EVALUATION OF XYZ SME COMPENSATION WITH DETERMINATION OF POSITION GRADE USING HAY JOB EVALUATION METHODS

Faiza Nur Aulia, Hasna Nadiyah Banafsaj Sudaryono, Arina Salsabila Santoso, Sindhy Larasati, Muhammad Ilham Pratama
Mahasiswa Departemen Manajemen, Fakultas Ekonomi dan Manajemen
IPB University
Email: faizanuraulia@apps.ipb.ac.id hasnanadiyah@apps.ipb.ac.id arinasalsabila@apps.ipb.ac.id
larasati_sindhy@apps.ipb.ac.id ilhampratama@apps.ipb.ac.id

Abstract
In an organization or company, determining the differences and grading between positions is needed to determine the obligations between positions and the level of compensation. The level or grade of the position will affect how much compensation is given by the company to its employees and also reflects the knowledge, skills, and responsibilities of employees at each level. The object of research from this scientific journal is UKM XYZ which is engaged in food processing in accordance with Law Number 20 of 2008 concerning Micro, Small and Medium Enterprises (MSMEs). UKM XYZ is an UKM that has been established since 2004 and is located in Lembang, West Bandung Regency, West Java. The research was conducted to evaluate the salary system in UKM XYZ compensation to be more fair and effective for each employee using Job Value & Grading basis and salary mapping system with Adhered and Overlapping. The data used in this study are primary and secondary data obtained through online systems such as conducting interviews through Zoom Meetings, distributing questionnaires through Google Forms, analyzing salary attachments, and conducting various literature studies through several journals. In this study, the weighting criteria used were based on the Hay System criteria, namely Know-How, Problem Solving, and Accountability. This research is a quantitative and qualitative research by describing the job grade system in compensation run by UKM XYZ.

Keywords: job grading, hay system, compensation, know-how, problem solving, accountability

Introduction
In a company, giving rights and obligations to employees is very important. Fair distribution of employee rights and obligations can be done through a good compensation system. According to Hasibuan, 2010 Compensation is the main encouragement and motivation for an employee to work and to increase an employee's work productivity, and compensation can be interpreted as all income in the form of money, goods directly or indirectly received by employees as compensation for services provided to employees. company. Compensation is very important for employees because the amount of compensation reflects a measure of the value of their work among the employees themselves, their families, and society. Therefore, if employees perceive their compensation to be inadequate, then employee performance and motivation can decline rapidly.

The company's compensation must be fair, appropriate and effective in accordance with the grade and obligations of each employee who works. If the compensation is not fair and appropriate, it will have a bad

impact on the company. Such as the loss of employee motivation due to the lack of compensation provided, increasing costs companybecause the salary given exceeds the value of the position, to increasing turnover employeedue to the salary given being much lower than the job grading.

This research on compensation in thesystem job grading takes a case study on UKM XYZ which is engaged in the food processing sector. XYZ UKM is one of the processed food SMEs located in Lembang, West Bandung Regency, West Java. These SMEs have marketed their products throughout Indonesia and even abroad and have received certifications and also many international awards. The employee payroll system at UKM XYZ uses an employee level system. However, in actual conditions there are still many discrepancies in the distribution of compensation for each level and grade of employees. This condition is the focus of the problem in our research to apply themethod Hay System in determining job grades so that the employee compensation system can be in accordance with the job value and job grading of each workforce at UKM XYZ.
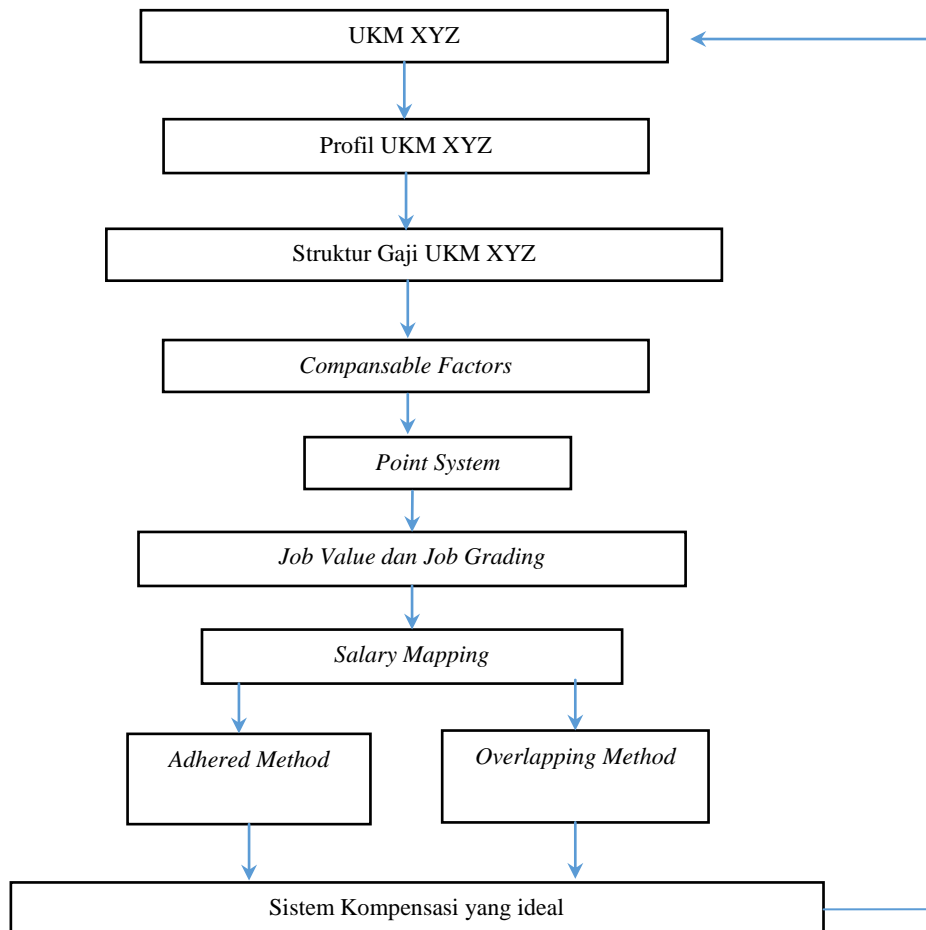
Method

