



Global Journal of Business, Economics & Social Development



Original Article

Examining the Effect of Job Description on Employee Performance at PT. Karya Hevea, Indonesia: A Mediating Role of Compensation

Hastuti Handayani Harahap ^{1,*}

¹ Department of Management, Sekolah Tinggi Ilmu Ekonomi Bina Karya Tebing Tinggi Padang Hulu, Tebing Tinggi, 20631 North Sumatra, Indonesia.

* Correspondence: harahaphastutyhandayani@gmail.com (H.H.H.)

Citations: Harahap, H.H. (2023). Examining the Effect of Job Description on Employee Performance at PT Karya Hevea, Indonesia: A Mediating Role of Compensation. *Global Journal of Business, Economics & Social Development*, 1(1), 31-39.

Academic Editor: Nurul Aisyah Awanis Binti A. Rahim.

Received: 2 February 2023

Accepted: 5 May 2023

Published: 31 May 2023

Abstract: This study examines the effect of job descriptions on employee performance with compensation as an intervening variable at PT. Karya Hevea Indonesia. The research method used is the method of qualitative data and quantitative data. At the same time, the data used is primary data. The data analysis method in this study uses simple linear regression analysis to obtain a comprehensive figure of the effect of the job description on employee performance with compensation as an intervening at PT. Karya Hevea Indonesia by using the SPSS-25 for Windows program. The data was analyzed using a simple linear regression model. The result indicates that job description has a significant positive effect on employee performance. Besides that, this study found that compensation does not significantly affect employee performance. In addition, compensation does not mediate the relationship between job description and employee performance. In conclusion, this study has successfully identified the relationship between job description, compensation, and employee performance. Sadly, this study failed to prove that compensation mediates the relationship between job description and employee performance.

Keywords: job description; employee performance; compensation.



Copyright: © 2023 by the author. Submitted for possible open-access publication under the terms and conditions of the Creative Commons Attribution (CC BY) license (<https://creativecommons.org/licenses/by/4.0/>).

1. Introduction

The role of HR management itself is very influential on the performance of employees because human resources are the most important and decisive resource in the survival of a company/organization. Basically, everyone has extraordinary potential and has not been fully utilized. In this affirmation, the manager must utilize these resources in such a way as to achieve organizational goals while still appreciating and respecting the human resources concerned. The company's goals are said to be achievable not only depending on modern equipment, adequate facilities, and infrastructure but more depending on human resources who carry out the work. The individual performance of its employees strongly influences the achievement of an organization.

Performance is the result of work that can be achieved by a person or group of people in an organization following their respective authorities and responsibilities to achieve the goals of the organization concerned legally, not violating the law, morals, and ethics (Hidayah, 2016). One way to spur employee performance in an organization or company is to optimally improve employee performance, such as by providing compensation, holding job training for new employees, and getting special attention for employees who have achievements, such as giving awards and other forms of attention to all employees. Its employees. The following are data or facts on the performance of harvesters at PT. Karya Hevea Indonesia with data on production results as of 2019 in the last few months.

Table 1. Production of PT. Karya Hevea in 2021.

Month	Quantity /Ton	Percentage
July	1,200 Tons	70
August	1,450 Tons	80
September	1,223 Tons	69
October	1.150 Tons	65

Source: PT. Hevea Indonesia

Job description in an organization, private and governmental, is a collection of information about work or an outline of what obligations, responsibilities, and authorities are held and must be carried out by the apparatus. In addition, job descriptions also explain the procedures for implementing these tasks to achieve organizational goals effectively and efficiently. Job description is a written statement that contains what workers must do, how to do it, and under what conditions the work is carried out (Dessler, 2013). The job description states the duties and responsibilities of a job. It states, "what is done, why is it done, and where is it done, and briefly how to do it". Performance problems certainly cannot be separated from the process, results, and usability. In this case, performance or work performance is the result of work in quality and quantity achieved by an apparatus in carrying out its duties in accordance with the responsibilities given to him. Job descriptions include those described in this study only to employees who take oil palm fruit or harvest and do not discuss other jobs.

