COMPARISIONAL ANALYSIS OF COMPENSATION USING ADHERED METHOD AND OVERLAPPING METHOD

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Abstract
Compensation is an important factor for workers to foster a sense of enthusiasm and self-motivation in working to achieve company goals. On the other hand, the company must also understand the position and role of workers in it so that in determining the amount of compensation it can be determined in a balanced manner and minimize operational expenses that are too large. Both financial compensation and non-financial compensation, the company has an obligation to fulfill both of these things, so that the standard of living needs of workers can be met properly. The object of this research is PT Diva Jaya Trans, which is located in the city of Demak, Central Java. This company is engaged in the tourism transportation sector with a total of 7 bus fleets, and a total of 22 workers, and occupying various positions, such as admin, marketing, foreman, and crew. The research methods used are quantitative and qualitative sourced from trusted scientific journals and articles. This research focuses on the compensation sector and KHL. In this case, we identify and make improvements to the compensation system, namely by using the adhered method and the overlapping method. To determine the effectiveness of the two methods, salary data that has been obtained from the director through direct and online interviews was processed so that several gaps were found from the adhered method and the overlapping method. The final result of this study shows that the overlapping method is feasible to be considered for compensation changes in the company object, because according to the calculation it has a fairly good ratio.

Keywords: compensable factor; compensation management; adhered; overlapping

Introduction
A good compensation system design for employees is expected to increase employee productivity and morale. Bessette (2016) in Urbancova and Snydrova (2017) says that a properly designed and well-designed remuneration policy can have a significant and positive impact on the organization's ability to attract and retain employees who are very important to the company.

PT Diva Jaya Trans is the object of this research, the company has not implemented an effective and efficient compensation method. The company is located in the city of Demak, Central Java. PT Diva Jaya Trans implements a compensation system using daily targets for the majority of employees, with the data and assumptions that have been obtained, most of the employees in the company have met the minimum wage and minimum wage in the city of Demak, Central Java.

Cushway (2003) in Chaneta (2014) says that job evaluation is needed as a
process to assess the relative importance of a job in an organization before grading/ranking. Therefore, the purpose of this study is to design a remuneration system at the PT Diva Jaya Trans company which is preceded by a job analysis and job evaluation process, using the Hay method which is expected to later be able to help the company to help improve its compensation system.

**Method**

1. **Framework of Thought**

   ![Diagram](image)

   **Figure 1**

   The structure of the thinking framework

2. **Research Location and Time**

   This MSME case study research uses a sample from the company PT Diva Jaya Trans, which is located in Bakalrejo Village 04/05 Demak, Central Java. The research has started from August 2021 and lasts for six weeks with all series to obtain information, data processing, data improvement, and to make papers.

3. **Data Types and Sources**

   Data retrieval is done using primary data and secondary data. The data is processed in order to get calculations that are in accordance with the rules. We obtained primary and secondary data through interviews using amethod hybrid.

   We also provide a questionnaire that must be filled out by company employees. In addition, we also use additional knowledge by using literature methods from websites, journals, and theses. This research is a quantitative and qualitative research by describing the compensation system that is run in the company PT Diva Jaya Trans.

4. **Method of Data Processing and Analysis**

   Data analysis and processing methods used to construct a model system based compensation system job value and job grading PT Jaya Trans Diva is using Mapping Analysis Salary (Salary Mapping) adhered to and Salary Mappingoverlapping.

   The primary legal materials used to write this journal are:
   2. APEC Privacy Framework;
   3. Malaysian Law AKTA 709: Protection of Personal Data 2010;
   4. Singapore Act No. 20 of 2016: Info-communications Media Development Authority Act 2016;

   Furthermore, the secondary legal materials used to write this journal are:
   1. Scientific work;
   2. Journal;
Comparisonal Analysis of Compensation Using Adhered Method And Overlapping Method
Comparison of Compensation Using Adhered Method and Overlapping Method

The average turnover per month reaches approximately Rp. 150,000,000.00. If we review again the PT Diva Jaya Trans MSME compensation system that is currently being implemented, it cannot be said to be fair because there are still mismatches in compensation for several positions from various factors. Therefore, further analysis and evaluation is needed to improve the provision of compensation in related MSMEs in order to achieve feasibility and a fair compensation system.

