

THE INFLUENCE OF INDIRECT COMPENSATION AND INTRINSIC MOTIVATION ON EMPLOYEE PRODUCTIVITY (CASE STUDY: PT. PRIMARINDO ASIA INFRASTRUCTURE TBK BANDUNG)

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Abstract

This study examines the effects of indirect compensation and intrinsic motivation on employee productivity at PT. Primarindo Asia Infrastructure Tbk Bandung. The research addresses key challenges in managing productivity, emphasizing the significance of non-monetary benefits and intrinsic drivers in enhancing employee performance. These factors are critical in today's competitive work environment, particularly in manufacturing sectors, where maintaining consistent productivity levels is paramount. The study aims to provide actionable insights into human resource management practices that align compensation and motivation strategies to improve employee productivity. A quantitative descriptive verificative approach was employed, with data collected from 77 respondents using a structured questionnaire and analyzed through path analysis. The questionnaire items underwent validity and reliability testing to ensure accuracy. Correlation and path analyses were conducted to evaluate direct and indirect effects of the independent variables on employee productivity. Findings indicate that indirect compensation contributes to employee productivity through both direct and indirect pathways, with a total effect of 35.81%. Intrinsic motivation emerged as the stronger determinant, accounting for a total effect of 44.46% on productivity. Together, these variables explain 72.8% of the variance in employee productivity, highlighting their complementary roles. Employees perceive indirect compensation as satisfactory, valuing social security, benefits, and work-life balance. High intrinsic motivation levels further reflect employees' satisfaction with personal achievements, recognition, and opportunities for growth. The study recommends enhancing social security programs, fostering employee autonomy, and supporting motivation under challenging conditions to optimize productivity. These findings underscore the importance of strategic HR practices in fostering a productive and engaged workforce.

Keywords: Indirect Compensation, Intrinsic Motivation, Employee Productivity, Path Analysis, Human Resource Management

A. INTRODUCTION

In today's highly competitive business environment, organizations must continually strive for a competitive edge through various strategic measures. One such measure is enhancing employee productivity, which is integral to sustaining growth and achieving business goals.

Human resources (HR) play a pivotal role in the success of a company, as skilled and motivated employees contribute directly to the company's output and customer satisfaction. In this context, PT. Primarindo Asia Infrastructure Tbk Bandung, a private manufacturing company with 604 employees, exemplifies the importance of effective human resource management in fostering productivity and profitability. According to the company's Human Research Development (HRD) department, maintaining employee motivation and efficiently managing resources are key drivers of productivity. As outlined in Table 1.1, the company's workforce composition includes various roles, indicating the significance of structured HR management in optimizing productivity.

Tabel 1. Data Karyawan PT.Primarindo Asia Infrastructure Tbk Bandung

No.	Jabatan	Jumlah
1.	Direksi	9
2.	Staff Office	268
3.	Karyawan Produksi	327
	Jumlah	604

Source: Data PT.Primarindo Asia Infrastructure Tbk Bandung 2023

Previous studies have extensively explored factors that influence employee productivity, identifying motivation and compensation as critical elements. Hasibuan (2005) defines productivity as the ratio of resources used to the output produced, emphasizing that improving efficiency in time, materials, and labor, as well as enhancing employee skills, can significantly boost overall productivity. Additionally, Gaspers (1998) highlights the importance of production planning in achieving optimal output. Production planning involves setting target levels of output over a specified period and aligning these targets with the company's business plan to ensure resource efficiency. Realizing these targets is crucial for maintaining competitiveness and meeting market demand, especially in sectors with fluctuating production cycles. At PT. Primarindo Asia Infrastructure Tbk Bandung, production efficiency and employee motivation are key priorities, as evidenced by the trends observed in their 2023 shoe production volume, illustrated in Figure 1.



Figure 1. Volume Produksi Sepatu, 2023

Source: PT. Primarindo Asia Infrastructure Tbk Bandung

While existing studies have established the importance of productivity, few have delved into the combined impact of indirect compensation and intrinsic motivation within the context of private manufacturing companies in Indonesia. This study aims to fill this gap by examining how these two factors indirect compensation and intrinsic motivation affect employee productivity at PT. Primarindo Asia Infrastructure Tbk Bandung. Indirect compensation, which includes non-monetary benefits such as health insurance, pensions, and uniforms, is considered a key element in enhancing employee welfare and motivation (Hasibuan, 2013). Furthermore, intrinsic motivation, defined by Rivai (2014) as a set of values and attitudes that drive individuals to achieve specific goals, plays a critical role in influencing employees' willingness to put forth their best effort. The current research explores the relationship between these two aspects and their combined effect on overall productivity, offering insights into strategic HR management within this organizational context.