Table 2. The Development of Compensation to Employees of PT. Karya Hevea Indonesia

Year	Basic Salary (Monthly)	Type of Compensation		
		THR	Incentive	Meal Allowance
2017	IDR 1,225,000	1 Month Salary	IDR 1,000,000	IDR 100,000
2018	IDR 1,525,000	1 Month Salary	IDR 1.050.000	IDR 100,000
2019	IDR 1,750,000	1 Month Salary	IDR 1.050.000	IDR 100,000
2020	IDR 2,200,000	1 Month Salary	IDR 1,100,000	IDR 100,000
2021	IDR 2.450.000	1 Month Salary	IDR 1,500,000	IDR 100,000

Source: PT. Hevea Indonesia

Table 2 shows the PT. Karya Hevea Indonesia is related to achieving company goals. Employees are asked always to improve their performance in every job they do. According to (Hasibuan, 2017) Compensation is all income in the form of money, or goods directly or indirectly received by employees as compensation for services provided to the company. Establishing an effective compensation system is an important part of human resource management because it helps attract and retain talented jobs. In addition, the company's compensation system impacts strategic performance. Compensation is also the provision of financial or non-financial compensation, directly or indirectly, which is equal to all employees for the achievement of an organization to obtain employee compensation to spur employee performance in a company.

This study found several phenomena and facts currently happening in the company where it is found that there is a lack of motivation given by the company to all employees in terms of adding forms of compensation needed by employees to be better at completing their work. On the basis of the phenomenon that happened to PT. Karya Hevea Indonesia is still very much found faults from employees who do not comply with the standards set by the company. The company should consider employee job descriptions in providing clear and appropriate work with expertise to improve employee performance within the company further.

2. Literature Review

2.1. Job description

Job description is a written statement that contains what workers must do, how to do it, and under what conditions the work is carried out (Dessler, 2013). The job description will contain various job information which are the responsibilities, authorities, and limitations in carrying out their work, so that with the job description, activities carried out are carried out in accordance with responsibilities and cannot interfere with each other's duties, there is no overlap in implementation. duties, as well as well-formed communication due to a good cooperative relationship between workers. Doni Juni Priansa (2014) states the job description defines what the leader needs to carry out his activities, tasks, or work. Yussy Santoso and Ronnie R. Masman (2015) stated that job Description is a list of positions, responsibilities, reporting relationships, position conditions and supervisory responsibilities. Job descriptions are guidelines, instructions and directions of action for workers to carry out work in accordance with their duties and responsibilities. Therefore, with the job description, it is expected that employees can carry out their duties properly in order to create optimal performance.

2.2. Compensation

According to (Nurcahyo, 2015) said that compensation is everything that employees receive as remuneration for their work that is balanced with employee expectations to meet the need for satisfaction with achievements that have been achieved and in line with the company's strategic business objectives. According to (Ariandi, 2018), compensation is all the rewards received by employees for their work in the organization. Compensation can be physical or non-physical and must be calculated and given to employees according to the sacrifices they have made to the organization/company where they work. According to (Hamali, 2018) Compensation is one of the important functions in human resource management. Cases that occur in employment relationships contain compensation issues and various related aspects, such as benefits, compensation increases, compensation structures, and compensation scales.

2.3. Employee Performance

According to Afandi (2018), performance is the outcome of work that can be achieved by a person or group of people in a company in accordance with their respective authorities and responsibilities in an effort to achieve organizational goals illegally, not violating the law and not contrary to morals and ethics. According to Wibowo (2010:4) performance is the implementation of the plans that have been prepared. Performance implementation is carried out by human resources who have the ability, competence, motivation, and interests. How the organization values and treats its human resources will affect its attitudes and behavior in carrying out performance.

3. Materials and Methods

The data collection technique is done by means of a questionnaire or questionnaire which is a number of questions or written statements about factual data or opinions relating to the respondent, which are considered facts or truths that are known and need to be answered by the respondent. In this questionnaire, a closed question model will be used, namely questions that have been accompanied by previous alternative answers so that respondents can choose one of these alternative answers. The population is a generalization area consisting of objects or subjects that have certain qualities and characteristics set by researchers to be studied and concluded (Sugiyono, 2017). In this study, the population is employees of the harvesting division of PT. Karya Hevea Indonesia as many as 40 people. This sampling must be carried out in such a way that a sample is obtained that can truly function or can describe the actual state of the population, in other terms it must be representative. Because the target population is less than 100, the sampling technique used is the census method, where the entire population is 40 employees of the harvesting division of PT. Karya Hevea Indonesia which will be used as the research sample.

