

Impact of Work Stress and Compensation on Employee Performance at Motorcycle Distributor Company In Cimahi, Indonesia

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Abstract

In service companies, information about performance can be obtained from customer satisfaction. In this motorcycle distributor company in Cimahi, there are indications of a decrease in employee performance. This study aims to find out the impact of work stress and compensation on employee performance. The population and respondents in this study were 38 employees in the service unit. The research method used in this study is a verification research method using a quantitative approach, where in the analysis using SPSS version 26 software. The results of hypothesis testing indicate that work stress and compensation have a positive and significant effect on employee performance at this motorcycle distributor company with an effect of 24.2%. These results explain that changes in work stress and compensation will be directly proportional to changes in employee performance.

Keywords: *Work Stress, Compensation, Employee Performance*

INTRODUCTION

Employees are a central factor in the management of an organization. In achieving its goals, an organization requires human resources as system management. Competent human resources with good performance can support business success and become assets for the company. On the other hand, incompetent human resources and poor performance are competitive problems that can put the company at a loss.

PT. X is a well-known motorcycle dealer company based in Cimahi, Indonesia. In addition to acting as the main distributor of one of the motorcycle brands in Indonesia, PT.X also provides motor vehicle services, such as routine checks, oil changes, engine repairs, and others. In providing these services, PT.X always prioritizes customer satisfaction, which is one of the main factors that must be considered by employees and becomes an indicator of performance achievement. With the creation of customer satisfaction, it indicates that employees as extensions and representatives of the company are considered capable of meeting customer needs and expectations properly. Every customer who has serviced his motorbike will be asked to fill out a survey by choosing three levels of satisfaction with the services provided which will then be compiled and calculated every month to measure and evaluate the level of customer satisfaction on a regular basis. Customer satisfaction data in 2021 can be seen in the following table:

Table 1

Customer Satisfaction Index 2021

Month	Customer satisfaction level		
	Satisfied	Quite Satisfied	Not Satisfied
January	84 %	14 %	2 %
February	85 %	15 %	0 %
March	83 %	16 %	1 %
April	84 %	15 %	1 %
May	83 %	16 %	1 %
June	82 %	16 %	2 %
July	81 %	17 %	2 %

Source: Service Unit, 2021

From the table 1, that the level of customer satisfaction that occurred at PT.X experienced fluctuating conditions, especially in the last three months showing a downward trend, even in July 2021 reaching the lowest point of customer satisfaction with 81%. Information related to performance can be seen from many types, one of which is from the created customer satisfaction[1]. The decline in the level of customer satisfaction is an indication of a decrease in employee performance, especially employees in the motorcycle service unit. With a decreased level of satisfaction, customers feel that the services provided by employees in the service unit are not optimal. This indication is supported by research by Melissa Yap in 2021. The results of this study state that employee performance affects customer satisfaction[2]. This research was conducted at a restaurant in Medan City which is the same as PT. X, the object of this research is also in the service sector. This further shows that the level of customer satisfaction that occurs in service companies can represent the performance of their employees, especially employees who directly have close contact with customers.

Performance is the main reason whether companies want employees to stay or leave. For companies, employees who have competence and know what the company expects of them can reduce the potential for turnover for the company because they are satisfied with their work. But of course not all individuals in the organization can be like that. When there are several things that make employees dissatisfied with their jobs, when they ultimately decide to continue to leave, or when employees continue to work but are ineffective, the organization faces huge losses due to the decline in performance that occurs.

One of the factors that affect employee performance is the level of employee stress . It can even be said that the decline in employee performance is the most obvious psychological impact of work stress Stress is a universal element experienced by employees around the globe. everyone must have felt stress; but when the stress level starts to get high, work-related consequences can result, one of which is employee performance[3].

The relationship between work stress and employee performance has been proven by many previous studies. Previous research showing the relationship between work stress and employee performance is a study conducted by Dhruva Lal Pandey in 2020 on 200 bank employees in the Kathmandu valley. The results of the study indicate that stresses result in decreased organizational performance and employees' overall performance[4].

For companies, maintaining the performance of its employees so that it is always optimal is a separate task. Some of the main pillars that we must place as a pillar to build employee performance include compensation[5]. According to Dessler [6] compensation is any form of payment or reward given to employees and arising from the employee's work. The relationship between compensation and employee

performance has been proven by many previous studies. Previous research showing the relationship between compensation and employee performance is a study conducted by Pipin Sukandi, et al. In 2020 at PT. Taspen Bandung which states that compensation has an impact of 43% on employee performance [7]

LITERATURE REVIEW

Work Stress

Stress according to [8] is a feeling of joy, anxiety, or physical tension that arises when individuals receive demands at work that they think exceed their ability to carry them out. According to [8], Work stress can be measured by the following dimensions:

- **Workload**; Related to the imbalance between the number of tasks that must be carried out, the availability of time, and the availability of resources.
- **Role conflict**; Refers to the difference in concepts between the employee concerned and his superior regarding the tasks that need to be done
- **Role ambiguity**; Refers to the unclear job description and tasks that must be done by the employee so that he does not know what role he must perform and the goals to be achieved from that role.