Given the fluctuating production volumes observed at PT. Primarindo Asia Infrastructure Tbk Bandung in 2023, the urgency of this research becomes evident. Figure 1. indicates that inconsistencies in monthly production outputs may be linked to variations in employee motivation and recognition programs. The company's HRD department reports that during months of higher productivity, employees often received recognition and opportunities for development, while lower productivity months coincided with a lack of intrinsic stimulation. This aligns with findings from Mardiasmo (2009), which stress that effective planning and implementation of compensation strategies can significantly influence employees' dedication and commitment to their tasks. Understanding these dynamics is crucial, as maintaining high productivity is not only essential for the company's growth but also for its ability to compete in an increasingly competitive market. The findings of this study are expected to help the company refine its HR strategies and create a more motivating work environment to sustain consistent production levels.

The primary objective of this research is to analyze the impact of indirect compensation and intrinsic motivation on employee productivity at PT. Primarindo Asia Infrastructure Tbk Bandung. By exploring the link between these two factors, the study aims to provide valuable insights for the company's HR management in enhancing employee satisfaction and performance. The research also seeks to contribute to the broader field of human resource management by offering empirical evidence on the effectiveness of non-monetary benefits and intrinsic motivators in improving workforce productivity. Such insights can guide policymakers and company leaders in designing comprehensive HR strategies that promote a positive work culture and increase organizational efficiency. Moreover, this study highlights the importance of balancing direct and indirect compensation with intrinsic motivation to foster a loyal and high-performing workforce (Fitrian, 2023).

The theoretical foundation of this research is based on established frameworks relating to employee motivation and productivity. Herzberg's Two-Factor Theory, which distinguishes between hygiene factors (extrinsic) and motivators (intrinsic), provides a basis for understanding how indirect compensation and intrinsic motivation interact to influence employee behavior. According to this theory, while indirect compensation such as benefits and welfare packages addresses hygiene factors, intrinsic motivation serves as a key motivator that drives employees to

go beyond the minimum requirements. This dual approach is supported by Rivai (2014), who argues that aligning organizational goals with individual values fosters a sense of purpose and encourages higher productivity. By integrating these theoretical perspectives, this study aims to develop a comprehensive understanding of the mechanisms through which HR strategies impact productivity at PT. Primarindo Asia Infrastructure Tbk Bandung.

The choice of PT. Primarindo Asia Infrastructure Tbk Bandung as the research context is justified by its position as a private manufacturing company in Indonesia, facing dynamic market demands and competitive pressures. The company's reliance on human resources as its key asset aligns with the broader literature that emphasizes the role of motivated and well-compensated employees in achieving business success (Idris & Si, 2020). Moreover, the company's varying production trends in 2023 provide a concrete case for examining the effectiveness of indirect compensation and intrinsic motivation in stabilizing productivity levels. This setting allows for an in-depth analysis of the practical challenges faced by the company's HR department and presents an opportunity to offer actionable recommendations based on empirical evidence.

Academically, it contributes to the growing body of knowledge on human resource management, particularly in the areas of compensation strategies and employee motivation. The findings can bridge gaps in existing literature by offering new insights into the combined impact of indirect compensation and intrinsic motivation on employee productivity within a specific industry context. Practically, the study's results are expected to help PT. Primarindo Asia Infrastructure Tbk Bandung refine its HR policies to better align with the needs and motivations of its workforce. The insights gained can also serve as a benchmark for other companies facing similar challenges in managing productivity. Ultimately, this research aims to demonstrate that a strategic balance between indirect compensation and intrinsic motivation can lead to higher levels of employee performance and overall business success.

This study addresses the critical role of indirect compensation and intrinsic motivation in influencing employee productivity at PT. Primarindo Asia Infrastructure Tbk Bandung. By building on established theories and examining practical challenges within the company, the research aims to provide a comprehensive understanding of how strategic HR management can enhance workforce performance. Given the competitive pressures and dynamic nature of the manufacturing industry, optimizing compensation and motivational strategies is essential for sustaining productivity and achieving long-term business success. Therefore, this study not only seeks to contribute to the academic discourse on human resource management but also to offer practical recommendations that can guide HR departments in fostering a more engaged and productive workforce.

