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**THE INFLUENCE OF GIVING COMPENSATION ON EMPLOYEE PERFORMANCE IN  
BALONGAN DISTRICT OFFICE, INDRAMAYU DISTRICT**

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**Abstract**

*The factor for decreasing employee performance in the Balongan District Office, Indramayu Regency, is the impact of giving inappropriate compensation to employees. With compensation can increase the effectiveness of work to achieve organizational goals of the company. Compensation is one of the operational functions in human resources that regulates wages/salaries and services provided by the company to its employees in return for what has been given to employees. This study uses the method of library research or literature review by comparing several previously published national journals. The results of this study reveal that motivation and compensation affect employee performance either partially or simultaneously.*

**Keywords: Employee, Compensation**

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## A. INTRODUCTION

Human resources are a very important aspect in an institution or company with good human resources, the goals of the company will also be achieved. To get maximum human resource results, companies need to place the right balance between human resources and expertise so that everything goes well. HR is a resource that includes many things in an organization including having thoughts, knowledge, skills, and reason that will affect the goals of an organization [1].

The right resources will affect employee performance, as it is known in a company that one of the other important aspects is employee performance which is something that is expected by the company for employees to achieve maximum results in accordance with the targets given. Performance is the result of work achieved by employees with the obligations that have been given by the company [2]

Employee performance appraisal is a guideline in the field of personnel management to find out and assess the results of employee work over a certain period of time. Employee performance is closely related to issues of training, development, promotions and salary structure issues. Routine information about achievements is needed to participate in determining policies in the field of personnel.

There is a phenomenon that occurs in the Balongan District Office, Indramayu Regency, where there is low accountability for the performance of these government agencies. The low performance of local government employees in Indramayu Regency

indicated in the results of periodic employee assessments. Based on employee performance appraisal data at each Indramayu Regency Government agency over a period of four years with employee performance evaluations referring to the provisions of Government Regulation

Number 10 of 1979 concerning the evaluation of civil servant work performance which generally shows a decline in performance.

According to Ipa (2015) One of the factors in the decline in employee performance at the Balongan District Office, Indramayu Regency, is the impact of the inappropriate compensation given to employees. With the compensation can increase the effectiveness of work to achieve organizational goals of the company. Compensation is one of the operational functions in human resources, which regulates the provision of salaries or wages and services provided by the company to its employees as remuneration for what has been given by employees to the company.

According to Mahmood and Samsaa (2014) performance is the most important factor in organizational success. Hence, there is a need to adopt an effective human resource strategy aimed at improving employee performance and creating a high work culture in any organization based on human resource practices. One way to improve employee performance is to pay attention to compensation for employees. Therefore, the ability and work skills of employees must be further improved, namely by direct or indirect compensation to employees based on the administrative process of wages and salaries which involves regulations, considerations or balances in calculations. wellbeing and a supportive work environment.

The same thing as expressed by Wibowo (2016) that compensation is a counter-performance to the use of labor or services that have been provided by the workforce. Compensation is the sum of the packages that the organization offers to workers in return for the use of its workforce with the aim of acquiring qualified personnel, retaining existing employees, ensuring fairness, rewarding desired behavior, controlling costs, complying with regulations, facilitating mutual understanding, further administrative efficiency.

Based on the background of the research conducted on the effect of compensation on employee performance, it shows various results. Viewed from the identification of the problem, the main problem can be formulated, namely how the effect of compensation on employee performance. This study aims to determine the effect of compensation on employee performance which makes this research a scientific reference regarding the importance of the effect of compensation on employee performance. This study also aims to determine what factors can have a positive influence on employee performance. The results in this study are expected to provide information regarding employee performance and compensation. services provided by the company to employees in the form of wages, salaries, benefits, and other facilities.

## **B. LITERATURE REVIEW**

### **Theory Variable**

#### **1) Variable X (Compensation)**

Direct compensation payments can be based on position or position such as manager, supervisor, secretary or factory employee who is paid based on time such as employees receiving daily, weekly or monthly wages. Apart from salaries and wages, employees get additional income that is paid income based on the number of products produced or payments based on work such as incentives, commissions and bonuses. In addition, usually at certain times employees receive other income such as holiday and health benefits based on their membership as employees in the company, not based on the employee's performance directly. Retain existing employees and increase work productivity. By means of compensation and salary determination planning is an important issue in human resource management and must be determined carefully and through certain steps.

