

The Influence of Wage System, Cost Efficiency, and Employee Motivation on Employee Work Productivity: An Empirical Study at PT Glory Industrial Semarang

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Abstract

This study aims to analyze the effect of the wage system, cost efficiency, and work motivation on employee productivity at PT Glory Industrial Semarang. The research method used is a quantitative approach with a survey technique. Data were collected through questionnaires distributed to 100 employees, with validity and reliability tests carried out to ensure data quality. Data analysis used multiple linear regression. The results showed that the wage system, cost efficiency, and work motivation each had a significant positive effect on employee productivity. Simultaneously, the three variables explained 94% of the variation in work productivity, with the wage system making the largest contribution. This shows that fair and proportional wages to the workload not only increase employee satisfaction and loyalty but also motivate them to work more optimally. Cost efficiency allows companies to provide incentives and facilities that support improved performance, while work motivation, both intrinsic, such as responsibility and desire to achieve, and extrinsic, such as awards and recognition, also strengthens employee commitment to company targets. This study has several limitations, including the fact that it was only conducted in one company, so the results cannot be generalized to other industries. In addition, this study used a cross-sectional approach, so it cannot capture long-term changes in the relationship of variables. Therefore, further research is recommended to expand the scope of the sample, consider additional variables such as organizational culture and leadership, and use a longitudinal approach to understand the dynamics of employee productivity changes over time.

Keywords: Wage System; Cost Efficiency; Employee Motivation; Employee Work Productivity.

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INTRODUCTION

Employee productivity is an important factor in the sustainability and competitiveness of a company. Various aspects affect work productivity, including the wage system, cost efficiency, and employee motivation. PT Glory Industrial Semarang, as one of the manufacturing industry companies, faces challenges in maintaining a balance between providing decent wages, operational cost efficiency, and increasing employee motivation to achieve optimal work productivity.

According to Andreas et al., (2020), fair wages and a transparent incentive system can increase employee morale and loyalty to the company. Handoko (2019) Inequity in the wage system can lead to job dissatisfaction, decreased performance, and even high turnover rates. Robbins, SP, & Judge (2017), discuss theories and concepts of organizational behavior, including factors that influence employee productivity, such as motivation, leadership, communication, and organizational culture. Sedarmayanti (2018) emphasizes the relationship between human resource management and employee work productivity, including aspects of training, motivation, and productivity improvement strategies in organizations. Hasibuan (2021) discusses HR management systems, including wage systems, compensation, and factors that influence employee motivation and performance. Wirawan (2020) about employee performance evaluation methods and human resource development strategies in increasing work productivity and efficiency.

Gibson, J.L., Ivancevich, J.M., & Donnelly (2019) discusses organizational behavior, structures, and processes within organizations that impact employee work effectiveness and efficiency. Sutrisno (2020) discusses the theory and practice of human resource management, including work motivation, wage systems, and performance management. Luthans (2022) focuses on evidence-based organizational behavior, discussing various factors that influence employee motivation and productivity in the work environment. Sunyoto (2021), in the context of cost efficiency, discussing corporate financial management, budget allocation, and its impact on employee welfare and operational efficiency. In addition, cost efficiency in companies plays a very important role in maintaining smooth operations and business sustainability. Increasing inefficient operational costs can affect employee welfare and reduce the company's competitiveness. Cost efficiency in production and human resource management, as stated by Martasari et al., (2023), is closely related to the company's ability to retain motivated employees and improve their performance.

Samtono (2014), this study examines the provision of motivation to employees affected by Termination of Employment (PHK) by using basic food assistance as a form of incentive or support. This study focuses on how this assistance affects employee motivation and productivity after they lose their jobs. This research is relevant to understanding how motivation can be provided in more extreme situations, such as after a layoff, and how it can affect morale and productivity. Mubarok & Nuryani (2022). This study analyzes profit-sharing-based wages applied in a business and their impact on productivity. Using the Break Even Point (BEP) analysis model and business profitability, this study examines the extent to which profit sharing can affect employee motivation and performance and considers the financial sustainability of the company. A profit-sharing-based wage system provides direct incentives to employees to improve their performance, which in turn has the potential to increase company productivity.

Palupiningtyas et al., (2022), this study examines the relationship between factors that influence employee performance in the hospitality industry, specifically at Hotel Muria. This study focuses on elements such as motivation, work discipline, and service quality that can contribute to improving employee performance in the hospitality context. It provides insight into how internal and external factors influence productivity and performance in the hospitality sector, which is relevant to the context of work in other sectors.

Gustina et al., (2022), this study focus on the influence of education and compensation on employee work productivity in Padang City. This study shows that employee education levels are closely related to their understanding of work, while adequate compensation can increase work

motivation and productivity. This provides important evidence that appropriate education and compensation can be key drivers in increasing employee productivity across industries. Khoiriah (2020) This study examines the wage system implemented at PT Glenmore Banyuwangi to increase employee work productivity using an Islamic economic perspective. This study examines how a fair wage system that is by Islamic economic principles can affect employee motivation and work productivity. This provides a new perspective on how a wage system based on Islamic moral and ethical principles can improve employee welfare and encourage increased productivity in certain sectors.