B. LITERATURE REVIEW

Indirect Compensation

According to Hasibuan (2013), indirect compensation is defined as "compensation received by employees that does not have a direct relationship with their work," including health insurance, pensions, uniforms, cafeteria services, prayer rooms, sports facilities, and recreational trips. Indirect compensation can be seen as service benefits provided by companies based on policies aimed at improving employee welfare. Similarly, Dessler (1998) describes indirect compensation as all non-direct financial payments received by employees to continue their work with the organization. Therefore, it can be concluded that indirect compensation refers to various forms of benefits provided by the organization to enhance the well-being and satisfaction of

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employees. These benefits align with the company's policies to foster a supportive work environment that reflects its commitment to meeting the needs and happiness of its team members.

Indicators of Indirect Compensation

Indirect compensation encompasses all financial rewards not included in direct compensation. One primary form of indirect compensation is allowances. According to Simamora, allowances are payments and services that complement base salaries, with the company covering all or part of these benefits. Simamora (2006) categorizes employee allowances into three types:

1. Income-producing allowances such as social security and retirement benefits that replace income during retirement, salary continuity, and programs for those in need or with disabilities that compensate for lost income due to illness or disability.
2. Opportunity-based allowances that can range from tuition reimbursement to vacation and holiday pay, which relates to employees' quality of life.
3. Facilities allowances that executives receive based on their positions and status within the organization.

From this discussion of indirect compensation, it can be concluded that it represents rewards provided in the form of employee services, aimed at creating a pleasant work environment.

Intrinsic Motivation

Intrinsic motivation, according to Nawawi (2001), is a driver for work that originates from within the employee or worker as an individual, characterized by an awareness of the significance of their tasks. Intrinsic motivation arises from the individual's desire without coercion from others, reflecting a personal drive. Providing motivation to employees is crucial for enhancing their productivity. This internal drive encourages teams to exhibit greater dedication and enthusiasm for their work. In other words, this motivation stems from the tasks performed, whether they satisfy needs, provide enjoyment, facilitate the achievement of goals, or offer positive prospects for the future. Indicators of Intrinsic Motivation, Intrinsic motivation drives individuals to achieve and is rooted in self-awareness about the importance of the work being done. Nawawi (2001) identifies several indicators of intrinsic motivation:

1. Achievement: Refers to the pride and satisfaction felt when an individual successfully completes a task or meets established goals. Intrinsically motivated individuals strive for high standards and derive personal satisfaction from their work, independent of external rewards.
2. Recognition: Encompasses appreciation or accolades given to individuals for their contributions. In the context of intrinsic motivation, recognition includes not only praise from others but also self-recognition for efforts and successes, enhancing confidence and motivation to excel further.
3. The Work Itself: Indicates how interesting, challenging, and fulfilling individuals find their work. Tasks that allow for personal development, learning, and the utilization of individual skills significantly enhance intrinsic motivation, deriving satisfaction from both the process and outcome.
4. Responsibility: Refers to the sense of control and accountability individuals feel regarding their tasks and outcomes. Employees with autonomy in their roles tend to be more intrinsically motivated, feeling valued and trusted to make decisions, thereby fostering a greater commitment to their work.

5. **Advancement:** Involves the sense of growth and improvement in one's career or personal skills. When individuals perceive that they are advancing, learning, and developing, it can provide a powerful motivational boost. This sense of progress can come from achieving short- and long-term goals, as well as feeling that their work is meaningful and impactful.

Productivity

Productivity is generally defined as the ratio of output to input. Hasibuan (2005) defines productivity as the comparison between the results produced and the resources used. Typically, productivity improvements arise from enhanced efficiency in the use of time, materials, and labor, as well as through system improvements. Moreover, workforce skill enhancement can significantly influence overall productivity. Tb. Sjafri Mangkuprawira (2011) also defines productivity as the ratio of output to input within a production process over a specific period, where input encompasses management, labor, production costs, equipment, and time, while output includes production volume, sales products, income, market share, and product defects. From a normative perspective, productivity implies that today's work performance should surpass that of yesterday, with tomorrow expected to be better than today.

