Issue   **Article**

Seno Andri
University of Riau
Jl. Binawidya Km 12.5, 28291,
Pekanbaru Riau, Indonesia
Faculty of Economics and Business

Ajeung Shierly liandra
University of Riau
Jl. Binawidya Km 12.5, 28291,
Pekanbaru Riau, Indonesia
Faculty of Economics and Business

THE EFFECT OF GIVING COMPENSATION THROUGH EMPLOYEE MORALE AT PT INDOKOMAS BUANA PERKASA IN MAREDAN BARAT

Abstract: The company always requires employees to improve short- and long-term performance to contribute to achieving company goals. Improving employee performance requires evaluation as a mechanism to provide feedback. Performance evaluation is important because it measures how much an employee can complete his work. Companies must realize that good employee performance is due to some driving factors that companies must boost to motivate their employees. Companies must give serious attention to employees so that employees can maintain their performances. If companies do not pay attention to their employees' basic needs, their performance can certainly decline. Based on the description and explanation of the background, the high level of employee turnover proves that the employee's performance is still low with the formulation of the problem What is the Effect of Giving Compensation to Employee Performance Through Employee Morale at PT Indokomas Buana Perkasa in Maredan Barat.

Based on the theoretical studies and the formulation of the problems discussed above, the following conclusions are drawn: The descriptive analysis of the research that has been done shows that the provision of compensation, employee performance, and employee morale at PT Indokomas Buana Perkasa in Maredan Barat is in the category of strongly agree and agree. In the compensation variable, the highest dimension is the provision of incentives, while the lowest is the provision of facilities. In the variable of employee morale, the highest dimension is cooperation, while the lowest dimension is the dimension of work discipline. Then for the employee performance variable, the highest dimension is the presence and ability to cooperate, while the lowest is the quantity dimension of the results.

Key words: trust, compensation, company.
Language: English
Citation: Andri, S., & liandra, A. S. (2022). The Effect of Giving Compensation Through Employee Morale at PT Indokomas Buana Perkasa in Maredan Barat. ISJ Theoretical & Applied Science, 07 (111), 119-130.
Soi: http://s-o-i.org/1.1/TAS-07-111-13   *Doi*: crossref https://dx.doi.org/10.15863/TAS.2022.07.111.13
Scopus ASCC: 2000.

Introduction

Competition in the current globalization era makes business between companies increasingly tight. Companies must face all challenges to compete with similar companies in the current era. Business is carried out continuously, from raw materials procurement, production, marketing, and distribution to consumers in the form of goods and services aiming to benefit from these goods and services. In the business world, ethics is needed in organizations because business is an activity that requires moral responsibility in its implementation. After all, it involves many people in it. A successful and superior company or organization is a company or

organization that has good performance and appropriate managerial arrangements, good finances, excellence in technology, good and complete facilities, and infrastructure.

Indonesia is one of the developing countries where the government carries out many developments. Significant development occurs in the construction sector. Working in construction sector projects is an important part of a country's development, where construction projects for the construction of buildings, roads, bridges, and other infrastructure are a measure of the country's economic development. Construction project success has traditionally been measured in time, cost, and quality. Success is influenced by important factors (Critical Success Factors). One of them is human resources. Human resources are the driving force for a company or organization to support the success of the implemented project. The potential in human resources owned by the organization must be optimized as well as possible to show good performance and provide optimal output. PT Indokomas Buana Perkasa has a large number of workers. The number of workers has been divided into several work items such as the field, warehouse, and site. PT Indokomas Buana Perkasa in Perawang itself is located on Alamsyah street, Maredan Barat Village, Tualang District, Siak Regency, Riau Province. Source: PT Indokomas Buana Perkasa.