1. Framework of Thought

Figure 1
Framework of Thought

2. **Lokasi dan Waktu Penelitian**

This research takes a case study on SMEs, namely XYZ SMEs. XYZ UKM is an UKM located in Lembang, West Bandung Regency, West Java. This research began in August 2021 and lasted for six weeks with each series to obtain information and data, processing data, to writing papers.

3. **Types and Sources of Data Data**

collection carried out by our group used primary and secondary data. We then process the data to perform calculations. We obtained primary data through interviews through electronic communication media, namely Zoom Meetings by providing questionnaires. Meanwhile, we obtained secondary data from sources. The secondary data is in the form of an attachment to the salary allowance for the education component in UKM XYZ. In addition, we also use secondary data from various literatures from websites, journals, and theses. This research is a quantitative and qualitative research by describing the compensation system that is run in UKM XYZ.

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

Methods of processing and data analysis were used to develop a model system based compensation system job value and job grading on SMEs XYZ is to use salarysurveys,methods of point system to calculate the job value and job grading, as well as mapping, salary(*salarymapping*).

Salary survey is a method used by companies/organizations to find out the amount of salary given by companies/organizations engaged in similar fields/sectors. The data is obtained from the salary survey through three stages, namely the coordination stage to the research object, the preparation stage (*questionnaire*), the data collection stage (*interview*) and data processing. Thedata is salary survey converted into tables and graphs to make it easier to conclude. Meanwhile,analysis is salary mapping used to determine the percentage of the spread and mid to mid range of positions in the object of research to other sections or levels of positions. (*Payscale Compensation Consultant 2013*).

The point system method is a point method assigning numerical values to certain job factors and the total value providing a quantitative assessment of thejob value relative (*Mondy 2008*). Thismethod point system provides an assessment with a scale or "benchmark" to measure differences between jobs. The assessed work is measured by factors, against a predetermined scale. The stages of the point system method based on (*Mondy, 2008*) include selecting work groups, identifying compensable factors, determining factor weights, determining factor point values using theweighting method eckenrode, point system validation, setting prices for each job to get a midpoint salary, range pay, pay tiers, and adjustments. At the adjustment stage, 3 conditions of actual salary will be determined, namely underpaid is a condition where the actual salary received is lower than the basic salary, in paid is a condition where the actual salary is between the basic salary and the peak salary, the last is overpaid is a condition where the actual salary received exceed the top salary. Next, an ideal compensation system will be created, by freezing thecondition overpaid and for thecondition it underpaid can be increased to the basic salary from the point system calculation.

Results and Discussion

1. **XYZ SME Overview**

UKM XYZ is a micro, small and medium-sized enterprise with a small scale engaged in food trading. This UKM is located on Jl. Raya Lembang No. 70, Gudangkahuripan, Lembang,

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West Bandung Regency, West Java. UKM XYZ was founded in 2004. UKM XYZ is the pioneer of the first vacuum packaging rendang in Indonesia. This business operates in 2 different types of rendang businesses, namely Padang restaurants and packaged rendang.