Table 1
Salary Mapping of PT Diva Jaya Trans

<table>
<thead>
<tr>
<th>No.</th>
<th>No. Pekerjaan</th>
<th>Gaji Pekerjaan (Rp)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Admin 1</td>
<td>Rp 3,250,000</td>
</tr>
<tr>
<td>2</td>
<td>Admin 2</td>
<td>Rp 3,250,000</td>
</tr>
<tr>
<td>3</td>
<td>Marketing 1</td>
<td>Rp 3,500,000</td>
</tr>
<tr>
<td>4</td>
<td>Marketing 2</td>
<td>Rp 3,500,000</td>
</tr>
<tr>
<td>5</td>
<td>Foreman</td>
<td>Rp 3,500,000</td>
</tr>
<tr>
<td>6</td>
<td>Crew 1</td>
<td>Rp 3,000,000</td>
</tr>
<tr>
<td>7</td>
<td>Crew 2</td>
<td>Rp 3,000,000</td>
</tr>
<tr>
<td>8</td>
<td>Crew 3</td>
<td>Rp 3,000,000</td>
</tr>
<tr>
<td>9</td>
<td>Crew 4</td>
<td>Rp 3,000,000</td>
</tr>
<tr>
<td>10</td>
<td>Crew 5</td>
<td>Rp 3,000,000</td>
</tr>
<tr>
<td>11</td>
<td>Crew 6</td>
<td>Rp 3,000,000</td>
</tr>
<tr>
<td>12</td>
<td>Crew 7</td>
<td>Rp 3,000,000</td>
</tr>
<tr>
<td>13</td>
<td>Crew 8</td>
<td>Rp 3,000,000</td>
</tr>
<tr>
<td>14</td>
<td>Crew 9</td>
<td>Rp 3,000,000</td>
</tr>
<tr>
<td>15</td>
<td>Crew 10</td>
<td>Rp 3,000,000</td>
</tr>
<tr>
<td>16</td>
<td>Crew 11</td>
<td>Rp 3,000,000</td>
</tr>
<tr>
<td>17</td>
<td>Crew 12</td>
<td>Rp 3,000,000</td>
</tr>
<tr>
<td>18</td>
<td>Crew 13</td>
<td>Rp 3,000,000</td>
</tr>
<tr>
<td>19</td>
<td>Crew 14</td>
<td>Rp 3,000,000</td>
</tr>
<tr>
<td>20</td>
<td>Crew 15</td>
<td>Rp 3,000,000</td>
</tr>
<tr>
<td>21</td>
<td>Crew 16</td>
<td>Rp 3,000,000</td>
</tr>
<tr>
<td>22</td>
<td>Crew 17</td>
<td>Rp 3,000,000</td>
</tr>
</tbody>
</table>

From the table above, it can be seen that PT Diva Trans Jaya has several job holders who work there including admin, marketing, foreman, and crew. Each position holder has a different salary paid. The admin position is occupied by two people with salaries paid of Rp. 3,250,000.00 and 2,250,000.00. The marketing position is also occupied by two people with the same salary, which is Rp. 3,500,000.00. For the foreman position, it is only occupied by one person with a salary paid of Rp. 3,500,000.00. The crew position here is occupied by 17 crews with a salary paid to each crew of IDR 3,000,000.00.
3. **Analysis of Respondents Characteristics**