In addition, other phenomena related to work spirit can be seen from Turn Over data at PT Indokomas Buana Perkasa in the last five years, from 2017 to 2021. The number of turnovers development at PT Indokomas Buana Perkasa from 2017 to 2021 experienced fluctuating numbers. It shows that the highest percentage was in 2019, an 11.05% increase. On the other hand, the lowest occurred in 2020 with a percentage of 7%. Daromes (2006) argues that before turnover occurs, the behavior that precedes it is the turnover intention that best predicts the turnover. The phenomenon related to the number of turnovers is where the entry and exit of employees are caused by discomfort or displeasure at work. Therefore, they intend to look for other workplaces. They hope that the new workplace will be more suitable for seeking comfort while working. Nitisemito (2010) said that labor turnover is the level of employees going in and out. Declining employees is an indication of increased work morale. However, based on data on the turnover rate at PT Indokomas Buana Perkasa, the numbers are still changing due to the low employee morale at PT Indokomas Buana Perkasa.

Based on the description and explanation of the background, the high level of employee turnover proves that the employee's performance is still low with the formulation of the problem What is the Effect of Giving Compensation to Employee Performance Through Employee Morale at PT Indokomas Buana Perkasa in Maredan Barat

Theoretical Framework
Human Resource Management
Human resources are an individual's thinking power and physical power. Their behavior and characteristics are determined by heredity and environment, while work performance is motivated by the desire to fulfill their satisfaction (Widodo, 2015).

The resources needed to run the organization cannot be seen as an independent but a formidable unit to form a synergy (Sutrisno, 2009).

According to Hasibuan (2014), Management is the science of managing the process of utilizing human resources and other sources effectively and efficiently to achieve a certain goal.

According to Mathis & Jackson (2012) in Widodo (2015), Human resource management (HRM) can be defined as the science and art of regulating the relationship and role of the workforce to be effective and efficient in using human abilities to achieve goals in every company.

From the various sources of understanding of human resources, it can be concluded that human resources are the driving force for organizations that will run the organization with the ability to think and physical power to achieve the goals of the organization. Human resource management is an activity that regulates human resources within an organization so that they can work to the provisions or directions of the organization.

Employees' Morale
Description of Morale
Morale is often associated with the attitude or behavior of employees toward the work they do by paying attention to and observing the attitudes and behavior of employees towards their work. It can be seen to what extent these employees have worked productively, and employees can achieve high productivity with high morale. Therefore, every company will always try to maintain employee morale so that work productivity remains high and even increases. Thus, the company's goals that have been set can be achieved.

Hypotheses
According to Sugiyono (2013), a hypothesis is a quick answer to a problem research, that is stated in the form of a question. The hypothesis, which is the answer to the problem, is formulated as follows:

H1 Compensation (X) partially affects employee performance (Y) at PT. Indokomas Buana Perkasa in Maredan Barat.

H2 Compensation (X) partially affects employee morale (Z) at PT. Indokomas Buana Perkasa in Maredan Barat.

H3 Morale (Z) has a partial effect on employee performance (Y) at PT. Indokomas Buana Perkasa in

Maredan Barat.

H4 Compensation (X) has a simultaneous effect on employee performance (Y) through employee morale (Z) at PT. Indokomas Buana Perkasa in Maredan Barat.

Operational Concepts and Measurement Techniques
Operational Concept

Operational is a form of operationalization definition of the research concepts that will be measured. Abstract concepts in this study are then operationalized so they can be measured and differentiated between high and low. These concepts have dimensions which are then generated into variables that will be measured with indicators. After that, they are translated into statements in the questionnaire.

Measurement Technique

The Likert scale measures attitudes, opinions, and perceptions of a person or group of people about social phenomena.

Research Method
Research Site

This study was conducted at PT. Indokomas Buana Perkasa in Perawang on Jalan Alamsyah, Maredan Barat Village, Tualang District, Siak Regency, Riau Province.

Population and Sample

Sugiyono (2006) says that the population is a generalization area consisting of objects or subjects with certain qualities and characteristics set by researchers to be studied and then drawn conclusions. The population in this study amounted to 115 employees at PT. Indokomas Buana Perkasa.

Type and Source of Data

The data used in this study is the primary data obtained through distributing a list of questions (questionnaires) given to PT. Indokomas Buana Perkasa's employees who became respondents. Secondary data is data obtained from the organization itself through the Site Manager and forwarded to the Project Admin and HSE Officers.