#### **2) Variable Y (Employee Performance)**

Performance is a result achieved by each employee within the time specified by the company [9]. While other opinions are the same from Performance is the achievement of the work of employees in an agency or company with the responsibilities that have been given which aims to realize the vision and mission based on good ethics and morals [10]. Performance is a real action shown by an employee in accordance with the responsibilities given by the company [11]. Performance is an achievement of the results of hard work on responsibilities that have been successfully passed [12].

### **hypothesis**

From the results of the opinions of several experts above, it can be interpreted that performance is a result of the level of achievement carried out by employees with actions taken in order to fulfill obligations to the company and realize the company's vision and mission.

### **Research Framework**

Based on the discussion and elaboration of the framework above, so that this scientific writing can run optimally, it is necessary to limit the problem to the scope and focus on discussing compensation for employees.

## **C. DISCUSSION**

In April 2019, various online media, including Jabar.net, reported that a waste case came from PT Pindo Deli and Paper Mills. Secretary DLHK Karawang RD said five months later, the contamination occurred again at the same location. The Citarum Harum Sector 18 Task Force and the Karawang Environmental Agency reviewed this, liquid waste must be disposed of in a way that reduces the residue of hazardous materials. Waste must pass through a sewage treatment plant before being disposed of. The liquid waste is then usually placed in a special tank. "N" says PT. Pindo Deli Tiga is alleged to have violated Law no.

32/2009 on Environmental Protection and Management.

Environmental pollution can cause environmental damage, threaten the sustainability of society, threaten public health, disturb the comfort of the whole community, and decrease the carrying capacity of the environment; On the other hand, human survival is very dependent on both biotic and abiotic resources.

We strive to maintain the welfare and preservation of the environment, thus requiring laws/regulations that regulate the community in order to create order and comfort to ensnare perpetrators of law violations. According to PPLH Law No. 32/2009, which states that: "Environment is the unity of space with all objects, styles, conditions, and organisms, including humans and their behavior that affect nature itself, survival, livelihood and welfare of humans and other living things."

The corporation comes from the Latin *corporare*. *Corporare* itself also comes from the word *corpus* which gives the body or makes up. From the word *corporatie* (Dutch) finally translated into Indonesian into a corporation. Satjipto R said that the corporation as an entity created by law. The legal entity he created consists of a "corpus" and an "animus" which is given by law, thus making the legal entity have a personality. Therefore, a legal entity is a legal creation, except for its creation, its death is also determined by law.

In addition, Sally S. Simpson, views corporate crime as part of a crime committed by certain people who misuse their answers for something that benefits themselves. As emphasized by Simpson, corporate crime is a type of white-collar crime. This view does not give meaning to corporate crime but becomes an important part in discussing crimes committed by corporations. That corporate crimes can occur simultaneously with crimes committed by people who abuse their positions. In other words, when a crime

occurs in such a case, there is a corporate crime. Progress in this era, along with the rise of white-collar crime so that the progress of corporate business still requires good supervision, because it does not always have a positive impact on a country.

### **1. Corporations as the Cause of Environmental Crimes**

Corporations are currently included as legal subjects in the form of PT, as a fictional entity (artificial person) which is equated with a person. Corporate crime seen from the form of the subject as well as the motive, can be qualified as a white-collar crime and is a criminal act or an organized crime. Not only that, corporate crime is also a complex crime and is oriented towards financial gain. Corporations can be determined as perpetrators of criminal acts using guidelines for carrying out tasks or achieving company goals. Corporations can be linked as perpetrators if they are proven to have committed acts that violate the rules in the interest and achievement of the goals of an organization, and also includes employees in the company who actually take the actions concerned who do so of their own volition and contrary to the given rules.

To be able to determine a corporation as a criminal, it can be seen from the rights or authorities that exist in the legal entity. Corporations actually have the authority to regulate, control, and govern parties who in reality can commit criminal acts. In managing related to the environment, legal entities/corporations are responsible for regulating policies/steps that must be taken, namely:

- a. To systematically formulate policies in the environmental field;
- b. Develop a proper order of organizational structure and determine who is responsible for the implementation of the environmental policy
- c. Develop instructions or internal rules for the implementation of activities that disturb the environment, where

it should also be noted that company employees know and understand the directions carried out by the company concerned.

- d. Financing or budgeting the costs of implementing policies in environmental management.

If the obligations above the legal entity or corporation do not or do not function properly, this can be a reason to assume that the legal entity is not trying or not working hard (cautiously) in preventing or supervising the possibility that it is a prohibited act. . So that a legal entity can be determined as a perpetrator of environmental crime, it is necessary to pay attention to several things, namely:

- a. Is the case related to a criminal act where interference with protected interests is declared a crime?
- b. Which norms are related to behavior that disturbs the environment
- c. What is the nature, structure, and field of work originating from the legal entity.