Data analysis is a desire to group, make a sequence, manipulate and abbreviate data so that it is easy to read and understand. In other words, data analysis activities are raw data that has been collected and needs to be categorized or divided into several categories or groups, abbreviated in such a way that the data can answer the problem according to the research objectives and can test hypotheses. Simple regression analysis according to Ghozali (2011) is based on a causal or functional relationship between one independent variable and the dependent variable. This regression coefficient aims to determine whether the independent variables contained in the regression equation individually affect the value of the dependent variable. Simple linear regression analysis serves to examine the causal relationship between the causal factors and the effect variables.

4. Results

4.1. Classical Assumptions (Model 1)

4.1.1. Normality Testing

Normality test aims to test whether in the regression model, the confounding or residual variables have a normal distribution (Ghozali, 2016). Testing the normality of the data can be done using two methods, graphs and statistics. The normality test of the graph method uses a normal probability plot, while the statistical method normality test uses the one sample Kolmogorov Smirnov Test.

Table 3. Normality Test using One-Sample Kolmogorov-Smirnov Test (N=40)

		Unstandardized Residual
Normal Parameters, b	Mean	0.000
	Std. Deviation	0.955
Most Extreme Differences	Absolute	0.159
	Positive	0.159
	negative	-0.156
Test Statistics		0.159
Asymp. Sig. (2-tailed)		0.012c
Monte Carlo Sig. (2-tailed)	Sig.	0.250d
	99% Confidence Lower Bound	0.074
	Interval Upper Bound	0.426

a. Test distribution is Normal.

Table 3 shows that the significance value (Monte Carlo Sig.) of all variables is 0.250. If the significance is more than 0.05, then the residual value is normal, so it can be concluded that all variables are normally distributed.

4.1.2. Multicollinearity Testing

The multicollinearity test aims to determine whether there is a correlation between the independent variables in the regression model. The multicollinearity test in this study is seen from the tolerance value or variance inflation factor (VIF).

Table 4. Results of Multicollinearity Testing

Model	t	Sig.	Collinearity Statistics	
			Tolerance	VIF
1 (Constant)	5.818	0.000		
Job Description	8.135	0.000	1,000	1,000

a. Dependent Variable: Compensation

Table 4 captures tolerance value of the job description (X1) is 1,000, while the VIF value of the job description (X1) is 1,000, all of which are less than 10. Based on the calculation results above, the tolerance value of all independent variables is greater than 0.10 and the VIF value of all independent variables is also smaller than 5 so that there is no correlation symptom in the independent variables. So, it can be concluded that there is no symptom of multicollinearity between independent variables in the regression model.

4.1.3. Heteroscedasticity Testing

The heteroscedasticity test aims to test whether from the regression model there is an inequality of variance from the residuals of one observation to another observation. A good regression model is one with homoscedasticity or no heteroscedasticity. One way to detect the presence or absence of heteroscedasticity is the Glejser test, in the Glejser test, if the independent variable is statistically significant in influencing the dependent variable, then there is an indication of heteroscedasticity. On the other hand, if the independent variable is not statistically significant in influencing the dependent variable, then there is no indication of heteroscedasticity. This is observed from the significance probability above the 5% confidence level (Ghozali, 2016).

Table 5. Heteroscedasticity Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.302	0.899		0.336	0.739
	Job Description	0.020	0.054	0.059	0.366	0.717

a. Dependent Variable: Abs-Residual

Table 5 describes that the significance value of the job description (X1) is greater than 0.05 (5%) which is 0.717, so there is no indication of heteroscedasticity.

4.2. Hypothesis Testing

Multiple linear regression testing explains the role of the job description variable (X) on the compensation variable (Z). Data analysis in this study used multiple linear regression analysis using SPSS 25.0 for windows.