Data Collection Method

In order to obtain accurate data from the variables studied in this study, several techniques such as questionnaire (questionnaire) and interview techniques were used.

Instrument(s) Testing
Validity Testing

According to Cooper et al. in Abdillah (2015), the validity test is carried out to determine the ability of the instrument to measure what it is supposed to measure. This study has two validity tests: the convergent validity test and the discriminant validity test using SmartPLS 3.2.6.

Reliability Testing

A reliability test is a tool to measure a questionnaire with variables or construct indicators. A questionnaire is reliable if a person's answer to the statement is consistent from time to time (Ghozali, 2005).

Data Analysis Technique
Descriptive Analysis

Descriptive analysis is used to analyze data by describing the data that has been collected as it is intended to make conclusions that apply to the public (generalizations) (Sugiyono, 2014).

Qualitative Analysis

In this study, quantitative analysis using SEM (Structural Equation Modeling) using the PLS (Partial Least Square) program to examine the relationship between variables is described as follows:

SEM (Structural Equation Modeling) Analysis

Structural Equation Modeling (SEM) is a statistical technique to test simultaneously (Iman Gozali in Erzen (2020).

Partial Least Square (PLS)
Measurement Model (outer model)

A measurement model determines the relationship between latent variables and indicators.Evaluation of the measurement mode (outer model) includes convergent validity, discriminant validity, and composite reliability tests, as presented in Table 1 below.

Table 1. Measurement Model Evaluation Criteria

Validity and Reliability	Parameters	Notes/Information
Convergent Validity	Loading Factor Value	It is valid if the loading value > 0.7. For the initial stage of development, the loading value > 0.5-0.6 is considered valid.
	Average Variance Extracted (AVE)	AVE > 0.5 is a good measure of convergent validity.
Discriminant Validity	*Cross Loading*	If the correlation of the construct with each indicator > the other construct measures, the latent construct predicts the indicator better than the other constructs.
	Square Foot of AVE	The square root value of AVE > the correlation value between the constructs/latent variables, then good discriminant validity is achieved.
	Cronbach's Alpha	Cronbach alpha ≥ 0.7 for Confirmatory Research; therefore, Cronbach alpha ≥ 0.6-0.7 is acceptable for Exploratory Research.
	Composite	*Composite Reliability ≥ 0.70 shows good reliability. Composite Reliability 0.60 – 0.70 is acceptable for exploratory research*

Source:Processed Data, (2021)

Structural Model (Inner Model)

The structural model tests the significance of the parameters formulated in the assessed hypothesis by examining the significance of the coefficients and variances accounted for by the construct (R^2) representing the dependent (endogenous) proportion. An $R^2 \geq 10$ ensures that the variance is explained by a practical, statistical, and significant endogenous variable. According to Mahfud in Erzen (2020), Endogenous variables mean variables that are influenced by other variables. The evaluation of the structural model (inner model/structural model), including R^2 for the dependent construct, p-value test, as well as the significance and coefficients of the structural path parameters, is presented as follows:

Table 2. Structural Model Evaluation Criteria

Testing	Criteria	Notes/Information
Model fit indices	APC	*Average Path Coefficient* (APC), *p- value < 0,1*
	ARS	*Average R-Square (ARS), p-value < 0,1*
	AVIF	*Average Variance Inflation Factor (AVIF) < 5*
Coefficient of Determination (R^2) for endogeneous latent variable	R²	The R-Square value of 0.67 identifies a good model, 0.33 identifies a moderate model, and 0.19 indicates a weak model.
Path Coefficients	p-value	p-value <*a*, shows that it is significant.

Source: Processed Data, (2021)

Hypotheses Testing

Hypothesis testing in this study uses a full structural education modeling (SEM) model with SmartPLS.

Multiple Regression Analysis

The intervening variable is an intermediate or mediating variable whose function is to mediate the relationship between the independent and dependent variables. The intervening variables testing uses the path analysis method (path analysis). Regression analysis estimates the causal relationship between variables (causal model) that has been set previously based on theory.

