

The Effect Of *Total Quality Management*, Motivation And Compensation On Employee Performance With Work Morale As A Mediating Variable (Case Study Of PT. Hutama Karya)

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ABSTRACT

This study aims to analyze the influence of *total quality management*, motivation and compensation on employee performance with work morale as a *mediating variable* (PT. Hutama Karya). This research was conducted at PT. Hutama karya (Persero)Tbk is a project to build the Sigli-Banda Aceh toll road which is located at Jl. Blang Bintang-Krueng Raya, Pageu Blang Bintang, Aceh Besar Regency, Aceh. The research used by the researcher is quantitative research, which is research conducted by collecting data in the form of numbers which is then processed to get information behind these numbers. The population of this study is permanent and non-permanent employees of PT. Hutama karya (Persero) Tbk who works in the Sigli-Banda Aceh toll road construction project HSE K3 section as many as 50 people. The samples used in this study were obtained by Nonprobability Sampling technique with saturated sampling. The data used are primary and secondary data obtained from questionnaires distributed to employees of PT. Hutama karya (Persero), Tbk. Data analysis was carried out using Path Analysis with SPSS *data processing tools*. The results of this study show that the work morale variable is able to mediate between TQM and employee performance, the work morale variable is not able to mediate between motivation and employee performance and the work morale variable is not able to mediate between compensation and employee performance.

Keywords:

TQM. Motivation, Compensation, Performance and Work Motivation

INTRODUCTION

In a company, labor is a very important asset. Meanwhile, the issue of worker guarantees at PT. Hutama karya (Persero) Tbk. Banda Aceh Branch Office is faced with different guidelines and working methods as determined by the association. In addition to managing and motivating a workforce that has good performance so that there is no employee turnover. Employee turnover will cause instability in the



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organization and also increase the cost of employee recruitment. Therefore, the company must also ensure the work morale of employees to improve the performance of these employees. Meanwhile, the issue of worker guarantees at PT. Hutama karya (Persero) Tbk. Banda Aceh Branch Office is faced with different guidelines and working methods as determined by the association.

The inspiration factor is one of the variables that causes a decrease in the number of representatives at PT. Hutama karya Tbk. Banda Aceh Branch Office works considering that there are several representatives who are not happy with their actual needs. For example, office arrangements, profits and others that cause representatives to be less motivated to work. This gives the impression that some workers feel that they are not getting adequate benefits. Meanwhile, the issue of worker guarantees at PT. Hutama karya (Persero) Tbk. Banda Aceh Branch Office is faced with different guidelines and working methods as determined by the association. This worries their view of the motivating power framework, the breadth of the work office, and the light of work association with bosses and individual workers.

Employees of PT. Hutama karya is a very important factor to achieve the vision and mission of PT. Hutama karya (Persero), Tbk in the construction of toll roads for the Aceh region. The company's activities can be carried out well, therefore its performance is required to be more professional in order to be able to achieve achievements in its work. Seeing this, in this study the researcher is interested in raising problems related to items that affect the performance of employees of PT. Hutama karya (Persero), Tbk. Meanwhile, the issue of worker guarantee at PT. Hutama karya (Persero) Tbk. Banda Aceh Branch Office is faced with different guidelines and working methods as determined by the association.

LITERATURE REVIEW

Total Quality Management (TQM)

According to M.N Nasution (2010:22) said that "TQM is an approach in running a business that tries to maximize the competitiveness of an organization through continuous improvement of its products, services, workforce, processes, and environment"

MOTIVATION

The term motivation comes from the Latin word "movere" which means comfort or move. Motivation discusses how to coordinate potential forces so as to try to achieve a predetermined goal (Hasibuan, 2006: 141).

COMPENSATION

Compensation is what employees receive in exchange for their contributions to the organization (Simamora. 2006:442).



MORALE

According to Nitisemito (2002:160) The spirit of work is to do work more actively so that work can be expected to be faster and better.

EMPLOYEE PERFORMANCE

Performance (work performance) is that it is basically what employees do or do not do (Robert L Mathis and John H. Jackson (2001; 78).