<table>
<thead>
<tr>
<th>Position</th>
<th>Gender</th>
<th>Age</th>
<th>Length of Work (Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Director / Owner (1 Person)</td>
<td>Male</td>
<td>20 years</td>
<td>2 years</td>
</tr>
<tr>
<td>Admin (2 people)</td>
<td>Admin 1 and 2: Female</td>
<td>Admin 1: 25</td>
<td>Admin 1: 2 Years</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Admin 2: 27</td>
<td>Admin 2: 5 Months</td>
</tr>
<tr>
<td>Marketing (2 Persons)</td>
<td>Marketing 1 and 2: Female</td>
<td>Marketing 1: 29</td>
<td>Marketing 1: 2 Years</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Marketing 2: 32</td>
<td>Marketing 2: 2 Years</td>
</tr>
<tr>
<td>Foreman (1 Person)</td>
<td>Male</td>
<td>45 years</td>
<td>2 Years</td>
</tr>
<tr>
<td>Crew (17 Persons)</td>
<td>Crew 1 -17: Male</td>
<td>30 - 50 Years</td>
<td>Crew 1 - 11: 2 Years</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Crew 12 - 17: 1 Years</td>
<td>Crew 12 - 17: 1 Years</td>
</tr>
</tbody>
</table>

Source: Data processed by PT Diva Jaya Trans, 2021

Based on table 2, it can be seen that the total number of employees of PT Diva Jaya Trans is 22 people, with 18 men and 4 women. Female employees are placed in admin and marketing positions, while male employees are placed in the field sector, namely foreman and crew. Age is an important indicator for crew placement, where the core of the running of this company is in the workforce in the crew. The company targets that the composition of experience and toughness is an important requirement for the crew, because this will be a benchmark for the company’s assessment by customers.

4. **PT Diva Jaya Trans Employee Salary Analysis and Graph of the UMK and UMP**

According to Bagijo HE (2021), wages are one of the important elements in the employment relationship, wages are a sign that workers have the right to their work, which is appropriate and appropriate to meet their needs. At the level of local government, the policy of wage determination is made in the Governor’s decision as an administrative officer who is given the authority set the amount of the provincial minimum wage (UMP), the minimum wage districts / cities (UMK), maupun minimum wage sectoral districts / cities (UMSK).

Article 88 paragraph (1) of Law no. 13 of 2003 concerning Manpower, that "Workers or laborers have the right to earn income for a decent living for humanity". Based on these provisions, it is important to fulfill the human rights of every human worker in Indonesia, namely the criteria for a decent wage. Therefore, it is very important for business owners to provide wage components in the following forms:

- a. Minimum wage;
- b. Overtime wages;
- c. Wages are absent from work due to absence;
- d. Wages are absent from work due to other activities other than their work;
- e. Wages for exercising the right to work rest time;
- f. Form and method of payment of wages;
- g. Fines and deductions from wages
- h. Things that can be calculated with wages;
- i. Proportionate wage structure and scale;
- j. Wages for severance pay; and
- k. Wages for income tax calculations.
Comparison of Compensation Using Adhered Method And Overlapping Method

The graph shows that the salary paid to 95% of the total employees (Admin 1, Marketing, Foreman, and Crew) of PT Diva Jaya Trans has exceeded the Central Java UMP of Rp. 1,798,979.00 and the UMK of Demak City of Rp. 2,511,526.00. There is only one employee (Admin 2) whose salary is between the UMP and UMK. This position has a different salary structure because the employee in question has only worked for 5 months (< 1 year) so he does not get his 13th salary, like other employees.

5. Compensation Design System based on Job Value and Job Grading

Compensation must be designed as well as possible so that employees can meet the needs of a decent life and survive in their current company. Business owners or companies must think about and analyze ways so that employees are satisfied and their work productivity will increase. Therefore, there are steps in determining the ideal compensation for employees at PT Diva Jaya Trans as follows:

a. Assigning the weight of each job factor Job

Evaluation is a process that determines the relative value of a job in relation to other jobs. (Sukwadi, 2014). Job evaluation aims to create internal consistency and external consistency in providing compensation or remuneration (Sukwadi and Oktevany, 2016). According to Marwansyah (2010), the main target of job evaluation is the satisfaction of employees and superiors with the compensation paid. According to Article 1 of Kepmenakertrans No. 49 / Men / IV / 2004 concerning the structure and scale of wages, the wage structure is the arrangement of wage levels from the lowest to the highest or vice versa from the highest to the lowest. Meanwhile, the wage scale is the range of nominal wages according to job groups.

