

Contribution of Work Motivation, Compensation, and Work System to Employee Performance Improvement at LPPOM MUI DKI Jakarta

Intan Farrah, Elsa Asrina Putri, Oktrina Syahyanti, Fetry Vadila, Joko Pranata & Nilawati Nasti*

Master of Management Study Program, Universitas Islam Sumatera Utara, Indonesia

Abstract

This study aims to analyze the contribution of work motivation, compensation, and work system to employee performance improvement at LPPOM MUI DKI Jakarta. The research uses a quantitative approach with a survey method, where data is collected through a questionnaire filled out by 35 respondents. The analysis technique used was multiple linear regression to test the influence of the three independent variables (work motivation, compensation, and work system) on the dependent variable (employee performance). The results of the study show that work motivation, compensation, and work system significantly have a positive effect on employee performance. Work systems have the greatest influence, with a regression coefficient of 0.412, followed by work motivation (0.348) and compensation (0.263). The Adjusted R² value of 0.564 shows that these three variables explain 56.4% of the variability of employee performance. This study concludes that to improve employee performance, LPPOM MUI DKI Jakarta needs to improve the work system, as well as maintain adequate levels of motivation and compensation. These findings are also in line with human resource management theory which states that motivation, rewards, and a supportive work environment are key factors in driving employee productivity.

Keywords: Work Motivation; Compensation; Work System; Employee Performance; LPPOM MUI DKI Jakarta.

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*E-mail: nilawati.nasti@fe.uisu.ac.id

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INTRODUCTION

In the era of globalization and increasingly fierce competition, organizations are required to continue to improve their effectiveness and productivity in order to survive the competition (Wijayanto & SPi, 2013). Human resources are one of the key elements that can determine the success of an organization, both in the private and public sectors (Sutrisno, 2009). Non-profit organizations, including LPPOM MUI DKI Jakarta, also face the same challenges in maintaining the quality of work and productivity of their employees. Therefore, it is important to understand the factors that can affect employee performance, which ultimately contributes to the overall success of the organization.

One of the main factors that is often associated with employee performance is work motivation. Work motivation includes internal and external impulses that affect the extent to which a person strives to achieve organizational goals (Prihantoro, 2015). Without strong motivation, employees tend to work only at a minimum level, which of course has an impact on less than optimal work results. The right work motivation can encourage employees to take the initiative, work hard, and make maximum contributions to the organization.

In addition to motivation, compensation also plays an important role in improving employee performance. Compensation, both in financial and non-financial forms, rewards employees' contributions to the organization. A fair and competitive compensation system can increase employee satisfaction and provide incentives for them to perform better (Posuma, 2013). On the other hand, if compensation is felt to be inadequate, employees can become less motivated and potentially even look for job opportunities elsewhere.

Not only motivation and compensation, the work system implemented in the organization also has a significant influence on employee performance. An efficient and supportive work system can create a conducive work environment, where employees feel comfortable and have room to grow (Tambunan, 2018). On the other hand, a work system that is not structured or does not match the needs of employees can cause frustration, reduce productivity, and lower work morale (Mahawati et al., 2021).

At LPPOM MUI DKI Jakarta, as an institution responsible for maintaining halal standards in DKI Jakarta, the role of employees is very vital. Employee performance is a determining factor in ensuring that the services provided by this institution run well and meet the standards that have been set. Therefore, it is important to evaluate how work motivation, compensation, and work systems in these institutions affect employee performance.

The purpose of this study is to analyze the extent of the contribution of work motivation, compensation, and work system to employee performance improvement at LPPOM MUI DKI Jakarta. By understanding this relationship, organizations are expected to develop more effective strategies in improving employee productivity and work quality.

This study uses a quantitative approach by conducting a survey of LPPOM MUI DKI Jakarta employees. The data obtained will be analyzed to identify the extent to which these factors affect employee performance. In addition, this study will also explore whether there is an interaction between motivation, compensation, and work systems in shaping overall employee performance.

It is hoped that the results of this study can provide valuable insights for LPPOM MUI DKI Jakarta in designing better policies related to human resource management. By increasing work motivation, providing appropriate compensation, and improving the work system, this institution can significantly improve employee performance.

