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Factors That Influence Employee Performance at PT. Regional Drinking Water Company of Padang City

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ABSTRACT

This study examines the influence of compensation, career development, and communication on employee performance at PT. Regional Water Company Padang City. As a public service provider, the company relies on optimal employee performance to ensure efficient and reliable water distribution services. A quantitative research approach was employed using a survey method, with data collected through structured questionnaires distributed to employees across various units. The variables studied include compensation, career development, communication, and employee performance. Data were analyzed using multiple linear regression to determine the partial and simultaneous effects of each independent variable on performance. The results show that compensation, career development, and communication each have a significant positive effect on employee performance. Among these variables, career development demonstrates the strongest influence, indicating the critical role of professional growth opportunities in enhancing work outcomes. The study concludes that improving compensation systems, strengthening career development programs, and fostering effective communication can significantly enhance employee performance. Recommendations for management and suggestions for further research are provided.

Keywords: *Compencation, Career Development, Communication and employee performance*

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INTRODUCTION

In the current era of globalization, many companies are competing to achieve their goals. Companies strive to improve the skills of their human resources. Human resources are one of the most important factors and cannot be separated from an organization, whether an institution or a company. Essentially, human resources refer to individuals employed within an organization who act as the driving force in achieving the organization's objectives.

Human resources within a company need to be managed professionally in order to create a balance between the needs, demands, and capabilities of the organization. This balance is a key factor for a company to grow productively and sustainably. The development of a business and its organizational structure greatly depends on the productivity of its workforce. Therefore, companies require effective management that includes proper and strategic human resource management to ensure optimal employee performance.

Human resource management is essential for companies in managing, organizing, and utilizing employees so they can function productively in achieving organizational goals. Human resource management involves the planning, organizing, coordinating, implementing, and supervising of activities related to the procurement, development, compensation, integration,

maintenance, and separation of employees in order to achieve organizational objectives (Mangkunegara, 2011:02).

An organization can be considered successful if it is able to utilize its resources especially its employees effectively and efficiently in an optimal and professional manner. Utilizing resources optimally and professionally means engaging employees from the planning stage, through implementation, to supervision and evaluation in a targeted way that meets the expectations of both the employees and the organization in which they work. Thus, human resources can be regarded as the main factor or driving force of an organization, enabling it to achieve its predetermined goals. Therefore, human resources must be managed properly and effectively, as the success of management within an organization is determined by the level of employee performance. Therefore, human resources must be managed properly and appropriately, as the success of management within an organization is determined by the level of employee performance. However, in many institutions, various problems related to employee performance are common. One example is PT. Regional Water Company of Padang City. The issues faced by this institution include low employee productivity, which can be observed in the employee productivity data of PT. Regional Water Company of Padang City for the years 2019– 2024, summarized in the following table:

Table 1. Table: Employee Performance Productivity Data PT. Regional Water Company of Padang City 2019–2024od

No.	Uraian	2019	2020	2021	2022	2023	2024
1	Produksi Air	34.143.941	34.414.263	33.826.450	32.502.614	35.201.515	37.031.056
2	Pem. Air di Instalasi	1.031.047	1.033.829	1.073.775	1.009.773	1.172.939	1.738.344
3	Distribusi Air	32.982.883	33.390.434	32.752.676	31.513.347	34.028.576	39.292.713
4	Penjualan Air	17.989.121	19.403.645	20.695.742	21.222.059	22.647.675	23.297.473

Sumber : PT. Regional Water Company of Padang City

From the table above, it can be seen that employee performance productivity fluctuates each year at PT. Regional Water Company of Padang City. Data from 2019 to 2024 show that water production for those six years was 34,143,941 liters, 34,414,263 liters, 33,826,450 liters, 32,502,614 liters, 35,201,515 liters, and 37,031,056 liters respectively. However, in 2013, the company recorded the lowest water production, amounting to 32,502,614 liters. Although the reasons for this decline in employee productivity vary, it certainly results in losses for PT. Regional Water Company of Padang City. This situation may also lead to public dissatisfaction with the company's services

The low employee performance at PT. Regional Water Company of Padang City may be caused by insufficient compensation provided to employees. Additionally, the career development programs offered have not been effective in enhancing employees' capabilities and skills. In terms of communication, there is a lack of reciprocal interaction among organizational stakeholders. Employees feel rigid in carrying out their tasks and experience intense pressure due to the absence of effective communication.

METHOD

This study employs a quantitative approach. The type of research used is descriptive associative research. Descriptive research aims to describe or explain a phenomenon as it is. According to Arikunto (2002:239), associative research is research that examines whether there is a relationship or influence between one variable and another. This study is classified as associative research because it aims to determine the influence and relationship among two or more variables, namely the factors that affect employee performance at PT. Regional Water Company of Padang City. The population in this study consists of all employees of PT. . Regional Water Company of Padang City totaling 287 employees. The sample taken comprises 75 respondents. The sampling technique used in this study is proportional random sampling. In this study using

the multiple linier berganda analysis tool using Statistical Package for the Social Sciences (SPSS). SPSS is a popular statistical software used for quantitative data analysis. It is designed to process, analyze, and visualize survey or experimental data quickly and accurately. The software supports data management, complex statistical analyses (such as regression, correlation, and more), and effective result reporting. SPSS is highly useful for researchers, academics, and professionals in making data-driven decisions.