The first step before evaluating the position, using themethod Given Grade or Min Max, is by weighting and assigning values to the factors and employee positions. In the compensation design at PT Diva Jaya Trans used as many as 10 assessment factors in measuring compensation, namely communication skills, work experience, decision making, human relations skills, working conditions, physical effort, visual attention, freedom of action, work complexity, risk of danger.
Table 3 shows the weighting results between factors that will be used as the basis for determining compensation at PT Diva Jaya Trans. The weighting of these compensable factors uses pairwise comparison method. This thing shows the level of importance between factors where a value of 1 means that both factors are equally important, a value of 3 means slightly more important than other factors, a value of 5 means more important than other factors, a value of 7 means very more important than other factors, and a value of 9 which means absolutely more important than any other factor. From the calculation of the compensable factors, the accumulated value of each factor will be calculated and the total weight and value of the factors for each position will be calculated.

b. Assigning a value to each level of the job factor

The next step is to assign a value to the factor in each job that shows how important the factor should be for each job. There are 4 positions that will be rated, namely admin, marketing, foreman, and crew. This step needs to be done to calculate the job value in the next stage, namely by using the results of calculating the total weight and value of the factors for each position.

c. Perhitungan Job Value

Langkah selanjutnya adalah menentukan job value masing-masing jabatan yaitu dengan mengurutkan jabatan berdasarkan total akhir terbesar hingga terendah melalui cara perkalian antara bobot dengan nilai yang didapat.
From table 5 above, it can be seen that the bus crew has the highest job value of 644, foreman is 515, marketing is 510, and admin is 456.

### Table 6
**Job Grading Using Given Grade**

<table>
<thead>
<tr>
<th>NO</th>
<th>Jabatan</th>
<th>Job Value</th>
<th>Jabatan Pekerja</th>
<th>Total Posis. (P x 3)</th>
<th>RA</th>
<th>QA</th>
<th>Given Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>4</td>
<td>Crew Bus</td>
<td>644</td>
<td>17</td>
<td>10,340</td>
<td>Rp2,206,810</td>
<td>Rp2,082,781</td>
<td>644</td>
</tr>
<tr>
<td>3</td>
<td>Mandor</td>
<td>515</td>
<td>2</td>
<td>6,020</td>
<td>Rp2,185,207</td>
<td>Rp2,047,397</td>
<td>515</td>
</tr>
<tr>
<td>2</td>
<td>Marketing</td>
<td>510</td>
<td>2</td>
<td>6,020</td>
<td>Rp2,185,207</td>
<td>Rp2,047,397</td>
<td>510</td>
</tr>
<tr>
<td>1</td>
<td>Admin</td>
<td>456</td>
<td>2</td>
<td>3,308</td>
<td>Rp3,000,000</td>
<td>Rp2,268,873</td>
<td>456</td>
</tr>
</tbody>
</table>

Based on table 6 above, we will make as many as four grades. The following are the steps to obtain the job grading above:

1. Calculating the interval at each given grade by calculating the difference between the job values highest and lowest.

### Figure 4
**Graph Job Value**

#### d. Designing Job Grading Using Given Grade

Previously, the has been obtained job value for each position, which is the result of the total multiplication of the weight with the value in each position. The next step is to arrange job grading based on the method given grade. The method given grade is a way to determine how many grades you want to make to perform a compensation design system calculation.
then dividing by the number of grades to be made. 

\[
\text{value Job} = \frac{\text{The highest Job value} - \text{lowest value}}{4} \\
= \frac{(644 - 456)}{4} \\
= 47
\]

2. To obtain the upper limit of Given I, the job value is lowest added to the interval given grade that has been obtained previously. 

\[
= 456 + 47 \\
= 503
\]

3. The upper limit of Given I is used as the lower limit of Given II. Then if it is added to the interval given grade it will produce the upper limit of Given II. And so on until the obtained Given Grade IV is.

![Graph Job Grading](image)

**Figure 5**

**Graph Job Grading**

**e. Designing Job Grading Using Min Max**

In addition to using the method given grade, compensation improvements can use min max.

