
**EVALUATION OF PROVISION OF COMPENSATION BASED ON SALARY
MAPPING (ADHERED AND OVERLAPPING) IN CONTINENT SHOP SMES**

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Abstract

In the current pandemic period, every company is encouraged to increase high productivity in order to be able to compete with its competitors. One of the factors that affect the effectiveness and efficiency of a company is the performance of its employees. To motivate the increase in the performance of employees of a company, namely by providing the best possible compensation. Compensation within a company is an important element because the determination of the size of the compensation given indirectly has an impact on the company's performance. UKM Toko Continent is one of the grocery stores in Lenek, East Lombok. This study aims to compare the compensation received by employees at Continental Stores. For data collection, it is done by distributing online questionnaires through google form media to employees. This study uses quantitative and qualitative data that we obtained from distributing online questionnaires in order to describe in detail the compensation system applied to UKM Toko Continent. In this UKM, the compensation system has not yet been implemented, so it is necessary to evaluate the position of the amount of compensation received by using the adhered and overlapping salary mapping methods. This method was chosen because it is an analytical and quantitative method, where positions are assessed according to a number of factors in detail, and the value of each position is expressed in numbers. With this method, a fair payroll system is in accordance with the UMK/UMP in SME locations. After evaluating the position using the salary mapping method, there was an increase in salary in accordance with the work done.

Keywords: Compensable Factor, Compensation, Grading, Job Evaluation, Salary Mapping

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Introduction

Fair determination of rights and obligations for employees is a very important factor for the provision of compensation. A proper compensation system will directly determine the quality of human resources in doing work and will also be related to the effectiveness of employee goals and the efficiency of the organization's budget. An adequate compensation will affect employee performance (Agung, et al, 2019). Compensation is something that can be

considered as something comparable. In the concept of staffing, prizes in the form of money are compensation given to employees as a reward for their services to the organization (Mangkunegara, 2013, p.83).

The right to a living wage is the most sensitive issue, because wages are a guarantee of workers' welfare. Remuneration is one of the most complicated aspects of the working relationship between a company and an employee. In general, wages are everything that is received by employees,

workers or workers in return for their work. It can also be said that wages are compensation given to direct workers whose work results can be measured in certain units (physical quantity of goods produced or period of work provided). Giving wages to workers or workers must be based on service and justice, meaning that it is fair for workers or workers for what they do and are able to

meet the needs of a decent life (Pratiwi, 2016). In a market mechanism, the amount of demand and supply of the labor force is determined by the amount of wages (Regina, et al 2016). The following is a table of the number of workers and the workforce in West Nusa Tenggara.

Table 1
Number of Workers and Labor Force in West Nusa Tenggara in 2018-2020

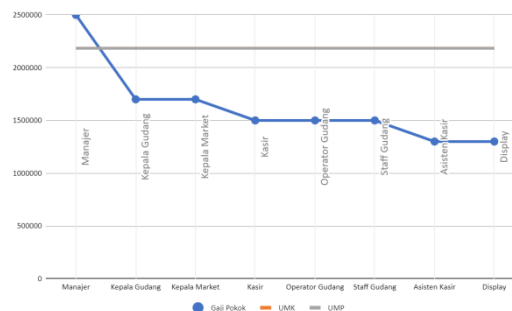
Status Pekerjaan	Tahun		
	2018	2019	2020
Penduduk yang bekerja	2.154.124	2.522.114	2.575.956
Penduduk angkatan kerja	2.237.381	2.607.615	2.689.386
Tingkat partisipasi angkatan kerja	66,68	69,47	70,45

Source: BPS, 2021

In table 1, it can be seen that the number of the workforce in NTB is large and the participation rate of the labor force also exceeds 50%. Based on the facts in the table above, a minimum wage policy is needed to keep the wage system in NTB in balance. The UMP value in NTB is IDR 2,183,883 and the UMP in East Lombok is IDR 2,184,197.

SME Toko Continent is one of the SMEs engaged in the wholesale of basic necessities,

located in East Lombok, West Nusa Tenggara, which has not yet implemented a compensation system in paying its employees. Continental Stores are very well-known SMEs in the East Lombok area and are most in demand by the workforce, so researchers are interested in conducting research at Continental Stores SMEs.



