

Building Performance Through Compensation and Organizational Support

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ABSTRACT

This study investigates the effects of compensation and organizational support on employee performance at CV Gema Rejeki. Using a quantitative approach, the research involved 80 employees who completed a questionnaire measured on a five-point Likert scale. The data were examined through validity and reliability assessments, classical assumption tests, and multiple linear regression analysis. The results demonstrate that compensation has a positive and statistically significant effect on employee performance. Organizational support likewise contributes positively and significantly to performance. Furthermore, both factors jointly exert a positive and significant influence on employee performance. These findings emphasize that better employee performance can be encouraged by providing compensation that reflects employees' contributions and fostering an organizational environment in which employees receive consistent support in carrying out their duties.

INTRODUCTION

Increasingly intense business competition requires companies to maintain employee performance to ensure effective operations and the achievement of organizational goals. Employee performance is a critical aspect of organizational success, as it is directly linked to an individual's ability to complete tasks, meet targets, and deliver results in accordance with assigned responsibilities. Mangkunegara (cited in Toto, 2024) defines performance as the work results achieved by an individual in terms of both quality and quantity in carrying out their assigned responsibilities.

The importance of employee performance is particularly evident in companies operating in the distribution sector. Distribution activities require precision, speed, coordination, and the ability to meet customer needs. CV Gema Rejeki, a company engaged in the distribution of beverages and snacks, faces these same demands. Employee performance assessment data from 2022 to 2024 reveal changes in the distribution of performance ratings. The proportion of employees in the "good" category declined from 42% in 2022 to 38% in 2023 and 31% in 2024, while the proportion in the "poor" category increased from 23% to 25% and then to 31%. Meanwhile, the "fair" category increased from 35% to 37% and 38%, respectively. These changes indicate a need for the company to maintain and improve employee performance. Differences in performance are also reflected in day-to-day operations, including the timeliness of task completion, responsiveness to customer needs, and initiative in carrying out work. This situation does not necessarily mean that all employees experience performance problems, but rather highlights variations in their levels of achievement. One relevant aspect to examine in this context is how the company rewards employee contributions through compensation.

Compensation refers to the remuneration provided by a company in recognition of employee contributions, including salaries, incentives, allowances, and other forms of rewards. Hasibuan (cited in Bakrie & Jaenudin, 2025) defines compensation as the total remuneration, whether direct or indirect, explicit or implicit, that employees receive in recognition of their contributions to the organization. In positions involving specific targets and responsibilities, compensation can be perceived as a reward for employees' work and achievements. At CV Gema Rejeki, differences in employees' perceptions of whether rewards are aligned with their responsibilities and achievements are worth examining, particularly because employees may have different views of the company's compensation system.

Beyond compensation, the relationship between employees and the company is also reflected in perceived organizational support. Organizational support refers to the extent to which employees feel that their contributions are valued and that the company cares about their needs and well-being (Eisenberger et al., cited in Pratama & Jakfar, 2025). In distribution operations, which require target achievement and coordination across departments, support in the form of guidance, assistance in dealing with challenges, effective communication, and appreciation can help employees perform their jobs more effectively. At CV Gema Rejeki, some employees perceive the support provided by the organization

as falling short of their expectations, whereas others consider it adequate. These differences in perceptions of organizational support are therefore relevant to examine in relation to employee performance.

Social Exchange Theory posits that the relationship between employees and an organization develops through a process of reciprocal exchange. Employees contribute their effort, time, and skills to their work, while the organization provides rewards and responds to their needs. In this context, compensation and organizational support represent aspects of organizational treatment that may influence how employees carry out their duties. When employees feel that their contributions are valued and that they receive adequate support, they may reciprocate by putting greater effort into their work.

Previous research indicates a positive relationship between compensation and employee performance. Susilo & Husna, (2025) found that compensation had a positive and significant effect on performance. Organizational support is also relevant to examine because employees' perceptions of the organization's care and appreciation may differ depending on their work environment. Raudatusyifa et al., (2024) found that organizational support had a positive and significant effect on employee performance.

