The Influence of Workload and Compensation on Employee Performance at PT PLN (Persero) Unit Induk Pembangkitan Sumatera Bagian Selatan

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Abstract

This study investigates and analyzes the influence of Workload and Compensation on employee performance at PT PLN (Persero) Unit Induk Pembangkitan Sumatera Bagian Selatan (PLN UIKSBS). The research utilized primary data collected through questionnaires distributed to all 114 employees of PLN UIKSBS. The questionnaire served as the instrument to measure the variables under study. The collected data were then processed using statistical tools with multiple linear regression analysis. The research findings indicate a positive and significant relationship between Workload and employee performance at PLN UIKSBS and Compensation's vivid and significant compensation employee performance. Recommendations for PLN UIKSBS include improving and enhancing employee performance by considering Workload, such as re-evaluating employee placements based on educational backgrounds, especially in high-risk job areas. Additionally, attention should be given to employee compensation by disseminating rules and policies regarding the company's incentive calculations and increasing efforts to provide opportunities for self-development through fair promotions to higher positions aligned with employee competencies and organizational needs.

Keywords: compensation; employee performance; incentive; salary; workload;

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1 Introduction

A governmental organization requires resources to achieve its goals, encompassing energy, workforce, and strength necessary to generate power, motion, activities, and actions. These resources include natural resources, financial resources, human resources, knowledge resources, and technological resources (Wirawan, 2012).

PT PLN (Perusahaan Listrik Negara) is a company that provides electricity to the people of Indonesia. Established by the Indonesian government, PLN operates as a State-Owned Enterprise (BUMN) responsible for regulating electricity production, distribution, and sale throughout Indonesia. Additionally, PLN is tasked with building, operating, and maintaining the electrical infrastructure in Indonesia, along with various activities to enhance electricity services for the public (www.pln.co.id).

Human Resource Management is a crucial factor in organizations of all sizes. Human resources are considered a decisive element in the organizational development process, as the quality of service development is realized when supported by quality human resources (Van Dijk et al., 2001; Rose & Manley, 2011).

PLN has a vision to become the leading electricity company in Southeast Asia and the number one choice for energy solutions. Its mission is to operate in the electricity business and related fields, focusing on customer satisfaction, company members, and shareholders. PLN aims to use electrical energy to improve society's quality of life and strives to make electricity a driving force for economic activities. As the only state-owned electricity company in Indonesia, PLN has offices nationwide to achieve its mission of illuminating the nation. One such office is PT PLN (Persero) Unit Induk Pembangkitan Sumatera Bagian Selatan (www.pln-uiksbs.co.id).

To achieve optimal organizational performance, particularly at PLN UIKSBS, the human resources or employees within the company must exhibit good performance (Mathis & Jackson, 2002). In carrying out its duties, PLN adheres to Key Performance Indicators (KPIs) that must be fulfilled annually. According to Silalahi et al. (2021), performance is the execution and results achieved by individuals tailored to specific organizational positions or tasks. It is associated with specific values or standards measurable using indicators. Performance can also be viewed as the results individuals achieve based on their roles and tasks within a specific period, linked to certain value metrics or standards the organization sets (Umam, 2018).

PLN's performance can be measured through various indicators, including the availability and quality of electricity services, operational efficiency, compliance with regulations and standards, and business and financial growth. PLN UIKSBS conducts performance evaluations for all its employees on a semester basis (6 months) and an annual basis (12 months). These assessments are based on employment contracts between staff and their superiors, with Key Performance Indicators (KPIs) derived from the management contract set by PT PLN (Persero) Head Office. The total performance value obtained by employees is an accumulation of individual competency assessments and individual target assessments.