Graph 1
Comparison of UMK and UMP to Employee Salaries at Continental Stores

In giving compensation, job evaluation method needs to be done. Job evaluation is a process that determines the relative value of a job in relation to other positions. (Sukwadi, 2014). Job evaluation has the aim of creating an internal consistency and external consistency in the provision of compensation

or remuneration (Sukwadi and Oktevany, 2016). This research uses salary mapping and compensable factors and in the end will be able to find out the level of compensation that is in accordance with the position

Method

This research was conducted by taking data on UKM Toko Continent. Data retrieval is done by using primary data and secondary data. Primary data was obtained through interviews through direct media and electronic communication, namely Whatsapp by giving a questionnaire. While secondary data, we obtained from sources in the form of attachments to salaries and organizational structure of UKM Toko Continent. In addition, we also use secondary data from various literatures from articles website, journals, theses, and reading materials for compensation management courses. This research is a quantitative and qualitative research by describing the compensation system that is run in UKM Toko Continent.

Data analysis and processing methods used to draw up a model system based compensation value job and job grading on SMEs Stores Continent is using Mapping Analysis Salary (Salary Mapping), Methods Point System and Eckenrode. The data obtained is then converted into tables and graphs to make it easier to conclude. In a point system, raters allocate numerical values to certain job factors such as knowledge required and the sum of these values provides a quantitative assessment or relative value of the job. In this point system, the mapping method is also used salary to determine the weight of each job and simple linear regression to find out the estimated salary variable on average, so that the salary

calculation based on this equation will produce a midpoint salary. The variables used for simple linear regression are the employee salary variable as the y variable and the job point variable as the x variable. After obtaining the midpoint salary, the basic salary and peak will be determined which will result in three actual salary conditions, namely underpaid, 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 overpaid is a condition where the actual salary received exceeds the peak salary. Next, an ideal compensation system will be created, by freezing the condition overpaid and for the condition it underpaid can be increased to the basic salary from the calculation point system.

Results and Discussion

In designing a compensation payment system, the company must create justice for each of its employees so that it can be accepted by all parties. Below are the steps in determining the ideal compensation for UKM Toko Continent.

A. Setting compensable factor

In designing compensation, the first step is to determine the compensable factor. In this case, we interviewed experts from internal SMEs who were able to formulate the factors compensable used. The factors can be seen in table 3 below:

**Table 2
Compensable Factor**

No	Indikator	Sub Indikator	Indikator	Sub Indikator	Indikator	Sub Indikator	Indikator	Sub Indikator	Indikator	Sub Indikator
1	Pengetahuan	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian
2	Pengetahuan	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian
3	Pengetahuan	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian
4	Pengetahuan	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian
5	Pengetahuan	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian
6	Pengetahuan	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian
7	Pengetahuan	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian
8	Pengetahuan	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian
9	Pengetahuan	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian
10	Pengetahuan	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian	Keahlian

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.

B. Determine the level or weight of each job (Job Value)

When evaluating a position, before using the method, Given System or Min Max it is necessary to weight and assign values to factors and positions. In the compensation design at the Continental

Store UKM used as many as 10 assessment factors, namely the level of education, responsibility for tools and equipment, responsibility for materials and products, working conditions, accuracy, physical endurance, customer service orientation, cooperation, communication skills and responsibility for records and reports.

**Table 3
Weighting of Compensable Factors**

No	Sub Faktor	Nilai										Total Faktor	%
		1	2	3	4	5	6	7	8	9	10		
1	Pendidikan	1,00	0,75	0,50	0,25	0,20	0,20	0,20	0,14	0,00	0,11	0,21	1,12%
2	Tanggung jawab terhadap alat alat dan peralatan	1,00	1,00	0,50	0,25	0,20	0,20	0,20	0,20	0,20	0,14	0,21	1,12%
3	Tanggung jawab terhadap material dan produk	1,00	1,00	1,00	0,25	0,20	0,20	0,20	0,20	0,20	0,14	0,21	1,12%
4	Kepiada kerja	1,00	1,00	1,00	1,00	0,20	0,20	0,20	0,20	0,20	0,14	0,21	1,12%
5	Keselamatan	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	0,14	0,21	1,12%
6	Kemampuan fisik	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	0,14	0,21	1,12%
7	Orientasi pelayanan pelanggan	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	0,14	0,21	1,12%
8	Kepiada kerja	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	0,14	0,21	1,12%
9	Kemampuan berkomunikasi	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	0,14	0,21	1,12%
10	Tanggung jawab terhadap catatan dan laporan	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	1,00	0,14	0,21	1,12%

Table 3 shows the results of the weighting of the values between the factors that will be used as the basis for determining compensation at UKM Toko Continent. The weighting of these compensable factors shows the level of importance between factors where a value of 1 means that the factors are equally important, a value of 3 means a little 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 value 9 which means absolute more important than other factors. 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.