Result And Discussions

In this chapter, the researcher describes the results of research and discussion the effect of compensation on employee performance through employee morale at PT Indokomas Buana Perkasa in Maredan Barat.Respondents in this study were 89 employees.From the research results, some necessary

data have been collected, including respondent identity, data regarding respondents' responses to compensation, employee morale, and employee performance.

Respondents' Identity

The identity of the respondents in this study includes gender, age, education level, the field of work, and years of service of employees at PT Indokomas Buana Perkasa in Maredan Barat.

Respondents Based on Sex

From the results of the study, it can be seen that the gender of the respondents in this study were 86 men and three women.

Respondents Based on Age

The results of the study showed the number of respondents based on the age of the respondents. The most significant number of respondents are younger because the company requires physically strong employees to do the challenging work in the field. Meanwhile, in the 40-45, employees have higher positions who only supervise their subordinates' work.

Respondents Based on Education Level

The level of education tends to influence a person's attitude, behavior, and mindset, especially in making decisions. In addition, the level of education can also affect a person's income. Those with a high level of education get a higher income than those with a lower level of education.

Respondents Based on Work Field

Based on the results of the study, we can see the respondents with their respective fields of work. Males dominate all fieldwork because it is a very tough job. On the other hand, the administration is dominated by women because they only work in the office to process data related to the project for the construction of the electrical substation, such as employee attendance data, employee turnover data, and financial data covering the project operational costs, and other data.

Respondents Based on Employees' Working Period

The year of service is the work experience of each employee at PT Indokomas Buana Perkasa in Maredan Barat. The year of service is a benchmark for how much experience employees gain in working in their respective fields. Based on the study results, six respondents worked the longest, between 16-20 years, and 22 people worked the least, between 0-5 years. However, the number of employees with the year of service between 11-15 years is the most, 32 people.

Descriptive Analysis of Compensation (X)
Wages and Salaries

Overall, from the results of the study, it is concluded that the indicators of wages and salaries can be categorized as strongly agree, with a total score of 854 in the interval 750 – 892. Therefore, overall the wages and salaries given following the contributions made by employees and periodically to the employees by PT Indokomas Buana Perkasa in Maredan Barat are appropriate/relevant.

Incentive

Overall, from the study results, it can be concluded that the response indicators for rewarding employees who excel and providing additional rewards such as vitamins, food, and beverages can be categorized as strongly agree with a total score of 855 in the interval 750-892. Therefore, the incentives provided by PT Indokomas Buana Perkasa in Maredan Barat given to employees are very appropriate.

Benefits

Overall, the study results conclude that the response indicators of the provision of allowances can be categorized as strongly agree with a total score of 854 in the interval 750-892. Therefore, overall the provision of allowances needed by employees at PT Indokomas Buana Perkasa in Maredan Barat is excellent.

Facilities

Overall, the study results conclude that the response indicators from the provision of facilities can be categorized as strongly agree with a total score of 851 within the interval 750-892. Therefore, overall the provision of facilities needed by employees at PT Indokomas Buana Perkasa in Maredan Barat is excellent.

Recapitulation of Respondents' Responses based on the Dimensions of Compensation

The study results show the recapitulation of respondents' responses to the dimensions of compensation at PT Indokomas Buana Perkasa in Maredan Barat. Therefore, overall the compensation can be considered very satisfactory, as illustrated by the responses of respondents in the category of strongly agree with the number of recapitulation results of 3,414 within the variable score interval 2996 - 3566.

Descriptive Analysis of Employees' Morale (Z)
Cooperativeness

Overall, the study results conclude that the response indicators from the cooperation can be categorized as strongly agree with a total score of 855 within the interval 750-892. Therefore, overall the

employees' cooperativeness at PT Indokomas Buana Perkasa in Maredan Barat is excellent.

Work Discipline

Overall, the study results conclude that the response indicators from the work discipline can be categorized as strongly agree with a total score of 851 within the interval 750-892. Therefore, overall the employees' work dicipline PT Indokomas Buana Perkasa in Maredan Barat is excellent.