Given the observed changes in performance, as well as the differences in employees' perceptions regarding compensation and organizational support at CV Gema Rejeki, this study was conducted to analyze the impact of compensation and organizational support on employee performance. The study aims to provide insight into the extent to which compensation and organizational support contribute to shaping employee performance

LITERATURE REVIEW

Compensation

Compensation refers to the remuneration provided by a company to employees in return for their work and contributions. It includes not only direct payments but also benefits received throughout their employment. Afandi (cited in Munparidah et al., 2023), identifies four indicators of compensation: wages and salaries, incentives, allowances, and facilities.

Organizational Support

Organizational support reflects employees' perceptions of the extent to which the company values their contributions and cares about their well-being. Based on Rhoades and Eisenberger, (cited in Estuningtyas & Wening, 2024) organizational support is measured using three indicators: fairness, supervisor support, and organizational rewards and job conditions. In this study, organizational rewards and favorable job conditions are not intended to measure the specific monetary value of wages, incentives, benefits, or facilities received by employees. Instead, they focus on employees' perceptions of fair organizational treatment, support from supervisors, and rewards and working conditions that reflect the organization's concern for its employees

Performance

Performance refers to the results achieved by employees in carrying out their assigned responsibilities. Mangkunegara (cited in Mahwa et al., 2023), identifies four indicators of employee performance: quality, quantity, reliability, and attitude. Quality refers to the standard of work produced; quantity relates to the amount of work completed; reliability reflects consistency in performing assigned tasks; and attitude refers to employees' behavior in the workplace.

METHODS

This study employs a quantitative approach to analyze the effects of compensation and organizational support on performance at CV Gema Rejeki. The study was conducted at CV Gema Rejeki, with a population of 100 employees and a sample of 80 respondents selected using simple random sampling. Data were collected through questionnaires using a five-point Likert scale ranging from "strongly disagree" to "strongly agree." The research instruments were assessed for validity and reliability, followed by classical assumption tests, including normality, multicollinearity, and heteroscedasticity tests. After the assumptions were assessed, multiple linear regression analysis was performed to examine the partial and simultaneous effects of compensation and organizational support on employee performance. The coefficient of determination was used to assess the extent to which compensation and organizational support explain the variation in employee performance.

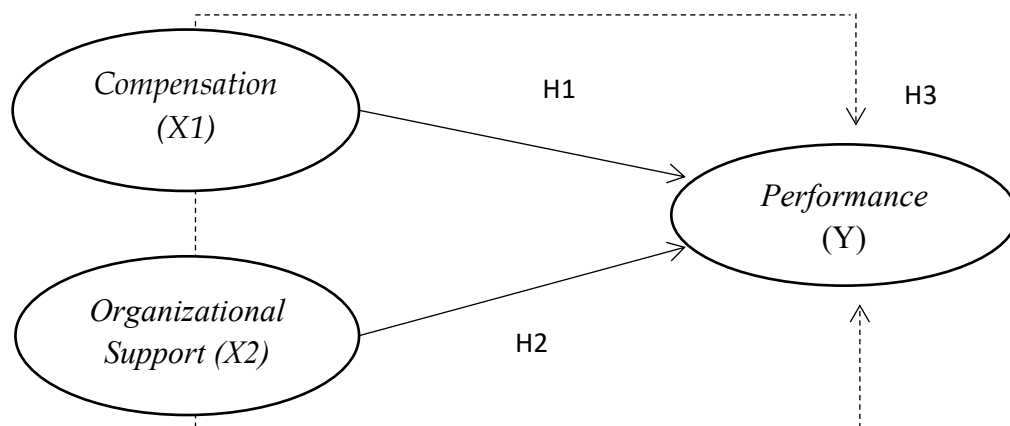


Figure 1. Conceptual Framework

Based on the theoretical framework, the following hypotheses are proposed:

H1: Compensation has a positive and significant effect on performance

H2: Organizational Support has a positive and significant effect on performance

H3: Compensation and organizational support simultaneously have a significant effect on performance

RESULTS

Validity Test

Validity testing was carried out to determine whether the research instrument was able to measure what it was intended to measure, namely, whether every questionnaire item truly reflects the variable under investigation. An item is declared valid when its computed correlation coefficient (r-count) is higher than the critical value in the r-table, with a significance level below 5% ($p < 0.05$).