C. Assign points to each job factor level

The next step is to assign a value or point to the factors in each position that can show how important these factors must be for each position. In assigning values, it is known that there are 8 positions that affect the design of the compensation system, namely Manager, Head of Warehouse, Head of Market, Cashier, Operator, Warehouse Staff, Assistant Cashier, and Display. 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 4
Factor Value of Each Position**

NAMA PEMEGANG JABATAN / NILAI SUB FAKTOR	Pendidikan	Tanggung jawab terhadap alat alat dan peralatan		Tanggung jawab terhadap material dan produk		Kepiada kerja	Ketelitian/ kecermatan	Ketahanan fisik	Orientasi pelayanan pelanggan	Kerja sama	Kemampuan berkomunikasi	Tanggung jawab terhadap catatan dan laporan
		Nilai	Nilai	Nilai	Nilai							
1. Manager	5	5	5	5	5	5	5	5	5	5	5	5
2. Kepala Gudang	4	5	4	2	4	2	3	4	5	5	5	5
3. Kepala Market	4	5	4	1	4	1	4	4	5	5	5	5
4. Kasir	4	5	3	1	4	1	2	2	3	4	4	4
5. Operator	4	3	3	4	4	3	1	3	2	4	4	4
6. Staff Gudang	3	3	4	4	4	3	1	3	2	4	4	4
7. Asisten Kasir	4	4	1	1	3	1	2	2	3	3	3	3
8. Display	3	1	1	1	4	4	4	1	1	1	1	3

Table 4 above shows the factor values owned by each position. The next step is to determine the Job Value of each position, namely by sorting the

positions based on the final total from the largest to the lowest by multiplying the weight obtained with the value obtained.

Table 5
Job Value

NAMA PEMEGANG JABATAN / NILAI SUB FAKTOR		$\Sigma N \times B$ (Job Value)
NO	JOB TITTLE	
1	Manajer	1068,36
2	Kepala Market	902,75
3	Kepala Gudang	902,16
4	Staff Gudang	708,86
5	Operator	700,77
6	Kasir	682,88
7	Asisten Kasir	551,51
8	Display	541,53

Table 5 above shows the job value of each position, where the highest value is in the manager's position of 1068.36, while the lowest value is in the display position of 541.53.

value in each position. The next step is to compile job grading based on the method grade given which is a way to determine how many grades you want to make to perform a compensation design system calculation.

D. Design Job Grading

After obtaining the job value for each position, which is the result of the total multiplication of the weight with the

Table 6
Job Grading With Method Given Grade

NAMA PEMEGANG JABATAN / NILAI SUB FAKTOR		$\Sigma N \times B$ (Job Value)	GIVEN		Grade Given
NO	JOB TITTLE				
1	Manajer	1068,36	936,65	1068,36	IV
2	Kepala Market	902,75	804,945	936,65	III
3	Kepala Gudang	902,16			
4	Staff Gudang	708,86			
5	Operator	700,77	673,2375	804,945	II
6	Kasir	682,88			
7	Asisten Kasir	551,51			
8	Display	541,53	541,53	673,2375	I

Based on Table 7 above we will make as many as four grades. The following are the steps to obtain the job grading above:

- Calculating the interval at each given grade by calculating the difference between the job values highest and lowest and then dividing by the number of grades to be made.

$$= [(Highest\ Job\ Value - Lowest\ Job\ Value)/4]$$

$$= [(1068.36-541.53)/4]$$

$$= 131.71$$

- To obtain the upper limit of Given I, the lowest job value is added to the interval given grade. Previously obtained.

$$= 541.53 + 131.71$$

$$= 673.24$$
- The upper limit of Given I is used as the lower limit of Given II. Then if added to the interval given grade it will produce the upper limit of Grade II. And so on until the Given IV Grade is obtained with Given intervals between 936.65 to 1068.36.