Passion

Overall, the study results conclude that the response indicators from the passion can be categorized as strongly agree with a total score of 854 within the interval 750-892. Therefore, overall the employees' passion at PT Indokomas Buana Perkasa in Maredan Barat is excellent.

Recapitulation of Respondents' Responses based on the Dimensions of Employees' Morale

The study results show the recapitulation of respondents' responses to the dimensions of employees' morale PT Indokomas Buana Perkasa in Maredan Barat. Therefore, overall the employees morale can be considered very satisfactory, as illustrated by the responses of respondents in the category of strongly agree with the number of recapitulation results of 2,560 within the variable score interval 2246 - 2673.

Descriptive Analysis of Employees' Performance
Quantity of Results

Overall, the study results conclude that the response indicators from the quantity of results can be categorized as strongly agree with a total score of 849 within the interval 750-892. Therefore, overall the employees' quantity of results at PT Indokomas Buana Perkasa in Maredan Barat is excellent.

Accuracy of Results

Overall, the study results conclude that the response indicators from the accuracy of results can be categorized as strongly agree with a total score of

850 within the interval 750-892. Therefore, overall the employees' accuracy of results at PT Indokomas Buana Perkasa in Maredan Barat is excellent.

Attendance

Overall, the study results conclude that the response indicators from the employees attendance can be categorized as strongly agree with a total score of 852 within the interval 750-892. Therefore, overall the employees attendance at PT Indokomas Buana Perkasa in Maredan Barat is excellent.

Ability to Cooperate

Overall, the study results conclude that the response indicators from the ability to cooperate can be categorized as strongly agree with a total score of 852 within the interval 750-892. Therefore, overall the employees' ability to cooperate at PT Indokomas Buana Perkasa in Maredan Barat is excellent.

Recapitulation of Respondents' Responses based on the Dimensions of Employees' Performance

The study results show the recapitulation of respondents' responses to the dimensions of employees' performance at PT Indokomas Buana Perkasa in Maredan Barat. Therefore, overall the employees' performance can be considered very satisfactory, as illustrated by the responses of respondents in the category of strongly agree with the number of recapitulation results of 3,403 within the variable score interval 2996 - 3566.
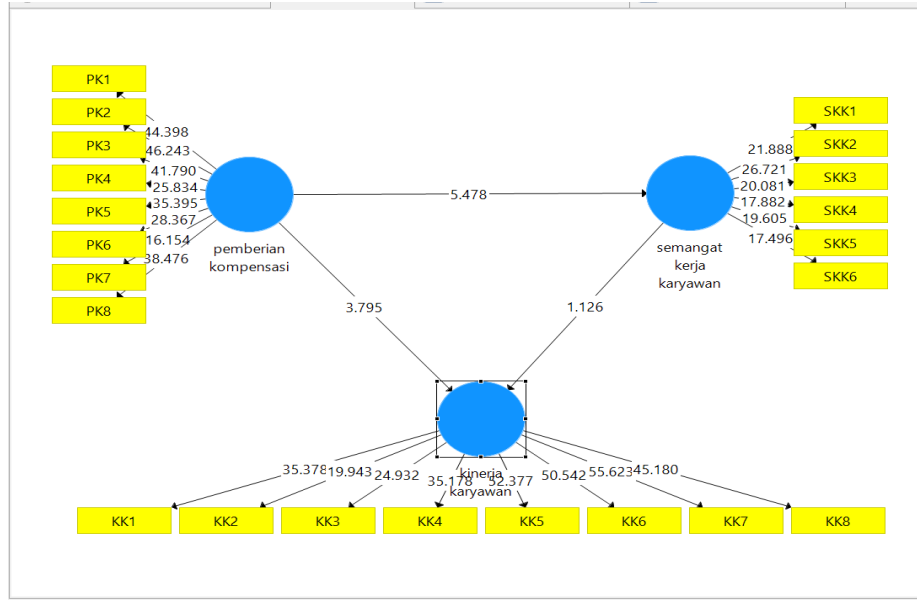
Instrument(s) Testing
Measurement Model (Outer Model)

In the outer or measurement model's initial stage, the researcher designed the initial model under the hypothesized model, then processed and estimated primary data, the respondents' answer scores, using the SmartPLS 3.2.6 application. This step was carried out to determine a good model. It would be used as the researcher's hypothesis analysis. The estimation results of construct indicators with the Smartpls application in the initial model are presented in the following figure:

Figure 1 - Measurement Model (Outer Model)

Data Source :Smartpls Processed Data, 3.2 6

Validity Testing

Validity test analysis tests the data accuracy so that the results are not biased. Validity testing is divided into convergent validity and discriminant validity.