The vision of UKM XYZ is "To become the best global company in processing herbs, spices and local foods typical of West Sumatra with high taste and quality". Meanwhile, the mission of UKM XYZ is as follows:

1. Participate in promoting local food sources to the international scene with quality innovative products.

2. Creating employment opportunities for the surrounding community and driving an environmentally friendly economic sector

3. Helping and making it easier for consumers who yearn for products with local flavors, generally domestic consumers, especially Indonesians who live abroad.

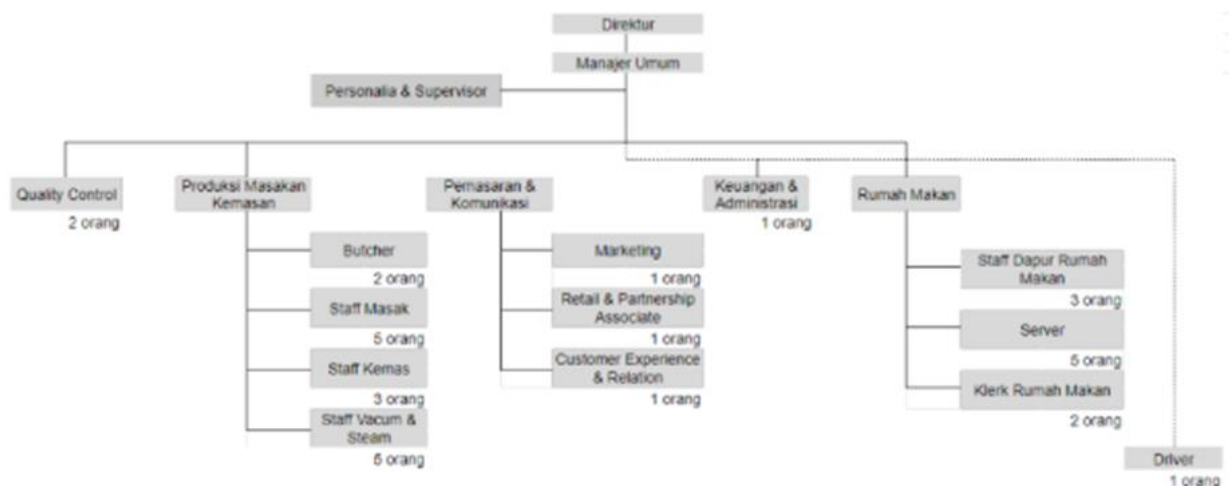The organizational structure of XYZ UKM can be examined in the following figure.

Figure 2
XYZ SME Organizational Structure

2. XYZ SME Compensation System Overview

Based on financial data, the average turnover per month is IDR 527,989,859.00 with a net profit per month of IDR 134,087,043.00. From these results, it is determined that the operational salary per month is Rp. 52,714,095.00. The percentage of operating salary to turnover is 25.40%. Meanwhile, the percentage of operating salary to net profit was 39.31%. The compensation system in UKM XYZ can be analyzed using salary mapping based on position. However, when viewed based on its organizational structure, UKM XYZ does not yet have a clear organizational structure. This is one of the reasons why the compensation system applied by UKM XYZ is currently not fair, because there are still some positions that do not receive compensation according to the level of position they occupy. Therefore, further analysis and evaluation is needed to improve the compensation provision in XYZ SMEs that is fair and appropriate. Improving the compensation system will also take into account Law

Number 13 of 2003 concerning Manpower.

a. Characteristic Analysis
b. This study uses respondents with a number of 33 respondents to be studied. The explanation of the characteristics of the respondents was carried out to find out the categories/types of respondents who were the sample.

Table 1
Characteristics of Respondents

		Personalia (Supervisor)	Keuangan dan Administrasi	Quality Assurance	Retail and Partnership Associate	Marketing	Customer Experience and Relation	Asisten Quality Control	Clerk Rumah Makan	Server	Driver	Staff Dapur Rumah Makan	Staff Masak	Butcher	Staff Vacum & Steam	Staff Kemas	Total
	SD/sederajat											3	5	2		3	13
Pendidikan Terakhir	SMP/sederajat		1					1	2	4	1					5	14
	SMA/sederajat					1				1							2
	S1/sederajat	1		1	1	1											4
Subtotal																	

Source: Processed data (2021)

Based on the results in table 1, the respondents in this study did not have a significant difference in number, this indicates that a high level of education is not too a priority for UKM XYZ in recruiting employees, according to the table above which is dominated by workers with a junior high school education level. equivalent to the percentage of 42%.