Measuring Productivity

Measuring productivity serves to ascertain and compare a company's production efficiency over the years. Muchdrasyah Sinungan (2008) states that productivity generally represents the comparison between current performance and historical performance. In contexts where resource utilization remains stable, productivity tends to stabilize or increase over time. However, marginal resource additions may not significantly impact production. Such measurements demonstrate relative achievements by comparing current performance with established targets. According to Arikunto (2021), the percentage formula can be utilized to calculate the percentage between planned production and actual production as follows:

C. RESEARCH METHODOLOGY

This study investigates the influence of indirect compensation and intrinsic motivation on employee productivity at PT. Primarindo Asia Infrastructure Tbk Bandung. A quantitative descriptive verificative approach was employed to comprehensively analyze the relationships between these variables. Data collection, operational definitions of variables, research design, and data analysis were meticulously structured to ensure the validity and reliability of the findings.

Data for this research were categorized into primary and secondary sources. Primary data were collected directly from production employees through a structured questionnaire designed with a Likert scale to capture quantitative responses. Secondary data were obtained from internal company records, such as historical performance data and organizational reports, as well as external references like journals and publicly available documents. Data collection involved a combination of observation, interviews, and questionnaires to comprehensively understand the phenomena being studied.

The research model was designed to explore the causal relationships among the variables. Indirect compensation and intrinsic motivation were treated as independent variables, while employee productivity served as the dependent variable. The relationships were analyzed using path analysis, a statistical method that allows for the examination of both direct and indirect effects. The conceptual framework is presented in the following figure:

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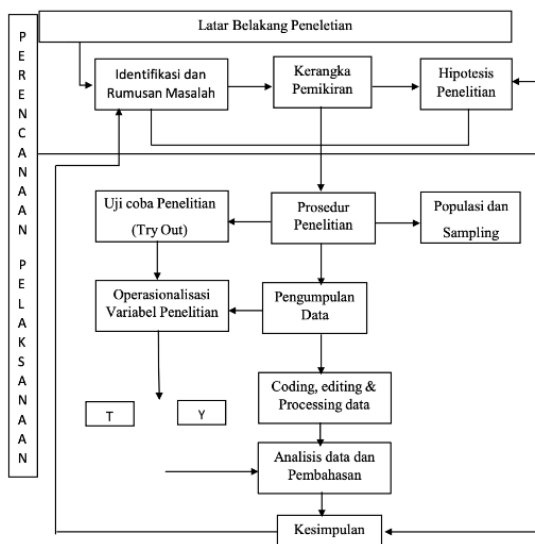


Figure 1. Sugiyono's Conceptual Frameworks

To operationalize the variables, indirect compensation was defined as the non-monetary benefits received by employees, including income-related benefits, quality-of-life improvements, and workplace facilities. Intrinsic motivation was conceptualized as internal drivers influencing employee performance, such as achievement, recognition, task value, responsibility, and growth opportunities. Employee productivity, as the dependent variable, was measured through task completion skills, capacity for execution, and attitudes or behaviors at work.

The study population consisted of 327 production employees, from which a sample of 77 respondents was drawn using Slovin's formula with a 10% error margin. Simple random sampling was applied to ensure that every employee had an equal chance of being included, thus maintaining the representativeness of the sample. Data collected were then analyzed quantitatively.

The analysis process began with validation and reliability testing to ensure the robustness of the measurement instruments. Pearson Product-Moment correlation was used to assess the validity of the questionnaire items, while reliability was confirmed through Cronbach's alpha, where a value of at least 0.70 indicated acceptable consistency. Afterward, statistical tests, including the T-test and F-test, were conducted to evaluate the significance of the relationships between the independent and dependent variables. The T-test examined the individual effects of indirect compensation and intrinsic motivation on employee productivity, whereas the F-test assessed their combined influence. Additionally, the coefficient of determination (R^2) was calculated to measure the explanatory power of the model.

Path analysis was employed to map and quantify the direct and indirect effects of the independent variables on the dependent variable. The analysis revealed the magnitude of these effects, providing a detailed understanding of how indirect compensation and intrinsic motivation contribute to employee productivity. Statistical analyses were conducted using SPSS software to ensure accuracy and reliability of results.

The research hypotheses were formulated as follows: the null hypothesis posited that indirect compensation and intrinsic motivation do not significantly influence employee productivity, whereas the alternative hypothesis proposed that both variables exert a significant impact. The findings from this research offer valuable insights into the dynamics of employee compensation, motivation, and productivity, which are crucial for enhancing organizational performance.