Convergent Validity Testing

The evaluation of the first stage of the measurement model was started by observing the results of the convergent validity test through the loading factor. The validity of the reflective indicator can be assessed based on the correlation between the indicator score and the construct score.The individual reflection measure is high if it correlates more than 0.70 with the measured construct. However, according to Chin (in Ghozali, 2013), for research in the early stages of developing a measurement scale, the loading value of 0.5 to 0.6 is sufficient.

Discriminant Validity Testing

Based on the data above, all indicators have met the criteria for discriminant validity. The variable of compensation as an independent loading value has exceeded > 0.50. In addition, the study results show that the correlation value of all indicators has a high correlation to the provision of compensation compared to the variables of employee performance and employee morale.It explains that all indicators in the compensation indicator meet the requirements of discriminant validity.

The dependent variable is the employee performance variable with a loading value exceeding > 0.50. In addition, the study results show that the correlation value of all indicators has a high correlation to employee performance compared to the variables of compensation and employee morale.It explains that all the indicators in the employee performance indicators meet the requirements of discriminant validity.

The employee morale variable as a mediating variable has a value that has exceeded > 0.50.In addition, the study results show that the correlation value of all indicators has a high correlation to employee morale compared to the variables of compensation and employee performance. It explains that all the indicators in the employee morale indicator meet the discriminant validity requirements.

In addition, to test the convergent validity, the researcher also observes the Average Variance Extracted (AVE) model. The construct has a good validity value if the AVE has a greater value than 0.5 (AVE > 0.5). From the estimation results of SmartPLS 3.2.6. the AVE curve obtained is presented as follows:

Table 3. Average Variance Extracted (AVE)

Variable	Average Variance Extracted (AVE)
Giving Compensation	0,867
Employees Performance	0,891
Employees' Morale	0,770

Data Source :Smartpls Processed Data, 3.2 6

Furthermore, to test the discriminant validity, the researcher also observed the average criteria for the model. The construct has a good validity value if the AVE has a greater value than 0.5 (AVE.0.5). From the estimation results of SmartPLS 3.2.6, the obtained AVE curve is presented as follows:

Table 4. Fornell – Lacker Criteria

Variable	Employees Performance	Giving Compensation	Employees' Morale
Employees Performance	0,944		
Giving Compensation	0,622	0,931	
Employees' Morale	0,476	0,619	0,878

Data Source :Smartpls Processed Data, 3.2 6

The study results show that the square root value of AVE along the diagonal line has a more significant correlation between one construct and another. Thus, it is expected to provide accuracy, precision, and inaccuracies in the research results.

Reliability Testing

In addition to the validity test, it is also necessary to test the reliability. This test evaluated the outer model by looking at the reliability of the later variable construct measured by two criteria. Cronbach alpha and composite reliability. A construct meets reliability if the Cronbach alpha value is > 0.7 and the composite reliability value is > 0.7. It indicates accuracy and consistency of a measuring instrument in making a measurement (Neuman in Hamdani 2013). The following table is the output of SmartPLS:

Table 5. Quality Criteria (Cronbach's Alpha dan Composite Realibility)

Variable	Cronbach's Alpha	Composite Reliability	Standard Reliability	Notes/Information
Employees Performance	0,982	0,985	0.7	Reliable
Employees' Morale	0,940	0,953	0.7	Reliable
Giving Compensation	0,978	0,981	0.7	Reliable