Despite the company's best efforts in improving human resource quality, employee performance still needs to meet the company's expectations. The realization of employee performance achievements at PLN UIKSBS can be seen in the following table:

<table>
<thead>
<tr>
<th>No</th>
<th>Year</th>
<th>Semester I</th>
<th>Criterion</th>
<th>Second Semester</th>
<th>Criterion</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2018</td>
<td>89.61</td>
<td>K2</td>
<td>96.65</td>
<td>K1</td>
</tr>
<tr>
<td>2</td>
<td>2019</td>
<td>91.13</td>
<td>K2</td>
<td>86.06</td>
<td>K2</td>
</tr>
<tr>
<td>3</td>
<td>2020</td>
<td>91.55</td>
<td>K2</td>
<td>100.75</td>
<td>K1</td>
</tr>
<tr>
<td>4</td>
<td>2021</td>
<td>86.89</td>
<td>K2</td>
<td>93.67</td>
<td>K2</td>
</tr>
<tr>
<td>5</td>
<td>2022</td>
<td>96.55</td>
<td>K1</td>
<td>98.28</td>
<td>K1</td>
</tr>
</tbody>
</table>

Notes: K1 (High Performance > 95), K2 (Intermediate Performance 85 – 95), K3 (Low Performance <85)
Source: Planning and Performance Management Subdivision of PLN UIKSBS, 2023

Workload in an organizational unit is closely related to the efficiency and effectiveness of a company. This is because the Workload includes the management of Human Resources (HR), a crucial company resource. Workload is a process or activity that an employee must complete promptly within a specific time frame. It becomes a workload if an employee can complete and adapt to the assigned tasks. However, if the employee fails, the tasks and activities become a workload (Vanchapo, 2020).
The Workload at PLN UIKSBS primarily involves maintaining and ensuring the reliability of power generation machines and supporting equipment such as turbines, generators, transformers, cables, etc. It ensures the business processes in producing electricity are safe in conjunction with the community and the environment, as well as ensuring compliance with applicable regulations and operational standards. Due to PLN being a large and complex company with many different departments and work units, the Workload of PLN employees can vary significantly depending on the role and responsibilities of each employee (Talent and Human Resources Development Subdivision of PLN UIKSBS, 2022).

Based on the Analysis of Workload in 2022, work units experiencing high Workload (High Overload) are in the Production department under Operations and Maintenance. Conversely, non-technical departments such as HR Administration, Communication, and CSR tend to have low Workload (Underload).

The Workload is one of the sources of pressure due to excessive work. This condition demands organizational leaders to pay greater attention to completing tasks. However, everything depends on each individual because the outcome of each task depends on how an individual experiences the perceived Workload (Nurjaya et al., 2021). One challenging Workload is the Equivalent Availability Factor (EAF), the readiness factor of power generation units. The EAF value is a ratio obtained from the readiness of power generators to operate (either in standby or operation) divided by time. From this perspective, it is clear that PLN is highly focused on customer satisfaction, aiming to increase the system's reliability so that power generators are ready and reliable in producing electricity for the public, realizing the aspiration of NO BLACKOUT (no power outages).

According to Akbar et al. (2021), Compensation is all forms of financial returns and allowances employees obtain as part of an employment relationship. The size of ComCompensation affects employee performance; if the ComCompensation offered to employees is fair, it will encourage employees to perform better and be more responsible in every task the company assigns. This is driven by the results of the Employee Engagement Survey (ESS) in 2020, where the lowest dimension was work conditions (74.30), indicating dissatisfaction with the Compensation received. The EES 2020 results were the same as the EES results in 2019, both falling into the highly engaged category. However, the Employee Engagement Index (EEI) decreased by 4 points from 84 in 2019 to 80. It increased by 5 points in 2021 to 85. Therefore, PT PLN (Persero) Unit Induk Pembangkitan Sumatera Bagian Selatan (PLN UIKSBS) considers it necessary to evaluate this phenomenon. PLN UIKSBS has an organizational structure and job descriptions outlined in the Organizational Management Application (AMOR) for each department according to their tasks and responsibilities. Job descriptions are systematic records issued by the company about the functions, authority, and responsibilities in a specific position, interpreted based on existing facts. Job descriptions must explain to allow focusing or concentrating on the job itself (Wibowo, 2018).