Furthermore, the findings of this study can also contribute to the existing literature on human resource management, especially in the context of non-profit institutions in Indonesia. Given the importance of the role of employees in maintaining the reputation and sustainability of the institution, this research is expected to be a reference for other organizations facing similar challenges.

Ultimately, efforts to improve employee performance are not only the responsibility of individual employees, but also the responsibility of the organization as a whole. By creating a supportive work environment, providing appropriate rewards, and motivating employees to

continue to grow, LPPOM MUI DKI Jakarta can ensure that their performance remains optimal in the midst of the dynamics of change that continues to occur.

Against this background, this research was carried out to dig deeper into the relationship between work motivation, compensation, and work system to improve employee performance at LPPOM MUI DKI Jakarta. The results of this study are expected to be a practical and applicable guide for leaders and managers in making decisions related to employee management.

Finally, improving employee performance will have a direct impact on improving the quality of services provided by LPPOM MUI DKI Jakarta to the community. As an institution tasked with maintaining halal standards, improving employee performance also means increasing public trust in the services provided.

RESEARCH METHODS

This study uses a quantitative approach with a survey method to analyze the relationship between work motivation, compensation, and work system on employee performance (Priadana & Sunarsi, 2021). The quantitative approach was chosen because this study focuses on measuring variables that can be expressed numerically and analyzed using statistical techniques.

The population in this study is all employees working at LPPOM MUI DKI Jakarta. Based on considerations of efficiency and data availability, this study uses a purposive sampling technique, with a sample of 35 employees. The purposive sampling technique was chosen because the researcher wanted to focus on employees who have a direct role in the institution's operations, so that it could provide relevant data (Retnawati, 2017).

Data were collected using questionnaires as the main instrument. The questionnaire used consists of several sections that include questions regarding work motivation, compensation, work system, and employee performance. Each question will use a 5-point Likert scale, where respondents are asked to give a rating ranging from "strongly disagree" to "strongly agree." (Data, 2015)"This questionnaire will be distributed directly to LPPOM MUI DKI Jakarta employees.

Before the questionnaire is distributed, validity and reliability tests will be carried out to ensure that the instruments used can measure the research variables accurately and consistently. Validity tests are conducted to ensure that each item in the questionnaire actually measures the desired aspect, while reliability tests are conducted to assess the consistency of measurements between items in the questionnaire.

Once the data is collected, data analysis will be carried out using SPSS statistical software (Imam Ghazali, 2018). The first step in data analysis is to conduct a descriptive analysis to describe the characteristics of the respondents, including age, gender, and length of work. Furthermore, multiple linear regression analysis will be used to test the influence of work motivation, compensation, and work system on employee performance.

The regression equation to be used is as follows (Sarstedt et al., 2019):

$$Y=a+\beta_1X_1+\beta_2X_2+\beta_3X_3+\varepsilon$$

Where:

- Y is the employee performance variable
- X1 is the work motivation variable
- X2 is the compensation variable
- X3 is a working system variable
- a is a constant
- b1,b2,b3 is the regression coefficient for each variable
- e is an error term or residual

Using this analysis, it will be seen how much each independent variable contributes to employee performance.

1. Classical Assumption Test

To ensure that the regression model used meets the statistical requirements, several classical assumption tests will be performed, including:

- Normality Test: to see if the distribution of residual data is normally distributed.
- Multicollinearity Test: to ensure that there is no very strong relationship between independent variables that could affect the regression results.
- Heteroscedasticity Test: to ensure that the error variant is constant (homoscedasticity).
- Autocorrelation Test: to check if there is a correlation between errors from one observation to another.

2. Research Hypothesis

This study tests several hypotheses, namely:

- H1: Work motivation has a positive and significant effect on employee performance.
- H2: Compensation has a positive and significant effect on employee performance.
- H3: The work system has a positive and significant effect on employee performance.

Hypothesis testing was carried out using a significance level (α) of 5% or 0.05. If the p-value (probability) generated from the regression test is less than 0.05, then the alternative hypothesis is accepted, which means that the independent variable has a significant influence on employee performance.

3. Research Time and Location

This research will be carried out for 3 months, starting from September to November 2024. Data collection will be carried out at the LPPOM MUI DKI Jakarta office, which is located in South Jakarta. Data collection is carried out directly through questionnaires distributed to employees in the office environment, as well as several online meetings for employees who are on duty outside the office.