Data Source :Smartpls Processed Data, 3.2 6

Based on the measurement results, each construct's composite reliability value is greater than 0.7. Thus, all constructs in the estimated model meet the discriminant reliability requirements. The lowest composite reliability value in the employee morale construct is 0.953.
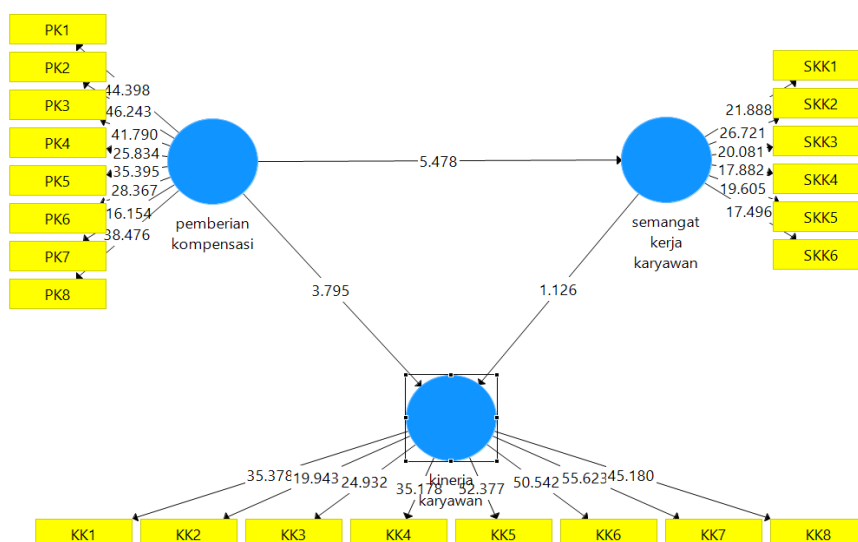
Structural Model (Inner Model)

Testing of the inner model or structural model is for observing the relationship between constructs, significant values, and R-square in this study. The structural model of this study can be seen in the following figure:

Figure 2 – Inner Model

Data Source :Smartpls Processed Data, 3.2 6

Furthermore, in this study, it is necessary to test the model fit.The following table shows the model fit values:

Table 6. Fit Model

	Saturated Model	*Estimated Model*
SRMR	0,057	0,057
d-ULS	0,812	0,812
d-G	n/a	n/a
Chi-Square	9950.553	9950.553
NFI	0,212	0,212

Data Source :Processed Data by Researcher, 2022

The subsequent analysis is to observe the model's explanatory power or nomological validity, which can be assessed through the R-Square (R2) of the endogenous constructsby assessing the effect of exogenous variables on endogenous variables. The higher the R-Square (R2) value, the better the model predicts.In the table below, it can be seen that the R-Square construct is based on the estimates made by the researcher:

Table 7. Inner Model – R-Square (R2)

Inner Model	R Square
Employees Performance	0,400

| Employees' Morale | 0,384 |

Data Source :Smartpls Processed Data, 3.2 6

Hypotheses Testing Result

Further hypothesis testing is described in the following part:

Hypothesis 1 Testing

a. H1It is suspected that there is a significant effect of the compensation variable (X) on employee morale (Z) at PT Indokomas Buana Perkasa in Maredan Barat.

b. Decision-making is based on:

if the p-value ≤ 0.05, the hypothesis is accepted.

if the p-value > 0.05, the hypothesis is rejected.

c. The p-value of $0.000 \leq 0.05$ marks that H1 is accepted.

d. The test results in the structural model figure show that the compensation variable has a positive and significant effect on employee morale with a p-value of 0.000.The path coefficient value is 0.619, indicating that for every 1 unit increase in compensation, employee morale will increase by 0.619.

Hypothesis 2 Testing

a. H2It is suspected that there is a significant effect of the compensation variable (X) on employee performance (Y) at PT Indokomas Buana Perkasa in Maredan Barat.

b. Decision-making is based on:

if the p-value ≤ 0.05, the hypothesis is accepted.

if the p-value > 0.05, the hypothesis is rejected.

c. The p-value of $0.000 \leq 0.05$ marks that H2 is accepted.

d. The test results in the structural model figure show that the compensation variable has a positive and significant effect on employee morale with a p-value of 0.000.The path coefficient value is 0.530, indicating that for every 1 unit increase in compensation, employee performance will increase by 0.530.