The following are the characteristics of the respondents in the formulation of compensable factors:

Table 2
Characteristics of Experts/Experts

Expert	from Institution	Position	Last Educational
1	UKM XYZ	Director	S1/Equivalent
2	UKM XYZ	Representative Manager	S1/Equivalent
3	UKM XYZ	SPV	S1/Equivalent

Source: Processed data (2021)

1. Analysis of UMK and UMP on Basic Salary

From the existing data, the base salary of 33 employees at UKM XYZ is compared with the West Java UMP of IDR 1,810,351 and the Bandung Regency UMK of IDR 3,241,929, the following results are obtained. The calculation of the basic salary of this section uses the assumption that all employees are fully present to work in one month. There is only 1 employee, namely Personnel (Supervisor) whose salary is UMK (3.03%), 11 employees whose salary is between UMK and UMP

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(33.33%), and the remaining 21 employees whose salary is UMP (63.64%). When referring to the initial analysis of the basic salary grading that the author made based on the organizational structure of the owner, it is divided into 4 levels, but for which we have only 2 levels of data, all employees belonging to level 2 (blue box) have salaries above the minimum wage and only 1 employee who the salary is above the minimum wage. Meanwhile for level 1, only 9 employees whose salaries are above the UMP and the rest are below the UMP and none are above the UMK. From the comparison results, it can be concluded that the majority of XYZ UKM employees still receive salaries below the UMP and UMK.
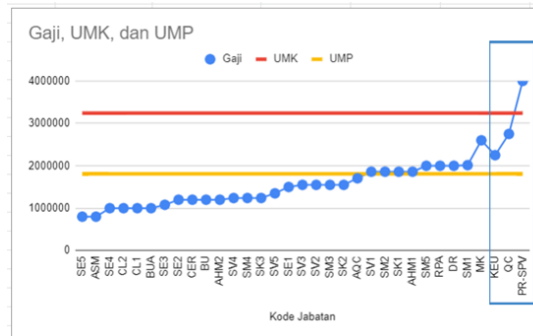

Figure 3
Comparison Graph of XYZ's Basic Salary with UMK and UMP

However, after further investigation and confirmation to the owners of UKM XYZ, some of the employees' salaries which are below the UMK and UMP are caused by the short working time (just working in that position). There are two payroll systems at XYZ UMK, namely monthly salary and weekly salary. The weekly salary system is implemented by the owner because of the condition of some of their workers who need salaries to be disbursed faster than the monthly salary system. For some employees who are paid on a weekly basis, there is a basic salary per day that is received if the worker comes to work. If the basic salary per day is still small because you are new to work, it will automatically make the basic salary per month received also small. In addition, according to the owner's statement, several employees were provided with housing facilities and some daily necessities. So it is estimated that it is one of the reasons why the salary received is below the UMK and UMP because some of their needs have been met by UKM XYZ. Therefore, it is not possible to immediately assume that it is a mistake from the SME side if there is a salary that is below the UMK and UMP, but it is necessary to look at the employee's side as well.

2. The Ideal Compensation Design System for XYZ UKM.

The ideal compensation payment system is a system that can create fairness in compensation payments so that it can be accepted by all employees. There are several steps in creating an ideal compensation plan, namely determining the weight of each job (job value), assigning points for each job factor at each position level, then making job grading.

1. **Determine** *compensable factors*

In designing compensation, the first step is to determine compensable factors. In this case, we interviewed experts from internal SMEs who were able to formulate the

compensable factors used. These factors can be seen in table 3 below:

Table 3
Compensable Factor

Cluster (Hay Method)	Compensable Factor	Number of Levels	Source
Know How	Education	7	CAAT Job Evaluation Manual (2007)
	Work Experience	6	CAAT Job Evaluation Manual (2007)
	Knowledge and Training	8	NHS Job Evaluation Handbook (2013)
	Physical Ability	5	NHS Job Evaluation Handbook (2013)
Problem Solving	Integrity	4	Hay Competency Dictionary (2005)
	Cooperation	5	Hay Competency Dictionary (2005)
	Fostering Relationships	5	Hay Competency Dictionary (2005)
	Financial Responsibility and Physical Assets	6	NHS Job Evaluation Handbook (2013)
	Customer Service Orientation	6	Competency Dictionary Hay (2005)
Accountability for	Service Delivery	4	CAAT Job Evaluation Manual (2013)

From the results of interviews with SME experts, they formulated 10 compensable factors taken from Hay's dictionary, namely education level, responsibility for tools and equipment, responsibility for materials and products, working conditions, accuracy, physical endurance, service orientation. customers, cooperation, communication skills and responsibility for records and reports.