Table 6. Hypothesis Test using Multiple Linear Regression (Model 1)

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.017	1.206		5.818	0.000
	Job Description	0.590	0.073	0.797	8.135	0.000

a. Dependent Variable: Compensation

Table 6 shows the multiple linear regression equation has the formulation: $Z = a + bX + e$, so that the equation is obtained: $Z = 7.017 + 0.590X + e$. The results of the t-test show that the t-table value is 2.024. From the description it can be seen that t-stat (8,135) > t-table (2,024), as well as the significance value of $0.00 < 0.05$, it can be concluded that the first hypothesis is accepted, meaning that the job description variable (X) has a positive and significant effect to compensation (Z).

4.3. Coefficient of Determination (R-Square)

The coefficient of determination is used to see how much the independent variable contributes to the dependent variable. The greater the value of the coefficient of determination, the better the ability of the independent variable to explain the dependent variable. If the determination (R²) is getting bigger (closer to 1), it can be said that the influence of the variable job description (X) is big against compensation variable (Z).

Table 7. Results Coefficient of Determination (R-Square)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	0.797a	0.635	0.626	0.967	1.502

a. Predictors: (Constant), Job Description

b. Dependent Variable: Compensation

Table 7 indicates that adjusted R square value is 0.626 or 62.6%. This shows if variable job description (X) can explain the compensation variable (Z) by 62.6%, the remaining 37.4% (100% - 62.6%) is explained by other variables outside the research model.

4.4. Classical Assumptions (Model 2)

4.4.1. Normality Testing

Normality test aims to test whether in the regression model, the confounding or residual variables have a normal distribution (Ghozali, 2016). Testing the normality of the data can be done using two methods, graphs and statistics. The normality test of the graph method uses a normal probability plot, while the statistical method normality test uses the one sample Kolmogorov Smirnov Test.

Table 8. Normality Test using One-Sample Kolmogrow-Smirnov (N=40) – Model 2

			Unstandardized Residual
Normal Parameters, b	Mean		0.000
	Std. Deviation		1.101
Most Extreme Differences	Absolute		0.112
	Positive		0.063
	negative		-0.112
Test Statistics			0.112
Asymp. Sig. (2-tailed)			0.200
Monte Carlo Sig. (2-tailed)	Sig.		0.675
	99% Confidence	Lower Bound	0.484
	Interval	Upper Bound	0.866

a. Test distribution is Normal.

Table 8 captures the significance value (Monte Carlo Sig.) of all variables is 0.675. If the significance is more than 0.05, then the residual value is normal, so it can be concluded that all variables are normally distributed.

4.4.2. Multicollinearity Testing

The multicollinearity test aims to determine whether there is a correlation between the independent variables in the regression model. The multicollinearity test in this study is seen from the tolerance value or variance inflation factor (VIF).

Table 9. Result of Multicollinearity Testing (Model 2)

Model	t	Sig.	Collinearity Statistics	
			Tolerance	VIF
(Constant)	1,759	0.087		
1 Job Description	4.181	0.000	0.365	2.742
Compensation	1.186	0.243	0.365	2.742

a. Dependent Variable: Performance

Table 9 shows the tolerance value of the job description (X) is 0,365, compensation (Z) is 0,365, all of which are greater than 0.10, while the VIF value of the job description (X) is 2,742 and compensation (Z) is 2,742, all of which are less than 10. Based on the calculation results above, the tolerance value of all independent variables is greater than 0.10 and the VIF value of all independent variables is also smaller than 5 so that there is no correlation symptom in the independent variables. So, we can conclude that there is no symptom of multicollinearity between independent variables in the regression model.

4.4.3. Heteroscedasticity Testing

The heteroscedasticity test aims to test whether from the regression model there is an inequality of variance from the residuals of one observation to another observation. A good regression model is one with homoscedasticity or no heteroscedasticity. One way to detect the presence or absence of heteroscedasticity is the Glejser test, in the Glejser test, if the independent variable is statistically significant in influencing the dependent variable, then there is an indication of heteroscedasticity. On the other hand, if the independent variable is not statistically significant in influencing the dependent variable, then there is no indication of heteroscedasticity. This is observed from the significance probability above the 5% confidence level (Ghozali, 2016).

Table 10. Heteroscedasticity Testing

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,330	1,124		1.183	0.244
	Job Description	-0.065	0.081	-0.216	-0.802	0.428

Compensation	0.037	0.110	0.091	0.340	0.736
--------------	-------	-------	-------	-------	-------

a. Dependent Variable: Abs-Residual

Table 10 captures the significance value of the job description (X1) is greater than 0.05 (5%) which is 0.426, and the significance value of Compensation (Z) is greater than 0.05 (5%) which is 0.426, so there is no indication of heteroscedasticity.