Table 1. Validity Test Results

Variabel	Item Statement	R-Count	R-Table	Sig	Description
Compensation	Comp.1	,813	,220	,000	Valid
	Comp.2	,858			
	Comp.3	,774			
	Comp.4	,767			
	Comp.5	,814			
	Comp.6	,712			
	Comp.7	,774			
	Comp.8	,799			
	Comp.9	,861			
	Comp.10	,837			
Organizational Support	OS.1	,777	,220	,000	Valid
	OS.2	,840			
	OS.3	,823			
	OS.4	,788			
	OS.5	,863			
	OS.6	,826			
	OS.7	,803			
	OS.8	,836			
	OS.9	,829			
	OS.10	,846			
Performance	Pr.1	,786	,220	,000	Valid
	Pr.2	,771			
	Pr.3	,653			
	Pr.4	,804			
	Pr.5	,799			
	Pr.6	,789			
	Pr.7	,789			
	Pr.8	,771			

The instrument was confirmed to be valid, as the r-count for every item measuring Compensation, Organizational Support, and Performance surpassed

the r-table threshold of 0,220. This conclusion is reinforced by a p-value of 0,000, which fulfills the established validity standard.

Reliability Test

A reliability test was performed to determine whether the questionnaire items produced stable and consistent results. The instrument is regarded as reliable when its Cronbach's Alpha value is greater than 0,70.

Table 2. Reliability Test Results

Variable	Cronbach's Alpha	Description
Compensation (X1)	,938	Reliabel
Organizational Support (X2)	,946	Reliabel
Performance (Y)	,902	Reliabel

The instruments used in this study were found to be highly reliable and consistent, as each variable obtained a Cronbach's Alpha above 0,70. The coefficients were 0,938 for Compensation (X1), 0,946 for Organizational Support (X2), and 0,902 for Performance (Y), all of which fall under the reliable category.

Classical Assumption Test

Normality Test

The normality test verifies whether the residuals of the regression model follow a normal distribution. In this research, residual normality was evaluated using a Normal P-P Plot, by judging whether the plotted points scatter close to and follow the direction of the diagonal reference line.

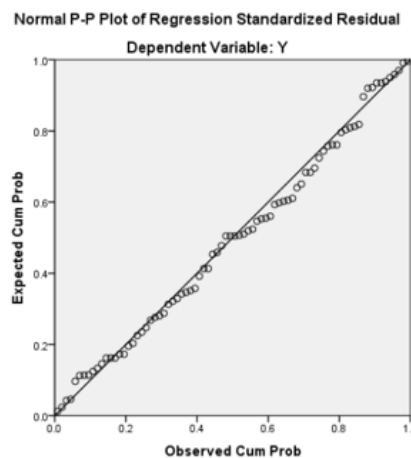


Figure 2. Normal P-P Plot

Judging from the Normal P-P Plot, the residual points are spread close to the diagonal reference line and follow its direction. This pattern suggests that the residuals of the regression model are approximately normally distributed, so the normality assumption is satisfied.

Multicollinearity Test

Multicollinearity testing was performed to identify any overly strong intercorrelation among the independent variables. The regression model is deemed free from this problem when the Tolerance value exceeds 0.10 and the Variance Inflation Factor (VIF) falls below 10.

Table 3. Multicollinearity Test Results

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
Compensation	.490	2.040
Organizational Support	.490	2.040

The multicollinearity test results indicate that compensation and organizational support each have a Tolerance value of 0.490 and a VIF value of 2.040. Both variables meet the established criteria, with Tolerance values exceeding 0.10 and VIF values below 10. These findings suggest that multicollinearity is not present between the independent variables.

Heteroscedasticity Test

Heteroscedasticity was examined by evaluating the distribution of residuals to identify whether their variance changes across the predicted values. The scatterplot serves as the basis for this assessment; a dispersion of points without a consistent direction, clustering, or identifiable pattern suggests that the model does not exhibit heteroscedasticity.