D. RESULT AND DISCUSSION

This study aimed to analyze the impact of indirect compensation (X1) and intrinsic motivation (X2) on employee productivity (Y) among production employees at PT. Primarindo Asia Infrastructure Tbk Bandung. A total of 77 employees participated as respondents, selected using Slovin's formula with a 10% error margin.

Variable Descriptions

Indirect Compensation (X1)

The descriptive analysis of indirect compensation highlighted key components, such as social security programs, financial benefits, and quality-of-life improvements. Respondents generally rated these aspects as highly favorable, with the statement “Annual leave and religious holidays allow me to spend quality time with family” receiving the highest agreement (10.53% contribution). Detailed scores and percentages are presented in Table 4.45 of the original document.

Table 2. Respondents' Perceptions on Indirect Compensation (X1)

Item Description	Strongly Agree (%)	Agree (%)	Neutral (%)	Disagree (%)	Strongly Disagree (%)	Total Score
Social security and retirement benefits improve employee productivity	37.7	55.8	6.5	0.0	0.0	332
Transitional salary for injured/disabled employees supports their well-being	28.6	57.1	13.0	1.3	0.0	318
Social security benefits help replace lost income due to disability	33.8	53.2	9.1	3.9	0.0	321
Satisfaction with financial services in social security and retirement programs	19.5	61.5	14.3	5.2	0.0	304
Training and education benefits enhance job skills	42.9	49.4	7.8	0.0	0.0	335

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Annual leave and religious holidays support family time and work-life balance	55.8	37.7	5.2	1.3	0.0	345
Benefits indicating company care for employee welfare boost motivation and commitment	31.2	62.3	3.9	2.6	0.0	325
Transportation facilities ease commute	44.2	48.1	5.2	2.6	0.0	334
Meal subsidies improve quality of life at work	32.5	57.1	6.5	3.9	0.0	322
Health and wellness programs enhance workplace safety and personal well-being	48.1	46.8	5.2	0.0	0.0	341

Source: Data processed by researchers, 2024

Tabel 1. The study analyzed employees' perceptions of indirect compensation through ten survey items. The findings revealed that most respondents positively acknowledged the various aspects of indirect compensation provided by the company. Social security and retirement benefit programs, as reflected in statements such as "Employee productivity can be improved through social security and retirement programs," were well-received, with 93.5% of respondents agreeing or strongly agreeing (Table 4.1). Similarly, transitional salary support for injured or disabled employees was supported by 85.7% of respondents.

Other elements of indirect compensation, such as satisfaction with financial services in social security programs (81.0% agreement) and training or education allowances to enhance skills (92.3% agreement) further illustrate the company's commitment to supporting employees' well-being and development. Annual leave and religious holidays were particularly valued, with 93.5% of respondents agreeing or strongly agreeing that these benefits help them spend quality time with their families and take breaks from routine work. Transportation facilities and meal subsidies also contributed positively, with 92.3% and 89.6% agreement, respectively. Additionally, health and wellness programs were strongly endorsed by 94.9% of respondents, emphasizing the perceived importance of workplace safety and employee health. Overall, the findings indicate a high level of employee satisfaction with indirect compensation, highlighting its role in improving productivity and motivation.

Intrinsic Motivation (X2)

The analysis of respondents' perceptions on intrinsic motivation (X2) and employee productivity (Y) provides a comprehensive understanding of the factors influencing workplace performance. Intrinsic motivation is measured through various dimensions, such as satisfaction with work results, recognition, personal growth opportunities, and control over tasks. Similarly, employee productivity focuses on skills, efficiency, discipline, and stress management in accomplishing daily tasks.

Table 2 summarizes the findings, highlighting the respondents' levels of agreement across all surveyed items. The results show a predominance of positive responses, with most employees

expressing strong agreement or agreement on statements reflecting intrinsic motivation and productivity. These insights underline the critical role of internal drivers and work capabilities in fostering a productive and motivated workforce.