4.4.4. Hypothesis Testing

Multiple linear regression testing explains the role of job description (X) and compensation (Z) on employee performance (Y). Data analysis in this study used multiple linear regression analysis using SPSS 25.0 for windows.

Table 11. Result of Hypothesis Test using Multiple Linear Regression

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.407	1.937			
1 Job Description	0.586	0.140	0.659	4.185	0.000
Compensation	0.225	0.190	0.187	1.184	0.358

a. Dependent Variable: Performance

Table 11 captures the multiple linear regression equation has the formulation: $Y = a + b_1X + b_2Z + e$, so that the equation is obtained: $Y = 3.407 + 0.586X + 0.225Z + e$. The results of the t-test show that the t-table value is 2.024. From the description it can be seen that t-stat is (4.181) > t table (2.024), and the significance value is 0.00 < 0.05, it can be concluded that the second hypothesis is accepted, meaning that the job description (X) significant effect on employee performance (Y). The results of the t-test show that the t-table value is 2.024. From the description, t-stat (1.186) < t-table (2.024), and the significance value is 0.124 > 0.05. So, we conclude that the third hypothesis is rejected, meaning that compensation (Z) does not affect employee performance (Y).

4.4.5. Coefficient of Determination (R-Square)

The coefficient of determination is used to see how much the independent variable contributes to the dependent variable. The greater the value of the coefficient of determination, the better the ability of the independent variable to explain the dependent variable. If the determination (R²) is getting bigger (closer to 1), it can be said that the influence of the variable X is large on compensation (Z).

Table 12. Determination Test Results (R-Square) – Model 2

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate	Durbin-Watson
1	.816a	.665	.647		1,130	2008

a. Predictors: (Constant), Compensation, Job Description

b. Dependent Variable: Performance

Table 12 that the adjusted R square value is 0.647 or 64.7%. This shows that compensation (Z) and job description (X) can explain employee performance (Y) by 64.7%, the remaining 35.3% (100% - 64.7%) is explained by other variables outside the research model. this.

4.5. Path Analysis

In order to be able to prove that whether a variable is capable of being a variable that mediates the relationship between the independent variable and the dependent variable, the direct and indirect effects of the independent variable on the dependent variable will be calculated. If the indirect effect of the independent variable on the dependent variable through the intervening variable is greater than the direct effect of the independent variable on the dependent variable, then that variable can be a variable that mediates between the independent variable and the dependent variable (Ghozali, 2016). To perform the calculation directly and indirectly, it is carried out from the following standardized coefficients regression equations I and II. Furthermore, the standardized coefficients beta values will be included in the path analysis image as follows:

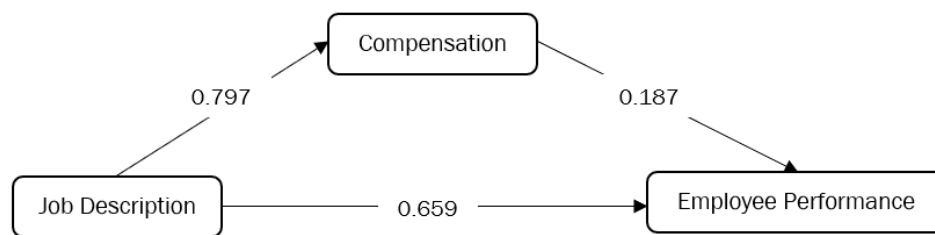


Figure 1. Path Analysis – Mediating Testing

Figure 1 shows that the direct effect of variable X on variable Y2 is 0.659. Meanwhile, the indirect effect through the Z variable is $0.797 \times 0.187 = 0.149$. From the calculation results obtained, the indirect effect through the Z variable is greater than the direct effect on the Y variable. These results can be seen in the following Table:

Table 13. Direct and Indirect Relationships

Variable(s)	Direct	Indirect	Total	Criteria	Conclusion
Job Description (X)	0.659	0.797	-	Significant	Independent
Compensation (Z)	0.187	-	0.149	Not Significant	No Mediation

Dependent Variable: Employee Performance

Table 13 shows that job description is vital in influencing employee performance as an independent variable. Besides that, compensation does not prove their role as a mediator in the relationship between job description and employee performance.