<table>
<thead>
<tr>
<th>Table 7</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Job Grading Using Min Max</strong></td>
</tr>
<tr>
<td><strong>NO</strong></td>
</tr>
<tr>
<td>1</td>
</tr>
<tr>
<td>2</td>
</tr>
<tr>
<td>3</td>
</tr>
</tbody>
</table>

Table 7 shows that there are 3 grades, with grade I filled by admin positions with a minimum score of 456 and a maximum of 536. For grade II, two positions are filled, namely marketing and foreman with a minimum score of 536 and a maximum of 630. Finally, the bus crew position is in grade III with a minimum score of 630 and a maximum value of 741.

<table>
<thead>
<tr>
<th>Table 8</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Results Salary Mapping</strong></td>
</tr>
</tbody>
</table>

Initial Salary Mapping PT Diva Jaya Trans The compensation system currently implemented by PT. Diva Trans Jaya can be analyzed further by using salary mapping (salary mapping) based on position.
Description: X? = not very ideal, V? = ideal but questionable, X= not ideal, V= ideal.

Based on Table 8 above, the following results are obtained:
- Grade I (Admin), the salary given is ideal (V)
- Grade II (Marketing), the salary given is not ideal (X)
- Grade III (Foreman), the salary given is not ideal (X)
- Grade IV (Crew), the salary given is not ideal (X)

From these results it can be concluded that the compensation system in the form of salary at PT. Diva Trans Jaya is still not ideal because of the value spread irregular from one position level to another. This discrepancy can be seen in the spreads in Grade II - Grade IV where the value spread does not increase, which is both 0%. Further irregularities can be seen in the salary obtained by positions occupying Grade IV which is smaller than the salaries of Grade II and III, while the salary that should be received by Grade IV is higher for Grades II and III. However, based on the results of the salary mapping above, it is found that the maximum salary for Grade VI (Crew) is actually lower than the maximum salary for Grade III (Foreman) and Grade II (marketing). On the basis of these things, it can be said that the compensation system at PT. Diva Trans Jaya is less than ideal. This shows that internal justice has not been created in the company.

6. Compensable Factor
   a. Working Experience
      Experience is the training and development gained from previous work required to qualify for a position, plus the training and development on a job required for skills.
      - Level 1: No experience
      - Level 2: 1-12 Months
      - Level 3:> 12 months - 24 months
      - Level 4:> 24 months - 36 months
      - Level 5: > 36 Months
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b. Visual Attention (Accuracy & Accuracy).
   This factor assesses how much visual attention is required.
   - Level 1: Does not require visual attention.
   - Level 2: Needs attention but no burden.
   - Level 3: Requires careful attention and the load is quite large.
   - Level 4: Requires careful attention and the load is quite heavy.
   - Level 5: Needs very careful attention and very heavy loads.
   - Grade 6: A heavy load of attention for a sufficiently long period of time.

c. Job Evaluation Manual (Collages of Applied Arts and Technology)
   Human Relation Skills, HR skills are active, face-to-face skills required by job holders for various relationships with others inside and outside the organization.
   - Level 1: Maintain a courteous and effective working relationship with others to request or submit information, ask questions or obtain clarification.
   - Level 2: The skills of persuasion or assertiveness and sensitivity to the other person's point of view are often needed to influence behavior, change opinions, or turn situations around.
   - Level 3: The highest level of interpersonal skills is usually required for positions where alternative or combined skills in understanding and motivating people are of the highest importance.


Decision Making
   Measures the level of accountability and decision making associated with the position.
   - Level 1: Work is controlled directly through the structured nature of the job itself or direct supervision by others. All deviations from the assigned work must be approved by the supervisor.
   - Level 2: Work is controlled through occasional checks for accuracy, quality, and compliance with detailed instructions or through the structured nature of the work itself. Some policies can be implemented within predetermined limits and procedures.
   - Level 3: The results of the completed work are evaluated for compliance with technical standards, conformance, and compliance with policies/procedures. Accept general direction regarding work responsibilities, discretion and judgment should be exercised in interpreting and implementing/following rules, guidelines and/or protocols.
   - Level 4: Work is evaluated relative to the overall functional policy or program in terms of feasibility, compatibility, and effectiveness. Receiving nominal directions regarding work responsibilities, policies and assessments must be carried out in translating organizational goals into the development / improvement of program strategies and related objectives and activities.