RESULTS AND DISCUSSION

Respondent Description

Based on data collected from 35 employees of LPPOM MUI DKI Jakarta, the majority of respondents are in the age range of 25-35 years (45.7%), followed by the age group of 36-45 years (34.3%), and the rest are over 45 years old. In terms of gender, 60% of respondents are male, while the remaining 40% are female. Most respondents have between 5-10 years of work experience (40%), followed by those with more than 10 years of work experience (37.1%), and those with less than 5 years of work experience (22.9%). Based on the descriptions of these respondents, it can be concluded that the research sample consists of employees with varying backgrounds of experience and age, so it is expected that the data obtained represent a variety of different perspectives in the organization.

Validity and Reliability Test

Before conducting further analysis, a validity and reliability test was carried out on the questionnaire. The results of the validity test showed that all items measured had a significant correlation with the variables measured (work motivation, compensation, work system, and employee performance), with a correlation value above 0.30, which means that the instrument was valid. The reliability test showed that Cronbach's Alpha value for all variables was above 0.70, which means that the research instrument can be considered reliable and consistent.

Descriptive Analysis

Based on the results of the descriptive analysis of the research variables, an average work motivation score of 3.85 out of a scale of 5 was obtained, which shows that most employees feel quite motivated at work. The compensation variable obtained an average score of 3.65, which indicates that respondents felt that the compensation they received was quite adequate. The work system received an average score of 3.90, which indicates that the majority of respondents feel that the work system at LPPOM MUI DKI Jakarta supports their performance. Meanwhile, the

employee performance variable obtained an average score of 4.00, which shows that overall employee performance is considered good.

Classical Assumption Test

- Normality Test: The results of the normality test show that the residual data is normally distributed with a p-value of 0.081 ($p > 0.05$), so that the normality assumption is met.
- Multicollinearity Test: The VIF (Variance Inflation Factor) value for all variables is below 10, which means there is no multicollinearity problem between independent variables.
- Heteroscedasticity Test: The results of the heteroscedasticity test by the Glejser method showed that there was no clear pattern in the residual scatterplot, and all p-values > 0.05 , which indicates the absence of heteroscedextivity problems.
- Autocorrelation Test: The Durbin-Watson test yielded a value of 1.864, which is within the safe value range (1.5-2.5), indicating the absence of autocorrelation problems in the data.

Multiple Linear Regression Analysis

Multiple linear regression analysis was conducted to see the influence of work motivation, compensation, and work system on employee performance. The results of the regression test show the following equations:

$$Y = 1,045 + 0,348X_1 + 0,263X_2 + 0,412X_3$$

Based on the regression results, it is known that:

- Work motivation (X_1X_1) has a coefficient of 0.348 with a p-value of 0.001 ($p < 0.05$), which means that work motivation has a positive and significant effect on employee performance.
- Compensation (X_2X_2) has a coefficient of 0.263 with a p-value of 0.014 ($p < 0.05$), which means that compensation has a positive and significant effect on employee performance.
- The work system (X_3X_3) has a coefficient of 0.412 with a p-value of 0.000 ($p < 0.05$), which means that the work system has a positive and significant effect on employee performance.

The Adjusted R^2 value of 0.564 shows that 56.4% of employee performance variability can be explained by three independent variables, namely work motivation, compensation, and work system. The remaining 43.6% were influenced by other factors that were not included in this model.

Discussion

Based on the results of the research that has been conducted, it can be seen that work motivation, compensation, and work system significantly contribute to improving employee performance at LPPOM MUI DKI Jakarta. These three variables show a positive relationship, where the increase in each factor is directly correlated with the improvement of employee performance. This finding is in line with various previous theories and studies that discuss the determinants of employee performance.

Work Motivation

The results show that work motivation has a positive and significant influence on employee performance, with a regression coefficient of 0.348. These findings are consistent with Herzberg's two-factor motivation theory, which states that intrinsic motivation, such as a sense of accomplishment, recognition, and responsibility, can improve a person's performance. Employees who have a strong drive from within themselves to achieve organizational goals will tend to work harder and commit higher to their work (Ermawati & Barlian, 2020). In addition, this study also supports previous research by (Judge & Robbins, 2013) which confirms that work motivation is one of the main factors that affect employee productivity. Motivated employees will be more



proactive and proactive in carrying out their tasks, as well as have a higher level of job satisfaction, which in turn has a positive impact on their performance. These results also emphasize the importance of management to actively encourage and maintain employee work motivation, both through intrinsic and extrinsic motivation approaches. By creating a motivating work environment, organizations can help employees reach their maximum potential.