RESEARCH METHODS

This research was conducted at PT. Hutama karya (Persero) Tbk is a project to build the Sigli-Banda Aceh toll road which is located at Jl. Blang Bintang-Krueng Raya, Pageu Blang Bintang, Aceh Besar Regency, Aceh. The research used by the researcher is quantitative research, which is research conducted by collecting data in the form of numbers which is then processed to get information behind these numbers. The population of this study is permanent and non-permanent employees of PT. Hutama karya (Persero) Tbk who works in the Sigli-Banda Aceh toll road construction project HSE K3 section as many as 50 people. The samples used in this study were obtained by Nonprobability Sampling technique with saturated sampling. The data used are primary and secondary data obtained from questionnaires distributed to employees of PT. Hutama karya (Persero), Tbk. Data analysis was carried out using Path Analysis with SPSS data processing tools.

RESULTS AND DISCUSSION

Descriptive Statistical Analysis

N		Descriptive Statistics			
		Minimum	Maximum	Mean	Std. Deviation
TQM	50	13	25	18.80	2.886
Motivation	50	13	25	18.76	2.615
Compensation	50	13	25	18.96	2.610
Work Spirit	50	14	25	19.18	2.819
Employee Performance	50	14	25	18.90	2.573
Valid N (listwise)	50				

Source: IMB SPSS Version 25 data processing

Based on the table above, the descriptive statistical test shows that the sample used in this study is 50. The TQM value (X1) has an average of 18.80 with a minimum value of 13, a maximum value of 25 and a standard deviation of 2.886. The Motivation Variable (X2) shows that the minimum value is at 13, the maximum value is 25 with

an average value of 18.76 and a standard deviation of 2.615. The Compensation Variable (X3) shows that the minimum value is at 13, the maximum value is 25 with an average value of 18.96 and a standard deviation of 2.610. The Morale variable (Y1)

Type		Unstandardized Coefficients		Standardized Coefficient	t	Sig.
		B	Std. Error	s Beta		
1	(Constant)	10.213	3.862		2.644	.011
	TQM	.646	.110	.661	5.856	.000
	Motivation	-.083	.123	-.077	-.675	.503
	Compensation	-.085	.121	-.079	-.701	.487

shows that the minimum value is at 14, the maximum value is 25 with an average value of 19.18 and a standard deviation of 2.819. Meanwhile, in the Employee Performance variable (Y2), the minimum value shows the number 14, the maximum value is 25 with an average value of 18.90 and a standard deviation of 2.573.

PARTIAL TEST (t)

Partial Test of Motivation and Compensation on Work Morale Coefficientsa

a. Dependent Variable: Work Morale

Source : IBM SPSS Version 25 Processing Results

In the table above, it can be seen that if the significant value is less than α 0.05, the variable is declared positive affecting the dependent variable. Based on the results of the t-test, the researcher obtained the t-values calculated for each of the TQM (X1), Motivation (X2), and Compensation (X3) variables as follows:

1. The TQM variable with a calculated t-value of 5.856 > the table is 2.014 ($\alpha=0.05$), and the significance is 0.000, where the significance value is less than 0.05. Therefore, it can be concluded that the TQM variable (X1) statistically has a positive and significant effect on work morale (Y1), so H_0 is rejected and H_a is accepted.
2. The Motivation variable with a calculated t-value of -0.675 < t table was 2.014 ($\alpha=0.05$), and the significance was 0.503 > from 0.05. Therefore, it can be concluded that the motivation variable (X2) statistically has no negative and insignificant



effect on work morale (Y1), so H_a is rejected and H_0 is accepted.

3. The Compensation variable with a t-value calculated of $-0.701 < t$ table is 2.014 ($\alpha=0.05$), and the significance is $0.487 > 0.05$. Therefore, it can be concluded that the compensation variable (X3) statistically has no negative and insignificant effect on work morale (Y1), so H_a is rejected and H_0 is accepted.

Partial Test of TQM, Motivation, Compensation, Work Morale on Employee Performance

Coefficients ^a						
Type		Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
		B	Std. Error			
1	(Constant)	12.889	3.340		3.859	.000
	TQM	-.418	.117	-.468	-3.557	.001
	Motivation	.456	.100	.464	4.580	.000
	Compensation	-.304	.098	-.309	-3.093	.003
	Work Spirit	.577	.119	.632	4.856	.000

a. Dependent Variable: Employee Performance

Source: IBM SPSS Version 25 Processing Results

In table 4.18 above, it can be seen that if the significant value is less than alpha 0.05, the variable is declared positive affecting the dependent variable. Based on the results of the t-test, the researcher obtained the t-calculated values for each of the variables TQM (X1), Motivation (X2), Compensation (X3) and Work Morale (Y1) as follows:

- a) The TQM variable with a t-value of $-3.557 < t$ the table is 2.014 ($\alpha=0.05$), and the significance is 0.001, where the significance value is less than 0.05. Therefore, it can be concluded that the TQM variable (X1) statistically has a negative and significant effect on employee performance (Y2), so H_0 is rejected and H_a is accepted.
- b) The Motivation variable with a calculated t-value of $4.580 > t$ the table is 2.014 ($\alpha=0.05$), and the significance is 0.000, where the significance value is less than 0.05. Therefore, it can be concluded that the motivation variable (X2) statistically has a positive and significant effect on employee performance (Y2), so H_0 is rejected and H_a is accepted.
- c) The Compensation variable with a calculated t-value of $-3.093 < t$ the table is 2.014 ($\alpha=0.05$), and the significance is 0.003, where the significance value is less than 0.05. Therefore, it can be concluded that the compensation

variable (X3) statistically has a negative and significant effect on employee performance (Y2), so H0 is rejected and Ha is accepted.

- d) The Morale variable with a calculated t-value of $4.856 > t$ the table is 2.014 ($\alpha=0.05$), and the significance is 0.000, where the significance value is less than 0.05. Therefore, it can be concluded that the work morale variable (Y1) statistically has a positive and significant effect on employee performance (Y2), so H0 is rejected and Ha is accepted.

SIMULTANEOUS TEST (TEST F)

Test Results F (Simultaneous) model I

ANOVA ^a						
Type	Squares	Sum of	Df	Mean Square	F	Sig.
1	Regression	168.125	3	56.042	11.651	.000 ^b
	Residual	221.255	46	4.810		
	Total	389.380	49			
a. Dependent Variable: Work Morale						
b. Predictors: (Constant), Compensation, TQM, Motivation						

Source: IBM SPSS Version 25 Processing Results

Test Results F (Simultaneous) model II

ANOVA ^a						
Type	Squares	Sum of	Df	Mean Square	F	Sig.
1	Regression	183.975	4	45.994	14.728	.000 ^b
	Residual	140.525	45	3.123		
	Total	324.500	49			

- a. Dependent Variable: Performance
 b. Predictors: (Constant), Moreal, Motivation, Compensation, TQM

Source: IBM SPSS Version 25 Processing Results

In the table above, the F test model 1 obtained an F value of 11.651 with a significance level of 0.000. When viewed from the significance value, the sig value F model 1 is smaller than α (0.05). Therefore, the TQM, Motivation and Compensation variables have a significant influence on the Morale variable.



In the table above, the F test model 2 obtained an F value of 14.728 with a significance level of 0.000. When viewed from the significance value, the sig value F of model 2 is smaller than α (0.05). Therefore, the variables TQM, Motivation, Compensation and Work Morale have a significant influence on the Employee Performance variables.

DETERMINATION COEFFICIENT

Results of Determination Test (R2) model I

Model Summary				
Type	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.657 a	.432	.395	2.193
a. Predictors: (Constant), Compensation, TQM, Motivation				

Source: IBM

SPSS Version 25 Processing Results

From the table above, it can be seen that the value of the *Adjusted R Square* coefficient is 0.395. The results show that the contribution of independent variable variations (TQM, motivation, compensation) is able to explain the dependent variable (work morale) by 39.5%. while the remaining 60.5% is explained by other variables outside the model.

Results of Determination Test (R2) model II

Model Summary				
Type	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.753 a	.567	.528	1.767
a. Predictors: (Constant), Morale , Motivation, Compensation, TQM				

Source: IBM SPSS Version 25 Processing Results

From the table above, it can be seen that the value of the *Adjusted R Square* coefficient is 0.528. The results showed that the contribution of independent variable variations (TQM, motivation, compensation, and work morale) was able to explain the dependent variable (performance) by 52.8%. While the remaining 47.2% is explained

by other variables outside the model.