Referring to the description, therefore contextually, an environmental crime is an act that is prohibited in the environmental law or other regulations related to it, in which the violation of the prohibition is threatened with a criminal by the authorized body. In this case, Rahmadi then emphasized that environmental crimes are orders and prohibitions of the law on legal subjects which if violated will be subject to criminal sanctions, this is to protect the environment.

## **2. Corporations as Actors of Environmental Crimes**

Rhiti states that strict liability is an obligation that has long been recognized in civil law. The common law system initially developed from the case of Rylands vs. Fletcher in England in 1868. The doctrine of absolute responsibility has developed to be applied in various legal systems of other countries, and also in Indonesia, especially in environmental cases. In the Job Creation Law, the article is amended

so that it reads: "Everyone whose actions, business, and/or activities use B3, generates and/or manages B3 waste, and/or who poses a serious threat to the environment, is absolutely responsible for the losses incurred. occurs from its business and/or activities". The missing sentence is "without the need to prove the element of guilt", so as a result the plaintiff who demands compensation for environmental damage must first prove that the occurrence of environmental damage stems from the business and/or activities of the defendant. So this change has eliminated strict liability and has become an obstacle for people/groups of people who feel that their environment is polluted.

The definition of corporation according to MA RI Regulation Number 13 of 2016 concerning Procedures for Handling Criminal Cases by Corporations is an organized group of people and/or assets, either legal entities or non-legal entities. Corporations are one of the legal subjects regulated in Law Number 32 of 2009 concerning Environmental Protection and Management (UU PPLH). This means that corporations are recognized as the subject of environmental crimes, considering that the law regulates criminal provisions related to the environment. In this regard, theoretically it is known that there are two motives for corporate crime, namely:

- a. The purpose of the corporation is to obtain the maximum possible profit which is manifested in individual characteristics;
- b. The emergence of contradictions, corporate goals with the needs of competitors, the state, society, workers, and consumers.

Some examples of environmental crimes involving corporations are the environmental pollution case in Rancaekek and the Lapindo mud case. The environmental pollution case in Rancaekek began in 2015, the emergence of a lawsuit from the West Java Walhi,



Paweling, and LBH Bandung against the Sumedang Regent's Decree in 2014, with the problem of disposing of toxic and hazardous liquid waste from the industrial sector, which was allegedly carried out by a textile factory located around the river. Cikijing, Rancaekek District.

The environmental NGO Greenpeace concluded that the economic losses due to waste pollution amounted to IDR 11.4 trillion, which included losses to agriculture, plantations, livestock, fisheries, health, losses due to loss of water services, decreased air quality, lost income, and estimated remediation costs. polluted land.

The report, which is based on a study in 4 villages affected by the waste disposal, revealed that losses in the agricultural sector reached IDR 841,741,893,000. From the plantation sector, the loss reached Rp. 812,184,000, calculated from the value of plantation productivity and the costs to be incurred by farmers for fertilizers and others. Meanwhile, the fishery sector suffered heavy losses because productivity fell 100 percent because polluted river water prevented fish cultivators from operating. Even if there are those who are still cultivating, the fish produced are not suitable for consumption. Losses from the fishery sector are estimated at Rp. 10,525,500. Furthermore, Greenpeace stated about the health losses experienced by the community, namely residents suffering from itching and skin diseases. If calculated financially, the residents' efforts to regain health reached Rp. 815,070,500,400. Disposal of waste in the Cikijing River, which is actually a source of water for residents, is then polluted and the water cannot be used. The loss of water services is estimated at Rp288,929,984,400. The community also experienced a loss of income due to the disruption of their livelihoods, estimated at Rp 7,341,674,036.

The Sumedang Regency Government was judged to be

negligent/guilty of the decision to issue permits for the disposal of liquid waste (IPLC) into the Cikijing River to three large factories, namely PT Ktx, PT Five STI and PT Insan SI. KM. PTUN Judge Nelvi C, stated that the three licenses for the Disposal of Liquid Waste (IPLC) from the Sumedang Regency Government for PT Ktx, PT Five STI and PT Insan SI must be immediately revoked. If the Sumedang Regency Government and the three factories violate this decision, they can immediately be charged with a criminal offense.