(Government of Newfoundland and Labrador Job Evaluation System (JES))
Freedom To Act

This factor measures the extent to which incumbents are asked to take responsibility for their own actions and the actions of others, to use their own initiative and act independently, and discretion is given to job holders.

- **Level 1**: Generally work with close supervision and procedures and/or practices are well established and have a standard and results to be achieved.
- **Level 2**: Be guided by standard operating procedures (SOPs), good practices, set precedents and understand what results and standards are to be achieved. One is generally available for reference and work can be checked on a sample/random basis.
- **Level 3**: Guided by a clear, precedent policy, protocol, procedure or code of conduct. Work is managed, not supervised, and results are assessed at agreed intervals.
- **Level 4**: Expected results are defined but postholders determine the best way to achieve and are guided by broad employment principles and policies or regulations. Guidance can be provided by a colleague or an external reference point.
- **Level 5**: Guided by broad public, organizational or occupational health policy, but most postholder situations need to define the way in which this is to be interpreted.
- **Level 6**: Required to interpret overall healthcare policies and strategies, to set goals and standards.

Job Evaluation Manual (Collages of Applied Arts and Technology)

Working Conditions

This factor assesses the physical working conditions required.

- **Level 1**: Very clean and air conditioned.
- **Level 2**: Clean and there is air circulation.
- **Level 3**: Adequate ventilation but sometimes dirty.
- **Level 4**: Temperature varies and is gross.
- **Level 5**: Temperature and humidity conditions are physically aggravating.
- **Level 6**: Required to interpret overall health care policies and strategies, to set goals and standards.

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Physical Effort
This factor measures the nature, level, frequency and duration of physical effort (continuous effort at the same rate or sudden burst of effort) required for the job. This takes into account any circumstances that could affect the level of effort required, such as working in awkward positions or confined spaces.

- Grade 1: A combination of sitting, standing, and walking with little requirement for physical effort. There may be a requirement to exert light physical effort for a short period of time.
- Level 2: There is often a requirement for moderate physical effort during shifts.
- Grade 3: There is often a requirement to exert strenuous physical effort during a shift.
- Grade 4: There is often a requirement to exert very strenuous physical effort during a shift.

(Government of Newfoundland and Labrador Job Evaluation System (JES))

Hazard
This factor assesses how far physically dangerous.

- Level 1: No danger.
- Level 2: There is a slight danger of being injured.
- Level 3: Can damage limbs.
- Level 4: Can damage the eyes and head.
- Level 5: Can be made blind or amputation
- Level 6: Can kill lives.

Job Evaluation Manual (Collages of Applied Arts and Technology)
Communication Skills
Communication skills are used to measure the extent to which job holders interact with others. Work involving interpersonal interaction broader rated higher rank than those who do not have this requirement

- Level 1: Communication of the path to the top, not much in touch with the outside (consumer)
- Level 2: Communication to the top, sometimes in touch with the outside (consumer)
- Level 3: Upward, downward communication and side-by-side cooperation, frequent contact with outsiders (consumers)

(University of London, job evaluation manual 1-12)

f. Salary Mapping PT. Diva Jaya
Trans Using the Adhered Point System

After we know the results of the salary mapping using the actual salary or the actual salary, it turns out that the compensation conditions applied are not ideal and improvements are needed using the Adhered method.

