	.699	Valid
	Y.5	.623	Valid

Reliability Test Results

Reliability testing reveals how reliable or trustworthy measuring equipment is. Instruments equipped with Cronbach's alpha coefficients were used for this test; if greater than 0.60, the instrument is considered reliable.

Table 3. Reliability Test Results

Variable	Cronbach alpha	Keterangan
X1 Performance Management	.802	Reliabel
X2 Compensation	.833	Reliabel
Y Work Productivity	.723	Reliabel

Normality Test Results

The purpose of this test is to assess whether the residuals of the regression model are regularly distributed or not. The Kolmogorov-Sminarnov test can be used to determine whether the data used is normal or not. The data is considered to be regularly distributed if the Asymp. Sig. (2-tailed) is greater than 0.05. Table 4 displays the results of the normality test as follows:

Table 4. Normality Test Results
One-Sample Kolmogorov-Smirnov Test

	N	50
Most Extreme Differences	Absolute	.433
	Positive	.252
	Negative	.433
	Kolmogorov-Smirnov Z	2.564
	Asymp. Sig. (2-tailed)	.894

Based on Table 4, the Kolmogorov Sminarnov (K-S) score for this study is 2.564, and Asymp. Sig. (2-tailed) value is 0.894. Asimp. Sig. (2-tailed) is more than an alpha value of 0.05 or Asymp.Sig > 0.05 which indicates that the regression equation model is normally distributed.

Results of Multiple Linear Regression Analysis

In accordance with the results of calculations using the SPSS for windows program, a multiple linear regression equation is obtained, namely:

Table 5. Multiple Linear Analysis Results

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	4.980	.977		5.098	.000
	X1_Manajemen	.537	.550	.660	2.916	.003

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Kinerja					
X2_Kompensasi	.681	.519	.719	1.682	.002

Based on Table 5, the multiple linear regression equation can be written as follows:

$$Y = a + \beta_1.X_1 + \beta_2.X_2$$

$$Y = 4.98 + 0,537 X_1 + 0,681 X_2$$

B1 = 0.537 means that if performance management increases while compensation is fixed, employee productivity will increase by 0.537 points.

B2 = 0.681 means that if compensation increases while performance management remains the same, employee productivity will increase by 0.681 points.

Determination Coefficient Test Results

The coefficient of determination in linear regression is as large as the ability of the independent variables to explain the variance. The coefficient of determination uses the R square method.

Table 6. Determination Test Results

Model	R	R Square	Adjusted Square	Std. Error of the estimate
1	.667 ^a	.646	.610	.231

Table 6 explains that according to the results of multiple linear regression calculations, a correlation coefficient (R2) of 0.646 is obtained. This indicates that there is a very strong positive relationship affecting a contribution of 64.6 percent of Employee Productivity (Y) influenced by performance management (X1) and compensation (X2). While the remaining 35.4 percent is influenced by other factors not examined in this study.

Model Feasibility Test Results (Test F)

Testing the proposed hypothesis will use the F test using the SPSS version 17.0 for windows program with the aim of testing the coefficients that have been obtained in previous calculations. To test the proposed hypothesis, the F test is used. This analysis aims to test the coefficients that have been obtained in previous calculations.

Table 7. Simultaneous Test Results (F-test)

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.345	2	.172	5.766	.473 ^a
	Residual	7.198	48	.225		
	Total	7.543	50			

The F value is 5.776 in Table 7 above. The calculated F value is represented by this number, which is then contrasted with the Table F value. If the estimated value of F is greater than F table, it can be said that performance management (X1) and remuneration (X2) have a considerable influence on employee productivity (Y) simultaneously. It can be concluded from the significance value of Table F of 0.473 > 0.005 for a measurement of 50 samples that performance management (X1) and remuneration (X2) have a significant effect on employee productivity (Y).

Test Results t

Table 8. Partial Test Results (t-test)

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	4.980	.977		5.098	.000
	X1_P_Management	.537	.550	.660	2.916	.003
	X2_Compensation	.681	.519	.719	1.682	.002

The t values of Performance Management (X1) and compensation (X2) are 2.916 and 1.682 respectively in Table 8 above. The value of t table is then compared with t count. If the estimated t values of these two variables are greater than the t table values, it can be said that performance management (X1) and remuneration (X2) have a considerable influence on employee productivity (Y). The t table value is 0.67943 for a total of 50 samples. Based on Table t, the values of X1 and X2 are greater than Table t ($2.916 > 0.67943$ and $1.682 > 0.67943$).

The Effect of Performance Management on Employee Productivity at Maya Ubud Resort & Spa

Based on SPSS data analysis, a significance value of 0.003 was generated. This number is less than the number = 0.005. The value test results show that H0 is rejected by the drop test, and H1 is accepted as the first hypothesis. This strengthens the acceptance of the hypothesis that performance management at Maya Ubud Resort & Spa has a good and noteworthy impact on worker productivity. Management procedures that must be considered in a company or organization, performance in the organization must also be considered. Because performance is the result of work as well as the work evaluation of someone who participates in the workings of an agency. Therefore, management is also needed for performance so that company goals can be achieved with the results achieved or the performance of workers or employees. Organizations, teams and people will all benefit from implementing performance management. By linking the work of individual employees and managers to the general goals of the work unit, performance management promotes the overarching goals of the organization. The results of this study are in line with Hayat's research (2014) which states that performance management affects productivity.

The Effect of Compensation on Employee Productivity at Maya Ubud Resort & Spa

Based on SPSS data analysis, a significance value of 0.002 was produced. This number is less than the number = 0.005. Based on these test scores, it is statistically proven that the second hypothesis, H2, is accepted and the drop test of H0 is rejected. This confirms the notion that wages at Maya Ubud Resort & Spa Ubud have a beneficial and significant influence on worker productivity. Providing financial compensation in the form of basic wages, benefits and incentives, the amount of which is based on employee productivity, is another option besides performance management. Employees who achieve the highest productivity scores are compensated in the form of My Star awards in addition to their basic salary. Employees at Maya Ubud Resort & Spa who earn the title "My Star" receive gifts from management and a number of different owners, including cash, vouchers for free stays at 5-star hotels, and unique trinkets. According to Wendy's research (2013), compensation has a big impact on how productive employees are. According to William's research (2012), compensation has a considerable impact on the productivity of hotel front office manager employees. According to Nuzsep's research (2014), compensation has an impact on how productive employees are.

5. CONCLUSIONS

Based on the results of the discussion, it can be concluded that performance management and compensation simultaneously and partially affect work productivity. The suggestions that the researcher can describe are that it is better to consider employee compensation so that it appears fair to all employees, because employee productivity is influenced by compensation. Employee productivity will increase as a result of increased employee motivation caused by compensation..

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