Table 2

<table>
<thead>
<tr>
<th>No</th>
<th>Year</th>
<th>EES Score</th>
<th>Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2018</td>
<td>79</td>
<td>Very Engage</td>
</tr>
<tr>
<td>2</td>
<td>2019</td>
<td>84</td>
<td>Very Engage</td>
</tr>
<tr>
<td>3</td>
<td>2020</td>
<td>80</td>
<td>Very Engage</td>
</tr>
<tr>
<td>4</td>
<td>2021</td>
<td>85</td>
<td>Very Engage</td>
</tr>
</tbody>
</table>

Source: PT PLN (Persero) Annual Report for the Year 2022

Compensation is the wages or remuneration given to PLN employees as a reward for their work. This Compensation includes basic salaries, allowances, incentives, and other facilities. PLN's Compensation is determined based on company policies, regulations, and prevailing industry standards (Wibowo, 2018). As a state-owned company, PLN is also subject to government regulations in determining employee compensation. Compensation implements a performance-based remuneration system where an employee's final compensation performance measurement considers the Workload, responsibilities, and performance achieved by the employee. However, the Employee Performance Management System (SIMKP) measurement only aligns with the performance assessment as per the employees' expectations (Schwerdtner & Gruber, 2007; Cuñat & Guadalupe, 2009).
Table 3
Employee Satisfaction Survey (ESS) Results for the Year 2020

<table>
<thead>
<tr>
<th>No</th>
<th>Dimension</th>
<th>% Employee Satisfaction</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Health Insurance</td>
<td>89,01</td>
</tr>
<tr>
<td>2</td>
<td>Personal Development</td>
<td>90,75</td>
</tr>
<tr>
<td>3</td>
<td>Performance Assessment</td>
<td>75,05</td>
</tr>
<tr>
<td>4</td>
<td>Work Facilities and Infrastructure</td>
<td>87, %</td>
</tr>
</tbody>
</table>

Source: PLN UIKSBS Industrial Relations Subdivision, 2021

Based on the 2021 Employee Satisfaction Survey, employees express dissatisfaction with the Performance Appraisal System because some supervisors need help understanding the individual competency assessment method and the 360-degree assessment. This lack of understanding affects employees' optimal value and nominal compensation on Compensation. Some employees are dissatisfied with the compensation they undertake. Meanwhile, the annual Compensation received by PLN employees is recompensation compared to other companies in the energy and oil sectors.

2 Materials and Methods

Workload, defined as the tasks or activities that employees must complete within a specified timeframe, encompasses various indicators, as Rolos et al. (2018) outlined. These indicators encompass achievement targets, job conditions, effective use of working time, and adherence to job standards. Conversely, Compensation represents employees' financial returns and benefits within the employment relationship (Akbar et al., 2021). Afandi (2018), identifies Compensation indicators such as salary, incentives, allowances, and additional facilities.

Employee performance, a measure of behaviors contributing positively or negatively to organizational goals (Wibowo, 2017), is gauged by indicators like job quality, quantity, timeliness, effectiveness, and independence, according to Robbins & Judge (2017).

In the context of a recent study on PT PLN (Persero) Unit Induk Pembangkitan Sumatera Bagian Selatan (UIKSBS), the research explored the relationships between Workload and Compensation employee performance. FindCompensationed that Workload and Compensation both significantly and positively Compensation employee performance. The regression analysis, employing a multiple linear regression model, revealed that Workload and Compensation together explained 36.9% of the Compensation employee performance, with the remaining 63.1% attributed to unexplored factors. The study underscores the importance of effectively managing Workload and ensuring fair Compensation enhances employee performance Compensation (Diantari & Riana, 2019).

This study employs a thorough research methodology to investigate the intricate relationship between Workload, Compensation, and employee performance at the PT PLN Compensation Unit Induk Pembangkitan Sumatera Bagian Selatan (UIKSBS) office. The study population comprises 114 individuals, and a purposive sampling method is applied to ensure diverse representation across departments and job roles (Crawford, 2008; Lam et al., 2012).

Primary data is collected through a structured questionnaire to capture insights into Workload, Compensation, and employee performance. The question concerns Compensation with indicators identified by Rolos et al. (2018) for workload and Afandi (2018) for Compensation, including variables such as targets, compensations, time utilization, and job standards. Employee performance is assessed using indicators proposed by Robbins (2016), covering aspects like job quality, quantity, timeliness, effectiveness, and independence.