ANALYSIS PATH TEST RESULTS

Path Analysis I

		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
Type		B	Std. Error			
1	(Constant)	10.213	3.862		2.644	.011
	TQM	.646	.110	.661	5.856	.000
	Motivation	-.083	.123	-.077	-.675	.503
	Compensation	-.085	.121	-.079	-.701	.487

a. Dependent Variable: Morale

Based on the output results of the Regression Model I displayed in the coefficient I table, it can be seen that the values of the significance levels $X1 = 0.000$ and $X2 = 0.503$ and $X3 = 0.487$. These values show that the three independent variables in this study are only the $X1$ variable (TQM) which has a significant effect on $Y1$ (Work Morale). Furthermore, the R Square value in the table is 0.432. This means that the contribution of the influence of variables $X1$, $X2$, and $X3$ to $Y1$ is 43.2% while the remaining 56.8% is influenced by other variables that are not involved in the research variables. Meanwhile, the $e1$ value can be found with the formula $=\sqrt{1 - 0.432}$. With this calculation, an $e1$ of 0.753 was obtained.

Path Analysis II

		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.
Type		B	Std. Error			
1	(Constant)	12.889	3.340		3.859	.000

TQM	-.418	.117	-.468	-3.557	.001
Motivation	.456	.100	.464	4.580	.000
Compensation	-.304	.098	-.309	-3.093	.003
Morale	.577	.119	.632	4.856	.000

a. Dependent Variable: Performance

Based on the output results of the regression model II shown in the coefficient table 2, it can be seen that the values of the significance level $X1 = 0.001$, $X2 = 0.000$, $X3 = 0.003$, and $Y1 = 0.000$. These values show that these four variables have an influence and are significant on $Y2$ (Employee Performance). Furthermore, the R Square value in the table is 0.567. This means that the contribution of variables $X1$, $X2$, $X3$, and $Y1$ to $Y2$ is 56.7% while the rest (43.3%) is influenced by other variables that are not involved in the research variables. Meanwhile, the value of $e2$ can be found with the formula $= \sqrt{1 - 0.567}$.

With this calculation, the $e2$ value is obtained $= 0.658$.

By looking at all the measurements above, a conclusion can be drawn:

1. Because t calculates $> t$ table of $3.919 > 2.014$ with a significant level of 5%, it can be concluded that the work morale variable is able to mediate between TQM and employee performance.
2. Because t is calculated as $-0.119 < 2.014$ with a significant level of 5%, it can be concluded that the work morale variable is not able to mediate between motivation and employee performance.
3. Because t is calculated as $-0.633 < 2.014$ with a significant level of 5%, it can be concluded that the work morale variable is not able to mediate between compensation and employee performance.

CONCLUSIONS AND SUGGESTIONS

CONCLUSION

1. TQM has a negative and significant influence on employee performance at PT. Adhi Karya (Persero) Tbk Sigli – Banda Aceh Toll Road project.
2. Motivation has a positive and significant influence on employee performance at PT. Adhi Karya (Persero) Tbk Sigli – Banda Aceh Toll Road project.
3. Compensation has a negative and significant influence on employee performance at PT. Adhi Karya (Persero) Tbk Sigli – Banda Aceh Toll Road project.
4. TQM has a positive and significant influence on work morale at PT. Adhi Karya (Persero) Tbk Sigli – Banda Aceh Toll Road project.



5. Motivation has a negative and insignificant influence on work morale at PT. Adhi Karya (Persero) Tbk Sigli – Banda Aceh Toll Road project.
6. Compensation has a negative and significant influence on work morale at PT. Adhi Karya (Persero) Tbk Sigli – Banda Aceh Toll Road project.
7. Work morale has a positive and significant influence on employee performance at PT. Adhi Karya (Persero) Tbk Sigli – Banda Aceh Toll Road project.
8. TQM has a positive effect on employee performance mediated by work morale at PT. Adhi Karya (Persero) Tbk Sigli – Banda Aceh Toll Road project.
9. Motivation has no effect on the performance of employees mediated by work morale at PT. Adhi Karya (Persero) Tbk Sigli – Banda Aceh Toll Road project.
10. Compensation has no effect on the performance of employees mediated by work morale at PT. Adhi Karya (Persero) Tbk Sigli – Banda Aceh Toll Road project

SUGGESTION

Based on the results of the research, the researcher provides suggestions to the company, as follows:

1. The company's management should make more efforts to improve the quality of employee work so that management goals can be achieved.
2. The management must be more observant in paying attention to the needs of employees, especially about employee welfare that needs to be improved, because it motivates employees and makes employees more loyal to the company.
3. Management needs to build, maintain and maintain relationships with employees as a management effort to improve optimal employee performance

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