Table 9
Using Method Housekeeping Salary adhered (coincident)

<table>
<thead>
<tr>
<th>NO</th>
<th>GRADE</th>
<th>TOTAL PERIOD</th>
<th>TOTAL SALARY</th>
<th>NEW SALARY</th>
<th>INCREASE &amp; DECREASE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>3</td>
<td>1</td>
<td>5000</td>
<td>7000</td>
<td>16.4%</td>
</tr>
<tr>
<td>2</td>
<td>3</td>
<td>1</td>
<td>5000</td>
<td>7000</td>
<td>16.4%</td>
</tr>
<tr>
<td>3</td>
<td>3</td>
<td>1</td>
<td>5000</td>
<td>7000</td>
<td>16.4%</td>
</tr>
<tr>
<td>4</td>
<td>3</td>
<td>1</td>
<td>5000</td>
<td>7000</td>
<td>16.4%</td>
</tr>
</tbody>
</table>

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Table 9 above is an improvement in compensation using the Adhered method, according to the data in the Typical range spread table, the spread in operations is around 10% and the spread level increases according to the position held. Adhered method:

- Determining the minimum salary for positions in Grade I in accordance with institutional policy, namely increasing employee salaries based on the UMK. So that the new minimum salary for Grade I is IDR 2,500,000,00 according to the UMK of Demak City.
- Determine the maximum salary with the formula \([\text{minimum salary} + (\text{minimum salary} \times \text{spread})]\).
- Determine the salary midpoint with the formula \([(\text{minimum salary} + \text{maximum salary})/2]\).
- The maximum value in the previous class will be the minimum value in the next class.
- Calculate the mid to mid value with the formula \([\text{(mid point value in the row} - \text{mid point value below it})/\text{mid point value below it}]\).

<table>
<thead>
<tr>
<th>NO</th>
<th>GRADE</th>
<th>TOTAL PERSON</th>
<th>TOTAL SALARY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Figure 7
Illustration of Compensation System adhered to (coincide)

After revamping the salary of the obtained ideal compensation system. It can be seen that from mid to mid each grade is always smaller than the spread. In addition, the difference in the interval or distance obtained is not too far and is in accordance with the provisions of the interval or distance that has been determined.

g. Salary Mapping PT. Diva Jaya Trans Using the Point System Overlapping

In making salary improvements at PT. Diva Jaya Trans, apart from using the Adhered method, it can also be done using the method overlapping. The most striking difference from the method Adhered is that the maximum value of the previous class can be greater than the minimum value of the next class.

Table 10
Salary Using Method Improvement Overlapping (Overlapping)
Table 10 above is an improvement in compensation using the method Overlapping. Following are the steps in making salary adjustments by means of Overlapping:

Determine the minimum salary for positions in Grade I.
\[= \frac{\text{Mid Point Grade I}}{1+0.5\times\text{Spread}}\]
\[= \frac{\text{Rp 2.635.000}}{1+0.5\times10\%}\]
\[= \text{IDR 2,500,000}\]

Determine the maximum salary in Grade I with the formula [minimum salary + (minimum salary×spread)].

The mid point value in the Overlapping method is directly filled without giving the minimum and maximum values first. In determining the mid point value, the company adjusts to the ability and salary survey of the Demak City UMK.

Determine mid to mid with the formula [(Mid point on the line – Mid point of the previous line) / Mid point of the previous line].

Determine the minimum salary column in the Grade above with the formula [Mid point / (1+ (0.5× spread on that row)].

Determine the maximum salary column with the formula [Minimum + (Minimum× Spread on that row)].

Figure 8
Illustration Compensation System Overlapping (Overlapping)

After revamping the salary of the obtained ideal compensation system. It can be seen that from mid to mid each grade is always smaller than the spread. In addition, the difference in the interval or distance obtained is not too far and is in accordance with the provisions of the interval or distance that has been determined.

Conclusion
Based on the results of research and analysis that we have done, we can conclude that after analyzing and improving the payroll system, it can be concluded that an effective compensation system to be applied by PT. Diva Jaya Trans is to use the Overlapping method. This is because the overlapping method of salary distribution is more applicable because it is more rational and the gap difference is not too large and not burdensome (still reasonable and ideal). If it is applied adhered, it will have an impact on swelling expenses. So it is more effective to use the overlapping method which allows for overlapping salaries between grades.

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