Sutan Remy Sjahdeini argues that it is necessary to apply the concept that the management and the corporation are both perpetrators of criminal acts and both must bear criminal responsibility in corporate crimes, which are based on the following:

- a. If criminal liability is only imposed by the management, it will be unfair to the people who experience losses, because this means that the management is considered to be carrying out their actions not on behalf of the corporation, even though the intention is to profit or avoid corporate financial losses.
- b. If the criminal responsibility is only on the corporation, while the management is not obliged to be responsible, then this method creates the potential for the management to shift the responsibility. In other words, the management can always take cover behind the corporation (legal entity), to avoid responsibility, in fact the act is not an act of personal interest/personal interest, but is an act for the benefit of the corporation.
- c. The imposition of criminal responsibility on the corporation may be indirectly (doctrine of vicious liability), responsibility for criminal acts committed by someone who is charged to another party, in the case of criminal liability, the corporation is transferred its criminal responsibility to the corporation. The obligation of

criminal liability to corporations is possible to be carried out vicariously because corporations/business entities cannot carry out legal actions on their own. This means that all legal actions that are right or wrong, both in the civil field and those regulated by criminal provisions, are carried out by the human element, namely the management of the corporation.

Barda Nawawi Arief, stated the types of crimes against corporations:

- a. Financial Sanction (fines, increased tax burden, etc.)
- b. Structural Sanctions
- c. Restriction Entrepreneurial activities (restriction of activities, corporate dissolution)
- d. Stigmatizing Sanctions
- e. Considering that a corporation or company is a "good will", it is in line with Brickey's opinion that: "...an announcement of the judge's decision (publication), is a sanction that every corporation is worried about..." this will have a deterrent effect, especially if this corporation partners with international corporations.

In January 2020, there was a breakthrough by the Ministry of Environment (KLHK) which detained the President Director of PT.NTS in Bekasi with the initials NS who was suspected of polluting and would be subject to additional sanctions for restoring the polluted environment due to B3 waste (hazardous, toxic materials); The author considers this a breakthrough because even though the corporation has been referred to as a legal subject, generally the one who gets criminal punishment is the corporation; Regarding the imposition of a crime on environmental pollution, whether the corporate management (eg director) or the corporation is being punished is still a debate in Indonesia, one of which is the assumption that if only the director is

convicted, the corporation has the potential to damage/violate, whereas if it is only a corporation then it is a legal subject ( natural person) does not get a deterrent effect, whereas if both of them raise doubts whether it means that 2 (two) legal subjects are different between people and corporations. Defendant NS has submitted a pretrial to the Central Jakarta District Court but was rejected, then the District Court's Decision ... on this case the defendant was sentenced to one year probation, and if the fine of 150,000,000 is not paid, it will be replaced with one year imprisonment. Our reality is that in Indonesia there is still a lack of resources to treat medical waste which is included in B3 waste, this is recognized by the Ministry of Environment and Forestry.

Even though corporations are basically late in having regulations on environmental management which have basically become an effort to reduce pollution, not all corporations do this, because it consumes excessive costs and requires a lot of energy sources, which can be considered only as unnecessary expenses. So that corporations are sometimes reluctant to carry out or implement these regulations. It is unfortunate that there is a lack of awareness of the dangers caused by environmental pollution which corporations do not respond to. Pollution in one area will have an impact on other areas and it is interconnected with one another. So the loss is felt not only in one area but in several areas with a fantastic total value, it is undeniable that the lives of the surrounding community are also threatened due to the pollution, lost livelihoods, polluted natural resources, then a crisis occurs in the area due to pollution caused by pollution. occur. And it has become a very serious problem because natural resources have been polluted and will be damaged / nothing else can be produced. The environment can affect many aspects of the survival of human life. Hopefully in the future,

corporate parties will be more aware of the importance of sustainable development in a comprehensive manner, not just pursuing profit.

## D. CONCLUSION

Environmental pollution is a big problem for the sustainability of human life. The environment itself is the source of human life. A polluted environment will harm human survival, or reduce the quality of health. That is the importance of the criminal justice system and all its law enforcers are expected to protect the environment. Corporations must be obedient and thorough and take this matter seriously regarding environmental management regulations in their vicinity. And there must also be severe sanctions against environmental polluters, especially as a result of corporate crime and include all parties involved in the corporation, as well as providing a deterrent effect. The state should be firm in following up on corporate crimes in environmental pollution, such as the breakthrough by the Ministry of Environment (KLHK) which detained the President Director of PT.NTS in Bekasi. As a closing of the Job Creation Law, which seems to adhere to a civil case proof system, it is feared that it will make it difficult to prove environmental pollution cases.

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