Table 7
Job Grading With Min-Max Method

JOB TITTLE	MIN	MAX	GRADE
Manajer	1684,51	1980,98	VIII
Kepala Market	1432,41	1684,51	VII
Kepala Gudang	1218,03	1432,41	VI
Staff Gudang	1035,74	1218,03	V
Operator	880,73	1035,74	IV
Kasir	748,92	880,73	III
Asisten Kasir	636,84	748,92	II

Based on Table 8 above we can make as many as eight grades. Here are the steps to get the job grading above:

1. Make the job value lowest as the minimum value for grade I, then calculate the max grade I. Calculate the max value by means of $\text{min} * 17.6\%$.
 $= 541.53 + (541.53 * 17.6\%)$
 $= 541.53 + 95.31$
 $= 636.84$
2. Furthermore, the max grade I score is the same as the min grade II score. To calculate the max grade II

is the same as calculating the max grade grade I. Calculating max is by means of $\text{min} * 17.6\%$.

3. Repeat method number 2 until the job value highest enters the grade. The final calculation is grade VIII with a min value of 1684.51 and a max value of 1980.98.

E. Salary Mapping Continental Store Using Point System Adhered

The compensation system currently implemented by Toko Continent can be analyzed further by using salary mapping based on position.

Table 8
Results Salary Mapping

NO	JABATAN	GRADE	TOTAL PERSONS	TOTAL SALARY	MIN	ACTUAL AVERAGE	MAX	MID TO MID	ACTUAL SPREAD	
2	Kepala Market	III	2	3.450.000	1.700.000	1.700.000	1.700.000	13,33%	0,00%	X
3	Kepala Gudang	IV	2	2.700.000	1.350.000	1.350.000	1.350.000	13,33%	0,00%	X
4	Staff Gudang	V	18	27.000.000	1.500.000	1.500.000	1.500.000	15,38%	0,00%	X
5	Operator	VI	15	15.500.000	1.000.000	1.000.000	1.000.000	10,00%	0,00%	X
6	Kasir	VII	15	15.500.000	1.000.000	1.000.000	1.000.000	10,00%	0,00%	X
7	Asisten Kasir	VIII	15	15.500.000	1.000.000	1.000.000	1.000.000	10,00%	0,00%	X
8	Display	IX	15	15.500.000	1.000.000	1.000.000	1.000.000	10,00%	0,00%	X

Description: X = not ideal, V = ideal. Based on Table 9 above, the following results are obtained:

- Grade IV (Manager), salary given is not ideal (X)
 Grade III (Head of Market and Head of Warehouse), salary given is not ideal (X)
 Grade II (Warehouse Staff, Operators, and Cashier), the salary given is not ideal (X)

Grade I (Assistant Cashier and Display), the salary given is not ideal (X)

From these results it can be concluded that the compensation system in the form of salary at the Continental Store is still not ideal because there is no spread value. The discrepancy is seen in the spread across all Grades, which is 0%. This discrepancy can occur because

there is no minimum and maximum salary. Every job in the Continental Shop received the same salary. This shows that internal justice has not been created in the company. 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 method Adhered.

Table 9
Salaries Settling Method Using adhered to (coincide)

NO	JABATAN	GRADE	TOTAL PERSONS	TOTAL SALARY	NEW SALARY STRUCTURE			INCREASE & SPREAD	
					MIN	MIDPOINT	MAX	MID TO MID	SPREAD
1	Manager	IV	1	2.500.000	4.769.600	5.962.000	7.154.400	45,83%	50%
2	Kepala Merak	III	2	3.400.000	3.400.857	4.088.229	4.769.600	15,65%	40%
3	Kepala Gudang								
4	Staff Gudang	II	18	27.000.000	2.620.660	3.013.759	3.406.857	25,49%	30%
5	Operator								
6	Kasir								
7	Asisten Kasir	I	15	19.500.000	2.183.883	2.402.271	2.620.660		20%
8	Display								

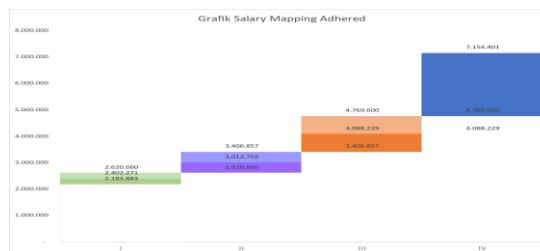
Table 9 above is an improvement in compensation using the method Adhered, according to the data in the table Typical range spread, the spread in operations is around 20% and the spread level increases according to the position held. method Adhered:

Determine 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 2,183,883.00 based on the UMK and UMP.