Compensation

Compensation is anything that is received by employees as an 'exchange' for the contribution of services and efforts they have given to the company which is associated with all kinds of individual awards. Furthermore, Rivai describes compensation indicators consisting of:

- **Salary**; remuneration in the form of nominal money received by the employee as a substitute for the energy and thoughts that he has spent in achieving company goals on a regular basis
- **Wages**; direct financial rewards received by employees that are calculated based on specific work results such as hours worked and the amount of output produced
- **Incentives**; a direct reward received by employees if their performance is higher than the specified standard.
- **Fringe Benefit**; additional compensation given according to the ability and company policy as an effort to improve the welfare of employees

Employee Performance

Mangkunegara [9] explains that performance is the result of work in quality and quantity achieved by an employee in accordance with the responsibilities given to him. The criteria for measuring employee performance vary and depend on each company policy, but the most commonly used employee performance measures include: [9] Quantity, Quality, and Timeliness of output; Efficiency and Effectiveness of work completed; and Presence on the job.

METHODOLOGY

Object: The object of the research is a service unit employee at PT. X, a motor vehicle dealer. PT.X's head office is located in Cibereum, Cimahi, and has a branch office in the Central Cimahi area. Service unit employees become the object of research because they are employees who deal directly with customers. At the head office there are 25 employees in the service unit, while at the branch office there are 13 employees in the service unit.

Instrument: Primary data was collected through distributing questionnaires to service unit employees at the head office and branch offices. Secondary data were collected from the company's internal data as well as from literature studies as research support.

Statistical Procedures and Methods: 38 questionnaires were distributed to all employees of the service unit, so the sampling technique used was total sampling.

The data obtained were analyzed through the Statistical Package for Social Sciences (SPSS) version 26. Statistically, hypothesis testing was carried out through multiple linear regression analysis techniques, because this study analyzed more than two variables. Multiple regression analysis is used by researchers, if the researcher intends to predict how the condition of the ups and downs of the dependent variable will be if two or more independent variables as predictor factors are manipulated or decreased in value. This independent variable consists of Work stress (X1) and Compensation (X2), and the dependent variable is Employee Performance (Y).

RESULT AND DISCUSSION

To know the impact of compensation and work stress on employee performance in service units simultaneously or simultaneously, it can be seen through the F test. The results of the simultaneous hypothesis testing can be seen in the following table:

Table 2

The Simultaneous Effect of Work Stress and Compensation on Employee Performance

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2.414	2	1.207	5.583	.008b
	Residual	7.565	35	.216		
	Total	9.978	37			
a. Dependent Variable: Employee Performance						
b. Predictors: (Constant), Work Stress, Compensation						

Source: Data processing SPSS 26

The hypothesis to be tested is "**There is a simultaneous influence of work stress and compensation on employee performance**". Based on the table above, the F-count value is 5.583 which means it is greater than the F-table 3.27 ($5.583 > 3.27$), this calculation is also strengthened by a significance level of 0.008 or greater than 0.05, so it can be concluded that there is a simultaneous influence of compensation and work stress on employee performance. The results of this data processing prove the theories and previous studies which state that employee performance can be influenced by work stress and compensation.

The magnitude of the influence that occurs can be seen in the following table:

Table 3

Correlation Coefficient

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.492a	.242	.199	.46490

a. Predictors: (Constant), Work Stress, Compensation

b. Dependent Variable: Employee Performance

Source: Data processing SPSS 26

The table above shows the multiple correlation coefficient (R) of 0.492. Based on the level of correlation, the value is in the category 0.40 – 0.60 or the relationship is moderate. So compensation and work stress have a moderate level of close relationship with employee performance for employees in service units. To find out the contribution of compensation (X1) and work stress (X2) to employee performance (Y) can see the value of the coefficient of determination or R Square multiplied by

100%. Based on the table above, it is known that the coefficient of determination is 0.242 or 24.2%. This means that compensation (X1) Work stress (X2) affects employee performance (Y) by 24.2% and the remaining 75.8% is influenced by other factors such as competence, empowerment, and human resource development. To see the separate effect of work stress and compensation variables on employee performance, a t-test was performed. The results of the test are listed in the table below:

Table 4

t Test Result

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	1.643	.624		2.634	.012
	Work Stress	.376	.143	.400	2.621	.013
	Compensation	.179	.136	.200	1.315	.197

a. Dependent Variable: Employee Performance
Source: Data processing SPSS 26

Based on table 4 above, the multiple linear regression equation as follows:

$$Y = 1.683 + 0.376X1 + 0.179X2 + e.$$

From this equation, work stress (X1) has a positive value (0.376), meaning that good work stress management will boost the employee performance in the service unit. Compensation (X2) has a positive value (0.179), this means that the company must prepare an attractive compensation system so that employees are enthusiastic about working.

CONCLUSION

Based on data processing and hypothesis testing, it can be concluded that employee performance at Motorcycle Distributor Company In Cimahi is influenced by work stress and compensation simultaneously. Therefore, good company policies in managing stress levels and reward systems will determine employee performance at Motorcycle Distributor Company In Cimahi. However, in addition to work stress and compensation, employee performance that occurs is also influenced by other factors that need to be investigated further in order to optimize employee performance at Motorcycle Distributor Company In Cimahi, Indonesia.

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