Table 3. Respondents' Perceptions on Intrinsic Motivation (X2) and Employee Productivity (Y)

Variable	Item Description	Strongly Agree (%)	Agree (%)	Neutral (%)	Disagree (%)	Strongly Disagree (%)	Total Score
Intrinsic Motivation (X2)	I feel satisfied with my work results when achieving set goals	48.1	46.8	5.2	0.0	0.0	341
	I always strive to achieve high standards in my work	48.1	42.9	6.5	2.6	0.0	336
	I am driven to improve performance without waiting for recognition	39.0	51.9	9.1	0.0	0.0	331
	I feel more motivated to work harder when I see satisfying results	51.9	42.9	2.6	2.6	0.0	342
	It is important to recognize my own achievements for my efforts	33.8	53.2	11.7	1.3	0.0	323
	I feel more motivated when appreciated for my work	33.8	59.7	5.2	1.3	0.0	328
	Self-recognition for my efforts gives me great satisfaction	29.9	59.7	7.8	2.6	0.0	321

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I gain satisfaction from the work process itself, not just the outcome	39.0	51.9	5.2	3.9	0.0	328
My job provides opportunities to grow and learn new things	41.6	54.5	2.6	1.3	0.0	336
I feel motivated when using my skills to the fullest in my work	46.8	45.5	6.5	1.3	0.0	337
My work has many aspects that keep me interested in performing well	33.8	59.7	5.2	1.3	0.0	328
I feel in full control of the tasks I handle	33.8	55.8	10.4	0.0	0.0	326
I feel valued when trusted to manage my tasks independently	33.8	55.8	10.4	0.0	0.0	326
Responsibility given to me increases my commitment to work	45.5	48.1	3.9	2.6	0.0	336
I feel motivated when given responsibility to complete tasks my way within job scope	35.1	46.8	9.1	9.1	0.0	314
My job enhances my skills and personal growth	36.4	50.6	10.4	2.6	0.0	324
I see career advancement opportunities in this workplace	35.1	41.6	22.1	1.3	0.0	316

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	My work provides valuable experiences supporting career growth	36.4	57.1	6.5	0.0	0.0	331
	This job improves my professional and personal qualities	36.4	51.9	9.1	2.6	0.0	325
Employee Productivity (Y)	I have specific skills that help me complete tasks quickly and accurately	32.5	59.7	7.8	0.0	0.0	327
	My technical skills are valuable for completing daily tasks	32.5	59.7	7.8	0.0	0.0	327
	My knowledge allows me to work more efficiently	35.1	51.9	11.7	1.3	0.0	324
	My innate abilities help me complete various tasks effectively	32.5	61.0	6.5	0.0	0.0	328
	My interpersonal skills enable me to work well in teams	36.4	55.8	7.8	0.0	0.0	330
	I find it easy to resolve problems encountered in the workplace	26.0	54.5	19.5	0.0	0.0	313
	Discipline helps me stay focused on my tasks	35.1	58.4	5.2	1.3	0.0	329
	I can manage stress well under pressure	24.7	61.0	14.3	0.0	0.0	316
	I remain calm and positive when	22.1	66.2	11.7	0.0	0.0	316

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	facing challenges at work						
	I feel motivated to work even under difficult conditions	24.7	57.1	15.6	2.6	0.0	311
	I have a positive outlook on my job	39.0	51.9	9.1	0.0	0.0	331

Source: Data processed by researchers, 2024

The results from Table 2 indicate that intrinsic motivation (X2) plays a significant role in shaping employee behavior and attitudes at work. Employees predominantly expressed satisfaction with their achievements, recognition, and opportunities for growth, with responses in the "agree" and "strongly agree" categories consistently exceeding 85%. For example, 94.8% of respondents agreed or strongly agreed with the statement "I feel satisfied with my work results when achieving set goals," while 96.1% affirmed that "My job provides opportunities to grow and learn new things." Personal control over tasks also received high positive responses, with 89.6% of respondents agreeing or strongly agreeing that they feel valued when trusted to manage tasks independently. These findings reflect a workforce driven by internal aspirations, autonomy, and a sense of accomplishment.

On the productivity front, employees highlighted technical skills, discipline, and interpersonal abilities as key enablers of effective work performance, with agreement levels consistently above 85%. For instance, 92.2% of respondents agreed or strongly agreed that their technical skills were valuable for completing daily tasks, while 93.5% stated that their knowledge and innate abilities contributed to task efficiency. Similarly, stress management and positivity under workplace challenges also garnered strong responses, with 85.7% agreeing or strongly agreeing that they could manage stress well and maintain a positive outlook. These findings underscore that the alignment between intrinsic motivation and productivity creates an environment conducive to high performance and resilience, ensuring that employees can excel even under challenging conditions.