Determining the weight of each job (Job Value)

According to Permata S et al (2017), evaluation is defined as an analysis to estimate the value or weighting of a job. Through job evaluation, the value or weight of each position will be grouped into certain levels so that employees will receive compensation in accordance with their degree of competence in a company.

When evaluating a position, it is necessary to weigh and assign a value to the factors and positions before using themethod Given Grade or Min Max. The compensation design in XYZ UKM uses 10 assessment factors, namely education, work experience, knowledge and training, physical ability, integrity, cooperation, building relationships, financial responsibility and physical assets, customer service orientation, and service delivery.

Table 4
Weighting of Compensable Factors

JABATAN	1	2	3	4	5	6	7	8	9	10	JUMLAH	
1 Pendidikan	1.00	0.20	0.33	5.00	3.00	5.00	7.00	8.00	5.00	7.00	44.53	0.181
2 Pengalaman Kerja	5.00	1.00	3.00	9.00	5.00	6.00	5.00	7.00	4.00	7.00	52.00	0.211
3 Pengetahuan dan Pelatihan	3.00	0.33	1.00	9.00	4.00	5.00	6.00	6.00	3.00	5.00	42.33	0.172
4 Kemampuan Fisik	0.13	0.11	0.11	1.00	0.14	0.25	0.33	0.20	0.33	0.50	3.11	0.013
5 Integritas	0.33	0.20	0.25	7.00	1.00	3.00	5.00	7.00	2.00	6.00	31.78	0.129
6 Kerja sama	0.20	0.17	0.20	4.00	0.33	1.00	3.00	5.00	0.33	5.00	19.23	0.078
7 Membina Hubungan	0.14	0.20	0.17	3.00	0.20	0.33	1.00	5.00	0.20	3.00	13.24	0.054
8 Tanggung Jawab Finansial dan Aset Fisik	0.13	0.14	0.17	3.00	0.14	3.00	0.20	1.00	0.20	0.50	8.48	0.034
9 Orientasi Pelayanan Pelanggan	0.20	0.25	0.33	5.00	0.50	3.00	5.00	5.00	1.00	4.00	24.28	0.099
10 Penyampaian Jasa	0.14	0.14	0.20	2.00	0.17	1.00	0.33	2.00	0.25	1.00	7.24	0.029
										Total	246.23	1.00

Table 4 shows the results of weighting values between compensable factors or the factors used as the basis for determining compensation in XYZ SMEs. The weighting of these factors shows the level of importance between factors, with a value of 1 meaning that the factors are equally important, a value of 3 meaning that factor one is slightly more important than other factors, a value of 5 means that one factor is more important than other factors, a value of 7 means that factor one is very more important than other factors, the value of 9 which means that one factor is absolutely more important than the other factors and the value of 2,4,6,8 is the middle value. From the calculation of these 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.

Assign value to each job factor level

After settingweight compensable factors from each position, the next step is to assign a value to each compensable factors from each position. The values given can show how important a factor must be in a position. At UKM XYZ, there are 15 (fifteen) positions that influence the design of the compensation system, namely Personnel Coordinator (Supervisor), Quality Assurance, Finance and Administration Coordinator, Retail and Partnership Associate,Assistant Quality Control, Customer Experience and Relations, Marketing Staff, Servers, Restaurant Clerks , Restaurant Kitchen Staff, ButchersPackaging,Staff, Vacuum & SteamStaff, Cooking Staff, and Drivers. This step needs to be done to get the results of calculating the number of Weights and Values for the factors of each position.

Table 5
Factor Value for each XYZ SME Position

	JABATAN	Pendidikan (1)	Pengalaman Kerja (2)	Pengetahuan dan Pelatihan (3)	Kemampuan Fisik (4)	Integritas (5)	Kerja sama (6)	Membina Hubungan (7)	Tanggung Jawab Finansial dan Aset Fisik (8)	Orientasi Pelayanan Pelanggan (9)	Penyampaian Jasa (10)
1	Personalia (Supervisor)	7	4	8	1	4	4	5	4	6	1
2	Quality Control	7	3	6	1	3	3	1	4	3	1
3	Keuangan dan Administrasi	6	4	7	2	4	1	3	4	3	1
4	Retail and Partnership Associate	7	2	6	1	2	3	3	1	5	3
5	Asisten Quality Control	2	3	5	1	3	3	1	3	3	2
6	Customer Experience and Relation	3	3	5	1	4	3	3	1	5	4
7	Marketing	7	2	5	1	3	3	3	1	5	3
8	Server	2	1	4	3	2	3	2	3	2	4
9	Clerk Rumah Makan	2	3	4	2	4	2	2	2	3	3
10	Staff Dapur Rumah Makan	1	3	3	3	1	2	2	2	1	3
11	Butcher	1	2	3	3	1	1	2	2	1	2
12	Staff Kemas	1	1	2	2	1	2	2	2	1	2
13	Staff Vacum & Steam	2	1	2	2	1	2	2	2	1	2
14	Staff Masak	1	3	2	3	1	2	2	2	1	3
15	Driver	2	2	4	3	2	1	3	1	2	1