FINDING AND DISCUSSION

Descriptive Model Feasibility Test

In this study, the model feasibility test used is the Ramsey RESET (Regression Specification Error Test). The guideline for this test is that if the calculated F-value (Fhitung) is greater than the F-table value (Ftabel), then the linear model specification is rejected. Conversely, if the calculated F-value is less than the F-table value, then the linear model specification cannot be rejected. The results of the Ramsey RESET test can be seen in the following table:

Ramsey RESET Test:

F-statistic	30.69648	Prob. F(1,181)	0.0000
Log likelihood ratio	29.29477	Prob. Chi-Square(1)	0.0000

Based on the table above, it is known that the calculated F-statistic value is 30.69648, which is greater than the F-table value of 2.15 at □= 0.05. This indicates that Fcalculated > Ftable, meaning that the model specification is correct or appropriate.

Coefficient of Determination (RI Analysis)

The coefficient of determination test is used to determine the extent of the contribution given by variable X to variable Y. Based on the tests conducted, a summary of the results is presented in the table below:

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.837[a]	.700	.694	.09896

a. Predictors: (Constant), X4, X3, X1, X2

b. Dependent Variable: Y

Based on the results in the table above, the data processing shown in the model summary table indicates that the R-Square value is 0.700. This means that 70% of the variation in the dependent variable (employee performance) can be explained by the independent variables (compensation, career development, and communication), while the remaining 30% is influenced by other variables not included in this study.

Multiple linier Regresion Analisis

The results of the multiple linear regression test using SPSS are presented as follows:

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.231	.096		23.180	.000
	X1	.364	.025	.680	14.424	.000
	X2	.018	.007	.130	2.696	.008
	X3	.066	.020	.137	3.367	.001

a. Dependent Variable: Y

The multiple linear regression equation derived from these results is as follows: Y= a + b□X□+ b2 X2 + b3 X3 e

$Y= 2{,}231+0{,}364X_1 + 0{,}018X_2 +0{,}066X_3e$

From the multiple linear regression model above, it can be seen that:

1. The constant value of 2.231 means that in the absence of any influence from the independent variables, the dependent variable has a value of only 2.231. This indicates that if the independent variables (compensation, career development, and communication) remain constant, the employee performance variable will have a value of 2.231.
2. The regression coefficient for the Compensation variable (X_1) is 0.364 and is positive. This indicates that compensation has a positive influence on employee performance. If the value of the compensation variable increases by one unit, employee performance will increase by 0.364 units. This holds true under the assumption that the other variables remain unchanged or constant.
3. The regression coefficient of the career development variable (X2) is 0.018 and is positive. This indicates that career development has a positive effect on employee performance. In other words, if the value of the career development variable increases by one unit, employee performance will also increase by 0.018 units. This explanation applies under the assumption that the other variables in the model remain constant.
4. The regression coefficient of the communication variable (X3) is 0.066 and is positive. This indicates that communication has a positive effect on employee performance. In other words, if the value of the communication variable increases by one unit, employee performance will also increase by 0.066 units. This explanation applies under the assumption that the other variables in the model remain constant.

Partial Test Results (t-test)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.231	.096		23.180	.000
	X1	.364	.025	.680	14.424	.000
	X2	.018	.007	.130	2.696	.008
	X3	.066	.020	.137	3.367	.001

a. Dependent Variable: Y

Based on the table above, the results can be interpreted as follows:

a. For the compensation variable, the t-calculated value is 14.424, which is greater than the t- table value of 1.973, with a significance value of 0.000 < □= 0.05. This indicates that Ha is accepted and H0 is rejected. Therefore, it can be concluded that there is a significant partial effect of compensation on employee performance. This means that the better the compensation, the better the employee performance."
b. For the career development variable, the t-calculated value is 2.696, which is greater than the t-table value of 1.973, with a significance value of 0.008 < □= 0.05. This indicates that Ha is accepted and H0 is rejected. Therefore, it can be concluded that there is a significant partial effect of career development on employee performance. This means that the better the career development, the better the employee performance."
c. For the communication variable, the t-calculated value is 3.367, which is greater than the t- table value of 1.973, with a significance value of 0.001 < □= 0.05. This indicates that Ha is accepted and H0 is rejected. Therefore, it can be concluded that there is a significant partial effect of communication on employee performance. This means that the better the communication, the better the employee performance.

F Test

The F-test is used to determine the simultaneous effect of the independent variables on the dependent variable. Based on the results of the study, the F-test can be seen as follows:

ANOVA[b]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	4.168	4	1.042	106.412	.000[a]
	Residual	1.782	182	.010		
	Total	5.950	186			

Based on the data processing using SPSS, the table above shows that the calculated F-value of 106.412 is greater than the F-table value of 2.15, and the significance value of 0.000 is less than □= 0.05. This means that H0 is rejected and Ha is accepted. Thus, it can be concluded that compensation, career development, and communication simultaneously have a positive and significant effect on the employee performance of PT Perusahaan Daerah Air Minum Kota

Padang. This indicates that the better the compensation, career development, and communication, the better the employee performance at PT Regional Water Company of Padang City.