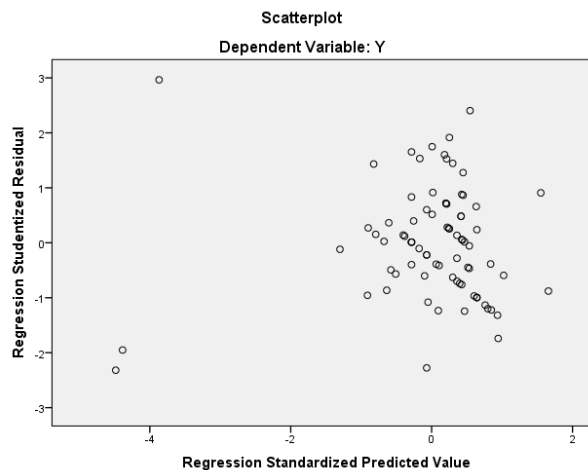


Figure 3. Scatterplot

As shown in Figure 3, the residual scatter plot does not exhibit a clear pattern. The points are scattered irregularly and do not follow any specific pattern. This distribution indicates that the regression model has constant residual variance, meaning the assumption regarding heteroscedasticity has been met.

Hypothesis Testing

F-Test

F-test was performed to assess whether compensation and organizational support simultaneously have a significant effect on employee performance at CV Gema Rejeki. The decision was based on the calculated F-value in comparison with the critical F-table value (3,12), alongside the significance level. A

simultaneous effect is considered statistically significant when the calculated F-value exceeds the F-table value and the p-value is below 0,05.

Table 4. F-Test

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	551.820	2	275.910	45.774	.000 ^b
	Residual	464.130	77	6.028		
	Total	1015.950	79			

a. Dependent Variable: Performance

b. Predictors: (Constant), Organizational Support, Compensation

The F-test results reveal that compensation and organizational support jointly have a statistically significant effect on employee performance at CV Gema Rejeki, with an F-value of 45,774 and a significance level of 0,000. This finding confirms that both independent variables simultaneously contribute significantly to explaining employee performance.

T-Test

T-test was applied to evaluate the partial effect of compensation and organizational support on performance. Statistical significance was established by comparing each calculated t-value with t-table 1,991 and examining its significance value. An independent variable is considered to have a significant effect on employee performance when t-value exceeds 1,991 and significance is below 0,05.

Table 5. T-Test

		Unstandardized Coefficients		Standardized Coefficients		t	Sig.
Model		B	Std. Error	Beta			
1	(Constant)	10.292	2.363			4.356	.000
	Compensation	.284	.077	.406		3.690	.000
	Organizational Support	.258	.073	.390		3.547	.001

a. Dependent Variable: Performance

The coefficient estimates distinguish the contribution of each variable to employee performance. Compensation records a positive coefficient of 0.284 ($t = 3,690$, $\text{sig} < 0,001$), while organizational support has a coefficient of 0.258 ($t = 3,547$, $\text{sig} = 0,001$). Both variable exceed the t-table value of 1,991 and meet the 5% significance criterion. Thus, the partial regression results support the proposed positive effects of compensation and organizational support on employee performance at CV Gema Rejeki.

Multiple Linear Regression Analysis

The regression analysis quantified the individual contributions of compensation and organizational support to performance at CV Gema Rejeki. The estimated coefficients provide the basis for expressing the relationship between these variables in the following model :

$$Y = 10,292 + 0,284X_1 + 0,258X_2 + e$$

The regression model shows that compensation and organizational support have positive coefficients of 0.284 and 0.258, respectively. In practical terms, a one-unit increase in compensation is associated with a 0.284 point increase in performance, provided organizational support remains unchanged. Likewise, a one-unit increase in organizational support corresponds to a 0.258 point increase in performance when compensation is held constant. The constant of 10.292 represents the predicted performance score when both independent variables are zero.

Coefficient of Determination (R²)

The coefficient of determination was examined to assess how much of the variation in employee performance at CV Gema Rejeki can be accounted for by compensation and organizational support. The results are presented in the Model Summary table:

Table 6. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.737 ^a	.543	.531	2.45513
a. Predictors: (Constant), Organizational Support, Compensation				
b. Dependent Variable: Performance				

The R-Square value of 0,543 indicates that compensation and organizational support account for 54,3% of the variation in employee performance. The remaining 45,7% is associated with other factors not included in this model.