Table 5 as above shows the value of each factor from each position in UKM XYZ. If each factor has been assigned a value, then the next step is to calculate Job Value of each position. Job Value can be calculated by multiplying the weight with a predetermined value. After that, sorted by total Job The largest to the lowest values.

Table 6 Job Value in SMEs XYZ

NO	JABATAN	Σ N x B (Job Value)
1	Personalia (Supervisor)	1,319
2	Keuangan dan Administrasi	1,078
3	Quality Assurance	1,005
4	Retail and Partnership Associate	985
5	Marketing	975
6	Customer Experience and Relation	888
7	Asisten Quality Control	739
8	Clerk Rumah Makan	724
9	Server	570
10	Driver	559
11	Staff Dapur Rumah Makan	497
12	Staff Masak	454
13	Butcher	418
14	Staff Vacum & Steam	384
15	Staff Kemas	340
	JUMLAH	9,616

Table 6 above shows Job Value of each position in UKM XYZ. Positions that have Job Thevalue highestis the Personnel Coordinator while the position with the position Job Thevalue lowestis the packing staff.

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Design Job Grading. At this stage,is arranged job grading based on themethod given grade , starting with choosing how many grades you want to make.

Table 7
Job Grading withMethod Given Grade

NO	JABATAN	GIVEN		Given Grade
1	Personalia (Supervisor)	1123	1319	V
2	Keuangan dan Administrasi	927	1123	IV
3	Quality Assurance			
4	Retail and Partnership Associate			
5	Marketing			
6	Customer Experience and Relation	731	927	III
7	Asisten Quality Control			
8	Clerk Rumah Makan	536	731	II
9	Server			
10	Driver			
11	Staff Dapur Rumah Makan	340	536	I
12	Staff Masak			
13	Butcher			
14	Staff Vacum & Steam			
15	Staff Kemas			

From table 7 above shows there are five grades to be created. Here are the steps to obtain Job Grading with the Given Grade Method:

- Calculate the interval in each given grade by reducing the highest job value by the lowest then divided by the number of grades to be created. = [(Highest Job value – Lowest Job value)/5] = [(1319-340)/5] = 196.
- Calculate the upper limit of Given I by adding the lowest job value at the previously obtained given grade interval. = 340 + 196 = 536.

- Set the lower limit given II. The upper limit of Given I is used as the lower limit of Given II.
- Define the Given II Upper limit by adding a given grade interval with the Given II lower limit.
- Repeat steps 3 and 4 until the entire upper and lower limit of the existing Given limit is known. Revamping XYZ SME Salary by Using Adhered Method

To follow up the grading results, it can be further analyzed with salary mapping based on position with adhered and overlapping methods. Table 8. Salary Mapping results

Evaluation of XYZ Sme Compensation With Determination of Position Grade Using Hay Job Evaluation Methods

Description:

X = not ideal, V = ideal.

Based on Table 8, the following results are obtained:

1. Grade V   : the salary given is not ideal (X)
2. Grade IV   : the salary given is not ideal (X)
3. Grade III   : the salary given is ideal (V)
4. Grade II   : the salary given is not ideal (X)
5. Grade I   : the salary given is not ideal (X)

From these results it can be concluded that the compensation system in the form of salary at UKM XYZ is still not ideal because thevalue spread that has not increased is increasing from low to high level and there is a mid to mid value which is still bigger than the spread. It can be seen in Grade V where there is no increase in thevalue spread, which