Compensation

Compensation has also been proven to have a positive and significant influence on employee performance, with a regression coefficient of 0.263. These findings are in line with Adams' theory of fairness, which states that employees will be motivated to perform better if they feel they are being fairly compensated according to the contributions they make. If employees feel valued through adequate compensation, they will work more effectively and productively. This study supports the findings by (Ma'ruf, 2021), which mentions that compensation plays a key role in attracting and retaining talented employees, as well as driving better performance. Employees who feel that they are being compensated according to their performance will have additional motivation to continue to contribute optimally to the organization's goals (Agung Wahyu Handaru, Try Uromo, 2013). However, these findings also show that while compensation is important, the effect is not as large as work motivation and work systems. This suggests that while fair compensation is necessary, other factors such as intrinsic motivation and work environment may more deeply affect performance. High compensation without the support of motivation and a good work system may not be enough to ensure optimal employee performance.

Working System

The work system is proven to have the greatest influence on employee performance, with a regression coefficient of 0.412. These findings are in line with the scientific management theory of (Taylor, 2004), which states that the efficiency of the work system and good task management can increase employee productivity. An effective work system includes aspects such as clear procedures, good time management, and the availability of adequate resources to support the execution of employee duties. This study supports the results of research by (Herdiyanti et al., 2022), which found that a well-structured work system creates a supportive environment for employees, so they can focus on their responsibilities without unnecessary distractions. A good work system also provides clarity of roles, which can improve work efficiency and reduce task conflicts. Employees who work in a well-organized system tend to feel more comfortable, which will ultimately improve their performance. These findings show the importance of management's role in designing work systems that are not only efficient but also flexible to support employee productivity. With the improvement and good management of the work system, employees can work more smoothly, without administrative or operational obstacles that can interfere with their performance.

This research supports various previous studies that emphasize the importance of work motivation, compensation, and work systems on employee performance. One of the studies by (Putra & Cahyo, 2021) mentioned that to improve employee performance in a sustainable manner, organizations must manage human resources holistically, paying attention to motivational factors, rewards, and work arrangements. In addition, research by (Hanafi et al., 2018) which also examined the influence of motivation and compensation on employee performance in non-profit organizations showed similar results, where motivation and compensation play a significant role in driving employee productivity. This research adds a new perspective by showing that work systems, especially in non-profit organizations such as LPPOM MUI DKI Jakarta, are important elements that affect employee performance.

CONCLUSION



Based on the results of the research on the contribution of work motivation, compensation, and work system to employee performance improvement at LPPOM MUI DKI Jakarta, it can be concluded that these three variables have a positive and significant influence on employee performance. Work motivation, compensation, and work systems play an important role in driving optimal performance, albeit with varying degrees of influence. First, work motivation is proven to make a significant contribution to employee performance. Employees who feel motivated, both intrinsically and extrinsically, tend to work more productively and have a greater commitment to achieving organizational goals. This supports Herzberg's motivation theory which emphasizes the importance of motivational factors in improving employee performance. Second, compensation also shows a positive influence on employee performance. Compensation that is fair and commensurate with employee contributions helps create a sense of satisfaction and appreciation, which in turn encourages employees to increase their productivity. Although important, the results of this study show that compensation is not the most dominant factor, but rather part of a combination of factors that support performance improvement. Third, the work system is the factor with the greatest influence on employee performance. An efficient, structured, and operationally supportive work system plays a crucial role in creating a productive work environment. A good work system helps reduce operational bottlenecks and provides clarity in the execution of tasks, so employees can focus on achieving goals. Overall, this study shows that to improve employee performance, LPPOM MUI DKI Jakarta needs to adopt a holistic approach that includes motivation management, efficient work system structuring, and the provision of fair compensation. By maximizing these three factors, employee performance can continue to be improved, so that the institution can operate more effectively and achieve its strategic goals in carrying out halal certification in the DKI Jakarta area.

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