Validity, Reliability, and Variable Scores

Before analyzing the influence of indirect compensation (X1) and intrinsic motivation (X2) on employee productivity (Y), the questionnaire's validity and reliability were tested to ensure the accuracy and consistency of the measurement tool. The questionnaire, consisting of 40 items, was distributed to 77 respondents. The results confirmed that all items were valid and reliable, enabling further analysis. Table 1 below summarizes the validity, reliability, and descriptive statistics for each variable.

Table 4. Summary of Validity, Reliability, and Variable Scores

Variable	Cronbach's Alpha	Number of Items	Validity (r-count > r-table)	Lowest Score	Highest Score	Actual Score	Classification
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Indirect Compensation (X1)	0.860	10	All Valid	770	3,850	3,277	Very High
Intrinsic Motivation (X2)	0.948	19	All Valid	1,463	7,315	6,249	Very High
Employee Productivity (Y)	0.927	11	All Valid	847	4,235	3,552	High

Source: Data processed by researchers, 2024

The reliability test results showed that Cronbach's Alpha values for all variables exceeded the threshold of 0.7, indicating strong internal consistency for the questionnaire items. Validity testing revealed that all items had correlation coefficients above the critical value ($r_{table} = 0.221$), affirming that the items accurately measured their respective constructs. Descriptive analysis of the actual scores for each variable revealed high to very high classifications. Indirect compensation achieved a total score of 3,277, reflecting a very high perception of benefits such as social security programs and annual leave. Intrinsic motivation recorded a score of 6,249, emphasizing employees' satisfaction with their work processes, recognition, and growth opportunities. Meanwhile, employee productivity scored 3,552, categorized as high, with respondents valuing their skills, stress management, and discipline as key contributors to workplace performance.

The study employed correlation and path analysis to examine the relationships between indirect compensation (X1), intrinsic motivation (X2), and employee productivity (Y). Correlation analysis quantified the strength of relationships between variables, while path analysis was used to understand direct and indirect effects. The results are summarized in Table 2 and Table 3 below.

Table 5. Correlation Between Variables

Variables	Correlation (r)	Significance (p-value)	Category
Indirect Compensation (X1) ↔ Intrinsic Motivation (X2)	0.745	0.001	Strong
Indirect Compensation (X1) ↔ Employee Productivity (Y)	0.772	0.001	Strong
Intrinsic Motivation (X2) ↔ Employee Productivity (Y)	0.817	0.001	Perfect

Source: Data processed by researchers, 2024

The results presented in Table 2 demonstrate strong and significant correlations between the variables of indirect compensation (X1), intrinsic motivation (X2), and employee productivity (Y). The highest correlation is observed between intrinsic motivation (X2) and employee productivity (Y), with a coefficient of 0.817, categorized as "perfect." This indicates that

increases in intrinsic motivation are directly proportional to increases in employee productivity. Employees who are internally motivated tend to perform better as their personal satisfaction, sense of responsibility, and commitment drive their productivity. Additionally, indirect compensation (X1) shows a strong correlation with both intrinsic motivation ($r = 0.745$) and employee productivity ($r = 0.772$). This suggests that indirect benefits, such as social security and training opportunities, not only enhance employee productivity but also boost their intrinsic motivation. The positive and significant relationships across all variables highlight the complementary nature of compensation and motivation in fostering productivity in the workplace.

Table 6. Direct and Indirect Effects on Employee Productivity

Variables	Direct Effect (%)	Indirect Effect (%)	Total Effect (%)
Indirect Compensation (X1)	13.47	22.34	35.81
Intrinsic Motivation (X2)	29.59	14.87	44.46

Source: Data processed by researchers, 2024

The findings in Table 3 highlight the distinct contributions of indirect compensation (X1) and intrinsic motivation (X2) to employee productivity (Y) through both direct and indirect pathways. Intrinsic motivation exerts the strongest total effect on employee productivity at 44.46%, with a direct effect of 29.59% and an indirect effect of 14.87%. This underscores the critical role of internal drivers, such as satisfaction with achievements and opportunities for growth, in enhancing productivity. Employees who are intrinsically motivated not only perform better directly but also benefit from the supportive effects of indirect compensation.