is 0%. Further irregularities are seen in the salaries received by positions occupying Grades I, II, and III, because the salaries that should be received are higher in higher grades as well. However, based on the results of the salary mapping above, it is found that the maximum salary for Grade III is lower than the maximum salary for Grades I and II. Likewise with Grade II, which has a lower maximum salary than Grade I. If you look at Figure 4, there is a gap between the salaries of Grade III and Grade IV. Therefore, it can be said that the compensation system in UKM XYZ is still not ideal. This shows that justice has not been created in these SMEs. After we know the results of the salary mapping using the existing salary or the actual salary, it turns out that the compensation conditions applied are not ideal and it is necessary to improve the salary using themethod Adhered and Overlapping.
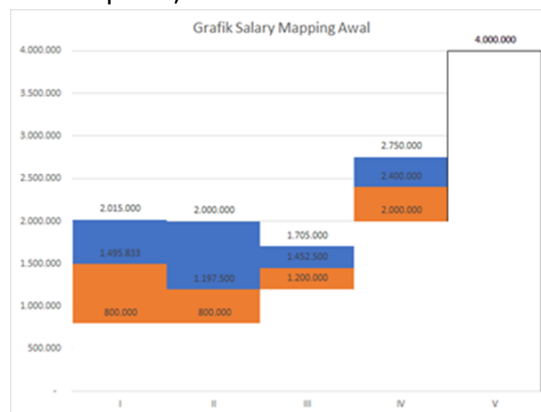

Figure 4. XYZ SME Initial Salary Mapping Chart

Then, the salary mapping was using theMethod correctedAdhered. By using a spread of 25% for Grade I, 30% Grade II, 40% for Grade III, 50% for Grade IV, 55% for Grade V. The following are steps to reform salary adheredMethods:

- Determine the minimum salary of the existing positions in Grade I. Our group decided to raise the minimum salary of employees of SMEs XYZ underpaid West Java, namely Rp 1,000,000

- Determine the maximum salary for Grade I with the formula: [minimum salary at grade + (minimum salary at grade X spread)]
- Determine the midpoint salary by the formula: [(minimum salary at grade + the maximum salary on grade)/ 2]
- Determine the minimum value for the Grade next. The maximum value in the grade previouswill be the minimum value in the grade next.

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- Calculate the mid-to-mid value with the formula: [(valuemidpoint grade calculated-the midpoint grade belowvalue)/the midpoint grade belowvalue]

- Repeat steps 2, 3, 4, and 5 until all minimum, maximum, midpoint, andvalues mid-to-mid for each grade are known.

Table 9
Improvement Method UsingSalary adhered (coincident)

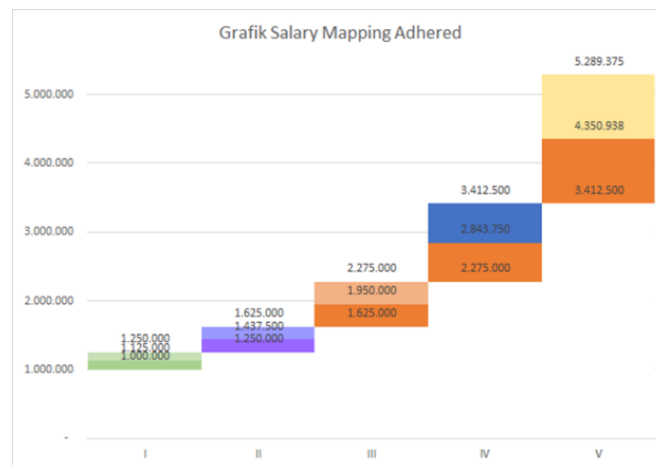| No.	JABATAN	GRADE	TOTAL PERSON	TOTAL SALARY	NEW SALARY STRUCTURE			INCREASE & SPREAD	
					MIN	MIDPOINT	MAX	MID TO MID	SPREAD
1	Personalia (Supervisor)	V	1		Rp3,412,500	Rp4,350,938	Rp5,289,375	53.00%	55.0%
2	Keuangan dan Administrasi	IV	4		Rp2,275,000	Rp2,843,750	Rp3,412,500	45.83%	50.0%
3	Quality Control								
4	Retail and Partnership Associate								
5	Marketing								
6	Customer Experience and Relation	III	2		Rp1,625,000	Rp1,950,000	Rp2,275,000	35.65%	40.00%
7	Asisten Quality Control								
8	Clerk Rumah Makan	II	8		Rp1,250,000	Rp1,437,500	Rp1,625,000	27.78%	30.00%
9	Server								
10	Driver								
11	Staff Dapur Rumah Makan	I	18		Rp1,000,000	Rp1,125,000	Rp1,250,000	-	25.00%
12	Staff Masak								
13	Butcher								
14	Staff Vacum & Steam								
15	Staff Kemas								

Figure 5
Graph Salary Mapping once addressed by Method adhered to (coincide)

After reforming salaries with theMethod Adhered, a more ideal compensation system is obtained. One of them can be seen from the mid-to-mid value of each grade which is always smaller than spread the predeterminedand the salary value of each grade coincides with each other.