DISCUSSION

Compensation on Performance

The positive and significant impact on performance indicates that the rewards received by employees are linked to how they carry out their responsibilities at CV Gema Rejeki. These findings align with the company's operations in the distribution sector, which involve demands to meet completion targets, challenges in task execution, and the need to respond to customer requirements relatively quickly. In roles with such demands, compensation serves to reinforce the contributions made, thereby motivating employees to maintain both the quality and quantity of their work.

Compensation should be viewed not merely in terms of the amount received, but also regarding the alignment between the effort expended and the reward provided. When employees perceive that their efforts and responsibilities are fairly rewarded, the work they perform takes on clearer personal significance. Conversely, a mismatch between job demands and rewards may lead employees to view additional effort as failing to yield commensurate benefits. The results of

this study indicate that at CV Gema Rejeki, the rewards provided play a role in shaping work behaviors that support performance achievement.

These findings support the results of research by Syuchriah & Suwandi (2025), which identified a positive and significant impact on employee performance, as well as the study conducted by Dinata et al. (2026) at PT Interyasa Homindo Jambi.

Organizational Support on Performance

The positive and significant impact of organizational support on performance demonstrates that employees require not only compensation for their work but also an organizational environment that enables them to perform their duties effectively. In the operational activities of CV Gema Rejeki, employees face tasks requiring coordination, timely completion, and the handling of various needs that arise during the distribution process. In such situations, organizational support can determine whether employees are able to meet job demands more effectively.

Support takes on practical significance when employees encounter obstacles in completing tasks. Guidance from supervisors, assistance in overcoming hurdles, clear communication, and attention to working conditions can alleviate the difficulties employees face. This implies that the impact of organizational support on performance stems not merely from employees feeling cared for, but from the fact that such support helps create the conditions necessary to complete the work. Employees who receive adequate support are better positioned to maintain accuracy, speed, and a sense of responsibility in carrying out their duties.

These findings indicate that performance is not solely the result of individual ability; the way an organization treats and assists its employees also determines how those abilities are translated into actual work performance. These findings directly support research by Hutaauruk et al. (2024) and Annisa et al. (2025), which concluded that organizational support positively influences employee performance.

Compensation and Organizational Support on Performance

Simultaneous testing reveals that compensation and organizational support jointly exert a positive and significant influence on employee performance. These results indicate that performance enhancement cannot be viewed solely from one perspective of the employment relationship; employees require both a reason to contribute and the conditions that enable that contribution to materialize. Compensation addresses the aspect of rewarding contributions, whereas organizational support provides the environment and assistance that allow employees to perform their roles more optimally.

These findings are particularly significant for distribution companies, where job demands extend beyond mere target achievement. Employees must also ensure timely work processes, maintain effective coordination, and properly address customer needs. In this context, appropriate compensation sustains the drive to exert effort, while organizational support helps employees overcome

obstacles encountered during the course of their work. Together, these factors foster a more balanced employment relationship regarding the exchange between employee contributions and organizational provisions.

The results of this study support the research conducted by Fahmi & Yusuf (2022) , demonstrating that performance is not merely a matter of work-related rewards but is also shaped by how the organization treats and supports its employees in meeting job demands.

CONCLUSION

Research results indicate that the employee performance at CV Gema Rejeki is positively and significantly influenced by compensation and organizational support, both individually and simultaneously. Compensation serves as a form of recognition for employees' contributions, while organizational support helps create conditions that enable employees to carry out their responsibilities optimally. These findings demonstrate that performance improvement depends not only on the rewards received but also on the quality of support employees perceive while performing their work.

RECOMMENDATIONS

CV Gema Rejeki can continue to ensure that compensation aligns with employee contributions and maintain organizational support through effective communication, guidance in task execution, and appreciation for work outcomes. These efforts can be implemented gradually, taking into account both employee needs and company conditions, thereby fostering a working relationship that supports the maintenance and enhancement of performance.

FURTHER STUDY

Future research could examine other factors that potentially influence employee performance, such as work motivation, job satisfaction, or the work environment. Additionally, studies involving different organizational subjects and characteristics could be conducted to determine whether the relationships among compensation, organizational support, and performance remain consistent.

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