The collected data undergoes rigorous analysis employing multiple regression analysis. This statistical method allows for a comprehensive examination of the individual and combined impacts of Workload and Compensation employee performance. Ethical Compensation is paramount, ensuring participant confidentiality, informed consent, and unbiased data interpretation throughout the study (Syafii et al., 2015; Eliyana & Ma’arif, 2019). The aim is to provide valuable insights that contribute to a deeper understanding of the dynamics shaping employee performance at PT PLN UIKSBS.
3 Results and Discussions

The results of multiple linear regression analysis of research data are expressed in the following equation:

\[ Y = 23.231 + 0.457 X_1 + 0.599 X_2 + e \]

The equation's estimated value of the multiple linear regression function can be explained as follows.

a) The constant value shows a positive value with a value of 23,231. This shows that if the independent variables do not influence the PLN UIKSBS Employee Performance in the form of Workload and Compensation, the size of the Employee Performance variable is 23.231.

b) The regression coefficient value for the workload variable is 0.457, indicating that the relationship between Workload and employee performance has a positive direction of 0.457, meaning that if workload increases by one unit, employee performance will increase by 0.457.

c) The regression coefficient value for the Compensation variable has an effect of 0.599. This shows that the relationship between Compensation and employee performance has a positive direction of 0.599. This Compensation is reported as meaning that increasing one unit of compensation increases employee performance by 0.599.

The compensation relation coefficient (r) between the independent variables, Workload and Compensation the dependent variable, employee compensation is 0.607 or 60.7%. This shows that the correlation or relationship between the independent variable and the dependent variable has a significant level of relationship because it is close to 0.70.

The determination coefficient (R^2) value is 0.369, indicating that the independent variables, namely Workload (X1) and Compensation (X2), can explain the dependent variable Compensation employee performance (Y) by 36.9%. The remaining 63.1% is explained by other factors not examined in this study, such as skills and expertise, knowledge, job design, personality, leadership, leadership style, organizational culture, Compensation work environment, loyalty, commitment, and Compensation discipline (Putri, 2020).

Partial test results of the research data can be explained as follows: a. The significance value of the Workload variable (X1) is 0.000 (smaller than \( \alpha = 0.05 \). This means that Workload significantly influences employee performance at PLN UIKSBS. This proves that the first hypothesis that Workload has a positive and significant effect is acceptable. b. The significance value of the Compensation variable (X2) is 0.000 (lower than \( \alpha = 0.05 \). This means that Compensation significantly influences employee performance. This proves that the second hypothesis that Compensation has a positive and significant effect is Compensation. From the F-test results, a significance value of 0.000 is obtained. Since the significance value of 0.000 is lower than 0.05, it can be said that the linear regression model obtained is suitable for explaining that all independent variables, namely Workload and Compensation simultaneously or together, are significantly dependent variables, namely employee performance (Land, 2006; Portoghese et al., 2014).

4 Conclusion

The research findings provide conclusive insights into the relationships between Workload compensation and employee performance at the PT PLN (Compensation Induk Pembangkitan Sumatera Bagian Selatan office). Firstly, the positive and significant impact of Workload (X1) on employee performance (Y) underscores the importance of managing and optimizing work demands to enhance overall workforce efficiency. Secondly, the study reveals that Compensation (X2) is crucial in positively influencing Compensation performance (Y). This emphasizes the significance of fair and competitive compensation packages in motivating and retaining a high-performing workforce.

These conclusions have practical implications for organizational management, suggesting that attention to workload management and compensation strategies is integral for fostering an environment conducive to optimal employee performance. By addressing these factors, organizations can enhance individual contributions and promote a more engaged and satisfied workforce, ultimately contributing to the achievement of organizational objectives.
Conflict of interest statement
The authors declared that they have no competing interests.

Statement of authorship
The authors have a responsibility for the conception and design of the study. The authors have approved the final article.

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