Improvement of XYZ UKM by Using theMethod Overlapping

Salary improvement can be done by various methods. In addition to using theMethod Adhered, salary improvements can also be made using themethod overlapping.

By using spread the sameas the method is adhered to (coincide), here are some measures salaries with OverlappingMethod:

- Determine the minimum salary of the existing positions in Grade I. Our group decided to raise the minimum salary of employees of SMEs XYZ underpaid West Java, namely Rp 1,000,000.

- Determine the midpoint in Grade I. The midpoint can be calculated by the formula: [(minimum salary at grade + the maximum salary on grade)/ 2]

- Determine the maximum salary for Grade I with the formula: [minimum

salary at grade + (minimum salary at grade X spread)]

- Determine thevalue midpoint for all grades subsequent. Thevalue midpoint in theMethod is Overlapping directly determined without even though the minimum and maximum salaries have not been filled. The determination of thevalue midpoint must consider the company's ability to pay employee salaries. Determine mid-to-mid with the formula: midpoint value [(grade calculated- the value of the midpoint grade below)/value midpoint grade below].

- Determine the minimum salary column in the next Grade with the formula: [Midpoint / (1+ (0.5 X spread on the line)].

- Repeat steps 3, 5, and 6 until all minimum, maximum, midpoint, andvalues mid-to-mid for each grade are known.

Table 10
SalaryUsing theMethod ImprovementOverlapping (Overlapping)

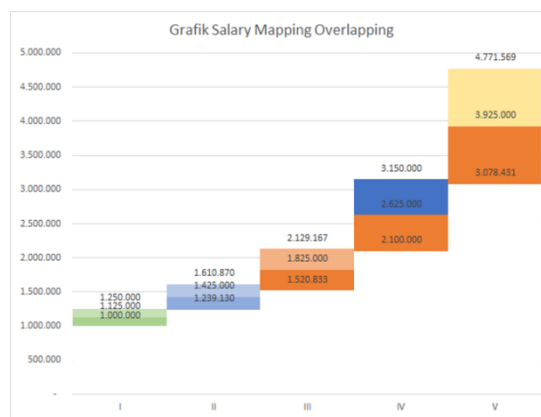| No.	JABATAN	GRADE	TOTAL PERSON	TOTAL SALARY	NEW SALARY STRUCTURE			INCREASE & SPREAD	
					MIN	MIDPOINT	MAX	MID TO MID	SPREAD
1	Personalia (Supervisor)	V	1		Rp3,078,431	Rp3,925,000	Rp4,771,569	49.52%	55.0%
2	Keuangan dan Administrasi	IV	4		Rp2,100,000	Rp2,625,000	Rp3,150,000	43.84%	50.00%
3	Quality Control								
4	Retail and Partnership Associate								
5	Marketing								
6	Customer Experience and Relation	III	2		Rp1,520,833	Rp1,825,000	Rp2,129,167	28.07%	40.00%
7	Asisten Quality Control								
8	Clerk Rumah Makan	II	8		Rp1,239,130	Rp1,425,000	Rp1,610,870	26.67%	30.00%
9	Server								
10	Driver								
11	Staff Dapur Rumah Makan	I	18		Rp1,000,000	Rp1,125,000	Rp1,250,000	-	25.00%
12	Staff Masak								
13	Butcher								
14	Staff Vacum & Steam								
15	Staff Kemas								

Figure 6
Graph Salary Mapping after being fixed with theMethod Overlapping (Overlapping)

After reforming salaries with theMethod Overlapping, a more ideal compensation system is obtained. One of them can be seen from the mid-to-mid value of each grade which is always smaller than spread the predetermined, such as using theMethod Adhered, but the salary values of each grade overlap with grades other.

Conclusion

UKM XYZ has two levels in the compensation system based on the hierarchy contained in its organizational structure. At the first level, there are twelve positions, namely retail and partnership associate, assistant quality control, customer experience

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and relations, marketing, server, clerk, restaurant kitchen staff, butcher, packaging staff, vacuum and steamstaff, cooking staff and drivers. Meanwhile, for the second level, there are three positions, namely personnel (SPV), finance and administration, and quality assurance.

Based on an analysis using a job point system, the factors that form the basis for determining salary based on weighting for UKM XYZ in order from the highest to the lowest are work experience, knowledge and training, education, integrity, cooperation, relationship building, service delivery. financial responsibilities and physical assets, and physical abilities.

After analyzing and improving the payroll system, it can be concluded that an effective compensation system to be applied by UKM XYZ is to use themethod Overlapping. This is because the operating costs of salaries are smaller.

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