Indirect compensation, on the other hand, contributes a total effect of 35.81%, with the indirect effect (22.34%) surpassing the direct effect (13.47%). This indicates that while compensation packages like social security and benefits have a direct influence on productivity, their impact is amplified when they enhance intrinsic motivation. Together, the findings reveal that intrinsic motivation has a greater overall influence on employee productivity compared to indirect compensation, though both variables significantly contribute to workplace performance. Based on the quantile diagram Indirect Compensation (X1), Intrinsic Motivation (X2), and Employee Productivity (Y) are included in high qualifications, this is because the results stated by respondents' perceptions of the questionnaire are high, presumably due to statements that require respondents to answer in the affirmative.

Indirect Compensation at PT Primarindo Asia Infrastructure Tbk Bandung indicates that employees in this study feel that their Indirect Compensation is quite large or satisfactory. This interpretation suggests that elements such as allowances, facilities or other indirect benefits have a positive impact on employees' perceptions of their compensation, which in turn can affect productivity.

Furthermore, Intrinsic Motivation at PT Primarindo Asia Infrastructure Tbk Bandung has a strong internal motivation to do their job well. Intrinsic Motivation can come from a sense of accomplishment, satisfaction in work, or a sense of responsibility. Intrinsic Motivation indicates that these factors play an important role in determining Employee Productivity.

Employee Productivity at PT Primarindo Asia Infrastructure Tbk Bandung in this study stated that they consider themselves more productive. This is most likely due to the positive

influence of both factors, namely adequate Indirect Compensation (X1) and high level of Intrinsic Motivation (X2). Thus, employees who feel adequate Indirect Compensation support and have strong Intrinsic Motivation tend to show a higher level of productivity in the execution of their work.

E. CONCLUSION

This study revealed that indirect compensation at PT. Primarindo Asia Infrastructure Tbk Bandung has reached a very high level, with a total score of 3,277, significantly exceeding the minimum threshold of 770 and approaching the maximum of 3,850. This indicates that employees perceive indirect compensation, such as benefits, facilities, and other non-monetary incentives, as highly satisfactory. These factors contribute positively to employee satisfaction and performance, ultimately enhancing their motivation and productivity. Intrinsic motivation among employees is also at a very high level, with a score of 6,249, slightly below the maximum value of 7,315 but still within the "very high" category. This suggests that the management of intrinsic motivation effectively fosters employee engagement, long-term retention, and productivity. Employees express strong intrinsic motivation, characterized by satisfaction in achieving personal goals, emotional involvement, and enjoyment of their work processes. Employee productivity at PT. Primarindo Asia Infrastructure Tbk Bandung is classified as high, supported by the company's data on employee performance. According to the questionnaire results, productivity is rated very high, with a total score of 3,552, indicating that respondents feel confident in their ability to achieve excellent productivity levels in their assigned tasks.

The direct effect of indirect compensation on employee productivity is 13.47%, while the indirect effect through intrinsic motivation is 22.34%. This brings the total effect of indirect compensation on employee productivity to 35.81%. The direct effect of intrinsic motivation on employee productivity is 29.59%, while the indirect effect through indirect compensation is 14.87%. This results in a total effect of intrinsic motivation on employee productivity of 44.46%. The combined influence of indirect compensation and intrinsic motivation on employee productivity is captured by the coefficient of determination ($R^2 = 0.728$), indicating that these two variables account for 72.8% of the variance in employee productivity, with the remaining 27.2% influenced by external factors not included in this study. Indirect compensation and intrinsic motivation have a positive and significant effect on employee productivity at PT. Primarindo Asia Infrastructure Tbk Bandung, highlighting the importance of both external and internal factors in enhancing workplace performance and achieving organizational goals.

The company should address gaps related to the social security benefits that help compensate for lost income due to disability. Improvements can be achieved by conducting satisfaction surveys, comprehensive evaluations, infrastructure enhancements, and consultations with relevant stakeholders. Enhancements are also needed in areas related to employees' ability to take responsibility for tasks independently, without exceeding their job scope. Fostering skill development, setting clear expectations, recognizing achievements, and providing continuous feedback can address this issue. The company should prioritize enhancing employee motivation to work even under difficult conditions. Open communication, emotional support, task flexibility, and skill development programs are strategies that can achieve this. By implementing these recommendations, PT. Primarindo Asia Infrastructure Tbk Bandung can holistically optimize its indirect compensation, intrinsic motivation, and employee productivity, fostering a supportive

work environment that enhances employee well-being and drives improved organizational performance.

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