Employee motivation is an important factor in increasing work productivity. Nugraha & Lestari (2003), states that intrinsic and extrinsic motivation given to employees can increase work enthusiasm, commitment, and desire to achieve company goals. Therefore, companies need to create a supportive work environment, provide rewards to employees, and create incentives that encourage employees to work more productively.

The purpose of this study is to analyze the effect of wage system, cost efficiency, and employee motivation on employee work productivity at PT Glory Industrial Semarang. This study is expected to provide useful insights for companies in formulating policies related to wages and cost management and providing appropriate motivation to increase employee productivity.

RESEARCH METHODS

This study uses a quantitative approach to measure the influence of the wage system, motivation, and work discipline on employee productivity at PT Glory Industrial Semarang.(Siregar, 2017). The research design used is a correlational research design, which aims to determine the relationship between the variables studied.

The subjects in this study were employees working at PT Glory Industrial Semarang. The sample was 100 employees, selected by purposive sampling, using the criteria of employees who have worked for at least 1 year at the company.

This study measures three main variables:

1. Wage System(Independent Variable)
2. Work motivation(Independent Variable)
3. Work Discipline(Independent Variable)
4. Work Productivity(Dependent Variable)

Data were collected through a questionnaire consisting of several closed questions arranged based on predetermined indicators. The questionnaire will be distributed to selected employees, using a Likert scale to measure their perceptions of each research variable. Abdullah et al., (2017). The data collection technique was carried out directly by ensuring that each respondent understood the questions asked.

Table 1. Respondents' Questions

No.	Variables	Question
1	Wage System	SP1: The wage system implemented by the company is appropriate to my workload.
		SP2: I feel that the wage system I receive provides fair rewards for my performance.
		SP3: I am satisfied with the level of income I receive based on my position and responsibilities.
		SP4: The wage system in this company is transparent and easy to understand.
		SP5: The existing wage system encourages me to work harder.
2	Work motivation	MK1: I feel motivated to work well because of the awards given by the company.
		MK2: I feel that my work is well appreciated by my superiors and coworkers.
		MK3: My career goals greatly support me in improving my performance at work.
		MK4: I feel the company provides sufficient opportunities for career development.
		MK5: Good working conditions make me more enthusiastic about achieving



		work goals.
3	Work Discipline	DK1: I always arrive on time according to the predetermined work schedule.
		DK2: I comply with all applicable company regulations.
		DK3: I always complete the work according to the given deadline.
		DK4: I am disciplined in carrying out the tasks and responsibilities given by the company.
		DK5: I feel that I am fully responsible for the work that I do.
4	Work Productivity	PK1: I can complete work on time and according to the set targets.
		PK2: I always try to improve my work results every day.
		PK3: I feel capable of making maximum contribution to the work that I do.
		PK4: I can work efficiently and effectively to achieve company goals.
		PK5: I feel that my performance has a positive impact on the team and the company.

The tool used in this study is a questionnaire that has been tested for validity and reliability. Each item in the questionnaire is tested using construct validity to ensure that the instrument used is able to measure the intended variables. The reliability of the questionnaire is measured using the Cronbach's Alpha coefficient.

This study uses a descriptive survey design with a quantitative approach, which aims to describe conditions or phenomena that occur in the field systematically. Researchers will collect data from employees through questionnaires and analyze the influence of these variables on work productivity.

The data collected from the questionnaire will be analyzed using multiple linear regression analysis to test the effect of the wage system, work motivation, and work discipline on employee productivity. This analysis will be carried out using SPSS statistical software. Validity and reliability tests of the instrument are also carried out at the initial stage of data processing to ensure the quality of the data obtained.

The analysis model used is multiple linear regression to test the relationship between more than one independent variable (wage system, work motivation, work discipline) and the dependent variable (work productivity). This regression model aims to determine how much influence each independent variable has on the dependent variable simultaneously.

This quantitative research method was chosen to measure the relationship between variables objectively and can be generalized to a wider population. This approach allows researchers to obtain accurate data, which can be used to suggest improvements in the wage system, work motivation, and work discipline at PT Glory Industrial Semarang in order to increase employee work productivity.

RESULTS AND DISCUSSION

Model Summary The R-value = 0.970 indicates a very strong relationship between the independent variables (wage system, cost efficiency, and work motivation) and the dependent variable (employee work productivity). (R Square) $R^2 = 0.940$ means that 94% of the variation in employee work productivity can be explained by the independent variables studied. The remaining 6% is influenced by other factors outside this research model.

Table 2 Models

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.970	0.940	0.938	0.50365

ANOVA Analysis The results of the ANOVA test show that the regression model used is significant in explaining the influence of the independent variable on the dependent variable. F value = 501.246 with a significance level of $p = 0.000 (<0.05)$. This shows that the regression model is statistically significant.