Determine the maximum salary with the formula [minimum salary + (minimum salary*spread)].

Determine the mid-point salary with the formula [(minimum salary+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 [(value in the mid point row – mid point value below it) /value mid point below it].



Graph 2
Illustration of Compensation System adhered to (coincide)

After reforming the salary, the ideal compensation system is obtained. 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 away and in accordance with the provisions of the interval or distance that has been determined.

F. Salary Mapping Continental Stores Using Point System Overlapping

In making salary adjustments at the Continental Store, in addition to 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
SalaryUsingMethod ImprovementOverlapping (Overlapping)

NO	JABATAN	GRADE	TOTAL PERSONS	TOTAL SALARY	NEW SALARY STRUCTURE			INCREASE & SPREAD	
					MIN	MIDPOINT	MAX	MID TO MID	SPREAD
1	Manajer	IV	1	2.500.000	2.745.098	3.500.000	4.254.902	16,6%	55%
2	Kepala Market	III	2	3.400.000	2.448.980	3.000.000	3.551.020	11,11%	45%
3	Kepala Gudang								
4	Staff Gudang	II	18	27.000.000	2.347.826	2.700.000	3.052.174	9,90%	30%
5	Operator								
6	Kasir								
7	Asisten Kasir	I	15	19.500.000	2.183.883	2.456.868	2.729.854		25%
8	Display								

Table 10 above is an improvement in compensation using the method Overlapping. Following are the steps in making salary adjustments by means of Overlapping:

1. Determine the minimum salary for positions in Grade I.

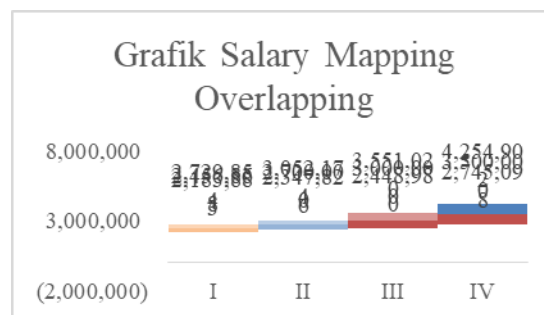
$$= [\text{MidPoint Grade I}/(1+0.5*\text{Spread})]$$

$$= [\text{Rp } 2,183,883.00/(1 + 0.5*25\%)]$$

$$= \text{IDR } 2,456,868$$
2. Determine the maximum salary in Grade I with the formula [minimum salary + (minimum salary*spread)].
3. The mid point value in the method is Overlapping directly filled without giving the minimum and maximum values in the first column. In

determining the mid point value, the company adjusts to the ability and salary of the survey UMP.

4. Determine mid to mid with the formula [(Mid point on the line – Mid point of the previous line) / Mid point of the previous line].
5. Determine the minimum salary at Grade column above formula [Mid-point / (1 + (0.5 * spread on that line))].
6. Determine the maximum salary column with the formula [Minimum + (Minimum * Spread on that line)].



Graph 3
Illustration of Compensation System Overlapping (Overlapping)

Conclusion

Based on the results of the research and analysis that we have done, we can draw the following conclusions:

Continental Stores has four levels in the compensation system based on the hierarchy contained in its organizational structure. At the first level, there are two job titles, namely Assistant Cashier and Display. While for the second level there are Operators, Warehouse Staff, and Cashiers. Then the third level is filled by the Head of the Warehouse and the Head of the Market.

And finally at the fourth or highest level occupied by managers.

Based on an analysis using a job point system, the factors that form the basis for determining salary based on weighting at UKM Toko Continent are education, responsibility for tools and equipment, responsibility for materials and products, working conditions, accuracy, physical endurance, Customer service orientation, cooperation, communication skills, and responsibility for records and reports

After analyzing and improving the payroll system, it can be concluded that the effective compensation system to be applied by Continental Stores is to use the Overlapping method. This is because the overlapping method can reduce salary costs significantly, but still maintain a salary that is more than the UMK/UMP and in accordance with the job value of each employee.

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