Discussion

The Influence of Compensation on Employee Performance at PT Regional Water Company of Padang City.

Based on the results of the study, the compensation variable shows a positive and significant influence on employee performance. This is evidenced by the t-value of 14.424, which is greater than the t-table value of 1.973, and a significance level of 0.000 < 0.05. Therefore, H_0 is rejected and H_a is accepted, indicating that compensation significantly affects employee performance at PT Regional Water Company of Padang City. These findings imply that the better the compensation provided by the company whether in the form of salary, allowances, incentives, or other benefits the higher the employee performance. Employees who perceive their compensation as fair and appropriate to their workload tend to be more motivated, more productive, and more committed to achieving organizational goals. Thus, it is essential for the company to maintain and improve a fair and competitive compensation system to ensure employees remain motivated to deliver optimal performance.

The Influence of Career Development on Employee Performance at PT Regional Water Company of Padang City.

The results of the study show that the career development variable has a positive and significant influence on employee performance. This is evidenced by the t-value of 2.696, which is greater than the t-table value of 1.973, and a significance level of 0.008 < 0.05. Therefore, H_0 is rejected and H_a is accepted, indicating that career development significantly affects employee performance at PT Regional Water Company of Padang City. These findings indicate that well-planned and well-implemented career development programs such as training, skill enhancement, clear promotion pathways, and job rotation can improve employee competence and readiness to perform their duties. When employees perceive opportunities for growth and advancement within the organization, they tend to be more motivated, more engaged, and more productive in carrying out their responsibilities. In summary, the better the career development efforts provided by the company, the better the performance of employees at PT Regional Water Company of Padang City. Strengthening career development is therefore essential for improving employee productivity and supporting organizational effectiveness.

The Influence of Communication on Employee Performance at PT Regional Water Company of Padang City.

The results of the study indicate that the communication variable has a positive and significant influence on employee performance. This is evidenced by the t-value of 3.367, which is greater than the t-table value of 1.973, and a significance value of 0.001 < 0.05. Thus, H_0 is rejected and H_a is accepted, meaning that communication has a significant partial effect on employee performance at PT Regional Water Company of Padang City. These findings demonstrate that effective communication within the organization such as the delivery of information from supervisors to employees, clear feedback, coordination between departments, and strong interpersonal relationships enhances employees' understanding of their duties and responsibilities. When information is communicated openly, clearly, and in a timely manner, employees can work more efficiently, feel supported, and avoid miscommunication that may reduce productivity. Therefore, the better the communication implemented at PT Regional Water Company of Padang City, the better the employees' performance will be. Effective

communication plays an important role in creating a conducive work environment, strengthening work relationships, and improving task execution.

The Influence of Compensation, Career Development, and Communication Simultaneously on Employee Performance at PT Regional Water Company of Padang City.

The results of the study show that compensation, career development, and communication simultaneously have a positive and significant influence on employee performance. This conclusion is supported by the F-value of 106.412, which is greater than the F-table value of 2.15, and a significance value of 0.000 < 0.05. Therefore, H_0 is rejected and H_a is accepted, indicating that these three variables jointly affect employee performance at PT Regional Water Company of Padang City. This means that improvements in compensation, career development, and communication collectively contribute to better employee performance. Adequate compensation motivates employees to work more effectively, career development enhances competence and work quality, and good communication ensures clarity in task execution and coordination within the organization. Together, these factors create a supportive work environment that encourages employees to perform optimally. In conclusion, the better the compensation system, the career development opportunities, and the communication practices within PT Regional Water Company of Padang City, the better the overall performance of its employees will be.

CONCLUSIONS

Based on the findings of the study on the influence of compensation, career development, and communication on employee performance at PT Regional Water Company of Padang City, several conclusions can be drawn as follows:

1. Compensation has a positive and significant influence on employee performance. The t-test results show that the calculated t-value is greater than the t-table value, with a significance level below 0.05. This indicates that the better the compensation provided such as salary, allowances, and incentives the higher the employee performance. Appropriate compensation serves as a key motivational factor that encourages employees to work more optimally.
2. Career development has a positive and significant influence on employee performance. The analysis demonstrates that improving career development opportunities enhances employees' skills, competencies, and professionalism. The better the career development process offered by the company, the higher the level of employee performance.
3. Communication has a positive and significant influence on employee performance. Effective, open, and clear communication within the organization helps employees better understand their tasks and responsibilities, resulting in improved performance. The better the communication between supervisors and employees, the better the performance achieved.
4. Compensation, career development, and communication jointly have a positive and significant influence on employee performance.
   The results of the F-test indicate that all three variables simultaneously contribute significantly to employee performance. The RI value of 0.700 shows that 70% of the variation in employee performance can be explained by these variables, while the remaining 30% is influenced by other factors not included in this study.

Overall, this study confirms that improving employee performance at PT Regional Water Company of Padang City can be achieved through enhanced compensation, well structured career development, and effective communication practices within the workplace.

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