Table 3. ANOVA

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	381,439	3	127,146	501,246	0,000
Residual	24,351	96	0.254		
Total	405,790	99			

Regression Coefficient

The resulting multiple linear regression model can be expressed as: $Y = 0.534 + 0.421X_1 + 0.353X_2 + 0.215X_3$

Information:

Y: Employee Work Productivity

X₁: Wage System

X₂: Cost Efficiency

X₃: Work motivation

Interpretation of Coefficients

1. Constant (0.534) If all independent variables are zero, work productivity has an initial value of 0.534.
2. Wage System (0.421) Every one unit increase in the wage system will increase work productivity by 0.421, assuming other variables remain constant.
3. Cost Efficiency (0.353) Every one-unit increase in cost efficiency will increase work productivity by 0.353.
4. Work Motivation (0.215) Every one unit increase in work motivation will increase work productivity by 0.215.

Table 4. Regression Coefficients

Variables	Unstandardized Coefficients	Standardized Coefficients	t	Sig.
(Constant)	0.534		3,321	0.001
Wage System (X ₁)	0.421	0.521	7,621	0,000
Cost Efficiency (X ₂)	0.353	0.432	6,987	0,000
Work Motivation (X ₃)	0.215	0.287	5,143	0,000

Together, independent variables (wage system, cost efficiency, and work motivation) make significant contributions to employee work productivity. The regression model is statistically significant, as indicated by the F test and p-value <0.05. The wage system has the greatest influence on work productivity, followed by cost efficiency and, finally, work motivation.

Discussion

1. **The Influence of Wage Systems on Work Productivity** The results of the study indicate that the wage system has a positive and significant effect on employee work productivity with a regression coefficient of $\beta = 0.421$ and a significance level of $p < 0.05$. A fair, transparent, and appropriate wage system for employee workload can increase their productivity. This finding supports the two-factor theory Pangarso (2015), which states that financial rewards play an important role in preventing job dissatisfaction and can motivate employees to improve performance. PT Glory Industrial Semarang needs to conduct periodic evaluations of the wage system to ensure fairness and compliance with market standards.
2. **The Impact of Cost Efficiency on Work Productivity** Cost efficiency is also proven to have a positive and significant effect on work productivity, with a regression coefficient of $\beta = 0.353$ and a significance level of $p < 0.05$. The implementation of cost efficiency allows companies to allocate resources optimally. PT Glory Industrial Semarang can adopt the latest technology

and implement best practices in cost management to achieve higher efficiency without sacrificing work quality or employee welfare.

3. **The Influence of Work Motivation on Work Productivity**, Work motivation has a positive and significant effect on work productivity, with a regression coefficient of $\beta = 0.215$ and a significance level of $p < 0.05$. Work motivation, both intrinsic and extrinsic, affects employee enthusiasm in completing tasks. This finding supports McClelland's theory of the need for achievement, which states that individuals with high motivation tend to be oriented towards achieving targets and completing tasks well.
4. **Simultaneous Relationship between Independent Variables and Work Productivity** Simultaneously, the wage system, cost efficiency, and work motivation provide a major contribution to employee work productivity, as indicated by the determination value of $R^2 = 0.94$. PT Glory Industrial Semarang should implement a holistic strategy that combines a performance-based wage system, cost optimization, and employee motivation programs to achieve maximum results.

PT Glory Industrial Semarang needs to continue to improve fairness in the wage system, optimize cost efficiency, and provide adequate work motivation to maintain employee productivity. This study can be expanded by adding other variables, such as work environment and job satisfaction, to get a more comprehensive picture of work productivity.

CONCLUSION

This study shows that the wage system, cost efficiency, and work motivation have a significant effect on employee productivity at PT Glory Industrial Semarang. Fair wages increase employee satisfaction and loyalty, while cost efficiency allows companies to provide incentives and facilities that support performance. Work motivation, both intrinsic and extrinsic, encourages employee morale and commitment.

This study is limited to one company and only covers three main variables, so the results cannot be generalized. In addition, the data is cross-sectional, so it does not capture long-term changes.

Suggestions for Further Research: Add variables such as organizational culture, leadership, or work-life balance. Using a broader sample from a variety of industries. Applying a longitudinal approach to understand change over time. Using qualitative methods for deeper exploration.

Recommendations for companies include implementing performance-based incentives, adjusting wage scales periodically, and providing additional benefits. Use technology for production efficiency, develop cost-effective procurement strategies, and train employees in financial management. Build a culture of appreciation, provide promotion opportunities, and hold employee reward programs. Simultaneous relationship between them. Therefore, companies need to adopt an integrated managerial approach with a focus on improving fairness in the wage system, optimizing cost efficiency, and managing work motivation effectively to create a work environment that supports sustainable productivity and competitiveness in the industry.

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