Hypothesis 3 Testing

a. H3:It is suspected that there is an insignificant effect of the employee morale variable (Z) on employee performance (Y) at PT Indokomas Buana Perkasa in Maredan Barat.

b. Decision-making is based on:

if the p-value ≤ 0.05, the hypothesis is accepted.

if the p-value > 0.05, the hypothesis is rejected.

c. The p-value of 0.272> 0.05 marks that H3 is is rejected.

d. The test results in the structural model figure show that the employees morale has a positive has a positive but insignificant effect on employee performance with a p-value of 0.272.The path coefficient value is 0.148, indicating that for every 1 unit increase in employee morale, employee performance will increase by 0.148.

Hypothesis 4 Testing

a. H4:It is suspected that Compensation (X) has the insignificant influence on employee performance (Y) through employee morale (Z) at PT. Indokomas Buana Perkasa in Maredan Barat.

b. Decision-making is based on:

if the p-value ≤ 0.05, the hypothesis is accepted.

if the p-value > 0.05, the hypothesis is rejected.

c. The p-value of 0.306> 0.05 marks that H4 is is rejected.

d. The test results in the structural model figure show that the Compensation has a positive but insignificant effect on employee performance and is intervened with employee morale variable with a p-value of 0.306.The path coefficient value is 0.092, indicating that for every 1 unit increase in compensation, employee morale and also the employee performance will increase by 0.092.

Conclusion And Suggestion
Conclusion

Based on the theoretical studies and the formulation of the problems discussed above, the following conclusions are drawn:

1. The descriptive analysis of the research that has been done shows that the provision of compensation, employee performance, and employee morale at PT Indokomas Buana Perkasa in Maredan Barat is in the category of strongly agree and agree.In the compensation variable, the highest dimension is the provision of incentives, while the lowest is the provision of facilities.In the variable of employee morale, the highest dimension is cooperation, while the lowest dimension is the dimension of work discipline.Then for the employee performance variable, the highest dimension is the presence and ability to cooperate, while the lowest is the quantity dimension of the results.

2. Based on the results of this study, it was found that compensation has a positive and significant effect on employee morale at PT Indokomas Buana Perkasa in Maredan Barat.

3. Based on the results of this study, it was found that compensation has a positive and significant effect on employee performance at PT Indokomas Buana Perkasa in Maredan Barat.

4. Based on the results of this study, it was found that employee morale has a positive but insignificant effect on employee performance at PT Indokomas Buana Perkasa in Maredan Barat.

5. Based on results of this study, it was found that compensation has a positive but insignificant effect on employee performance through employee morale at PT Indokomas Buana Perkasa in Maredan Barat.These results indicate that the effect of compensation on employee performance through employee morale is smaller than the direct effect of compensation on employee performance. Thus, it can be concluded that employee morale as an intervening variable has a small effect on this study.Compensation given to employees can create a sense of compliance with company regulations and responsibility at work.An increase in the provision of compensation followed by an increase in employee morale can improve employee performance.The higher the compensation and employee morale, the higher the employee's performance will be.

Suggestion

Based on the results of the research that has been carried out, the researcher will put forward suggestions for PT Indokomas Buana Perkasa in Maredan Barat.The suggestions from the author are as follows:

1. For companies

The board leaders of PT Indokomas Buana Perkasa in Maredan Barat have to pay attention to the performance of their employees. It is because the employee's performance is still relatively low. It is represented by the number of absent employees shown on the attendance table.In this study, the results showing that the provision of compensation significantly affected employee performance through employee morale were rejected.The effect of compensation on employee performance through employee morale has a smaller effect than direct influence.It means that employee morale as an intervening variable has a small effect on this study.Increased compensation followed by employee morale will improve employee performance.

2. For future researchers

For further researchers, examining more sources and references related to human resource science, especially the provision of compensation, employee morale, and employee performance, is suggested.Thus, the future study results will be better and more complete.In addition, choosing other objects is suggested to know better the effect of each variable used in this study.

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