5. Discussion

Authors should discuss the results and how they can be interpreted from the perspective of previous studies and the working hypotheses. The findings and their implications should be discussed in the broadest context possible. Future research directions may also be highlighted.

6. Conclusions

This study concludes that job description has a significant effect on employee performance. Unfortunately, this study failed to prove that compensation mediates the relationship between job description and employee performance. Thus, this study advises the PT. Karya Hevea Indonesia to provide jobs to employees in line with the field of expertise of each employee due to the suitability of the field or expertise with the job will improve employee performance. Also, this study advises PT. Karya Hevea Indonesia provides opportunities to be responsible to employees for what they do by means of employees carrying out all obligations and workloads in line with the limits in the job description due to the changes often making job descriptions ineffective. Therefore, giving trust to individual employees in the company organization must be designed so that these individuals can take responsibility for work that aligns with company expectations. Compensation in this company has been made following the results of employee performance. Therefore, the company must review the compensation program to improve the performance of its employees further. Compensation should be given based on employee performance. However, the compensation program needs to be improved and updated to support employee performance and to improve work results at this company, because to be able to reduce the level of employee error or human error in their work and evaluation can be carried out as soon as possible to find a good solution for the benefit/welfare of employees and the company.

Author Contributions: Conceptualization, H.H.H.; methodology, H.H.H.; software, H.H.H.; validation, H.H.H.; formal analysis, H.H.H.; investigation, H.H.H.; resources, H.H.H.; data curation, H.H.H.; writing—original draft preparation, H.H.H.; writing—review and editing, H.H.H.; visualization, H.H.H.; supervision, H.H.H.; project administration, H.H.H.; funding acquisition, H.H.H. An author has read and agreed to the published version of the manuscript.

Funding: This research received no external funding.

Institutional Review Board Statement: Not applicable.

Informed Consent Statement: Informed consent was obtained from all subjects involved in the study.

Data Availability Statement: Not applicable.

Acknowledgments: The author would like to thank Sekolah Tinggi Ilmu Ekonomi Bina Karya Tebing Tinggi, Indonesia, for supporting this research and publication. The author would also like to thank the reviewers for their constructive comments and suggestions.

Conflicts of Interest: The authors declare no conflict of interest.

References

- Afandi, Pandi. 2018. Human Resource Management; Theories, Concepts and Indicators. Yogyakarta : Zana Publishing.
- Ariandi, F. (2018). The Effect of Compensation Payment Methods on Tutor Performance. *Perspective*, XVI(1), 84–90.
- Arianto, Koko Nurcahyo, et al. (2015). The Influence of the Social Environment on the Courtesy of Class X Students. *Journal of the Culture of Democracy*. Retrieved 27 March 2019.
- Dessler, Gary. 2013. Human Resource Management (Fourteenth Edition). Salemba Empat, Jakarta.
- Ghozali, Imam. 2011. "Application of Multivariate Analysis With SPSS Program". Semarang: Diponegoro University Publishing Agency.
- Ghozali, Imam. 2016. Application of Multivariate Analysis With IBM SPSS 23 Program (8th Edition). VIII Printing. Semarang : Diponegoro University Publishing Agency.
- Hamali, AY (2018). Understanding of Human Resources. Yogyakarta: PT Buku Seru.
- Hasibuan, 2017, Human Resource Management. Revised Edition. Publisher PT Bumi Aksara, Jakarta.
- Hidayah, 2016. Human Resource Management. Erlangga, Jakarta.
- Marwansyah. 2014. Management and Employee Performance Evaluation. : Publisher Aswaja Pressindo, Yogyakarta.
- Priansa, Donni Juni. 2014. Planning and Human Resource Development. Bandung: Alfabeta.
- Santoso, Yussy, and Ronnie R. Rasman. 2015. Organization Design and Job Analysis. Jakarta: PT Elex Media Komputindo
- Sugiyono. (2017). Quantitative, Qualitative, and R&D Research Methods. Bandung : Alfabeta, CV.
- Wibowo. 2010. Performance Management. Press Eagle. Jakarta.