

## The Effect of Compensation and Spiritual Activities on the Effectiveness of Teamwork and their Impact on Productivity

Zany Pria Romaduddin<sup>1)</sup>; Wiyarni Wiyarni<sup>2\*)</sup>

<sup>1, 2)</sup> Postgraduate STIE Malangkeucwara Malang,  
East Java, Indonesia

<sup>\*)</sup> Corresponding:

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**Abstract:** The purposes of this study are to investigate the impact of compensation on teamwork and on work productivity; the impact of spirituality on teamwork and on work productivity; and the impact of teamwork on work productivity. This study is conducted in PT. Jagad Karya Utama. Sample of this study same with the population which is all employees of PT. Jagad Karya Utama, that is 42 employees. This study used partial least squares with smartpls version 3 software. This study found that compensation has a significant impact both on teamwork and on work productivity. Spiritual activity also has a significant effect on teamwork and work productivity. Finally, the teamwork has impact on work productivity.

**Key words:** Compensation, Spiritual Activity, Teamwork, Work Productivity

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### Introduction

Human resources are a very important factor in the growth and development of an organization. Human resources need to be managed properly in order to realize organizational goals. Therefore, every company needs to pay attention to its employees such as compensation and other achievement awards (Ardiyansyah, 2020). Furthermore, compensation is a very important main indicator in a company, the level of the size of a compensation is influenced by several factors, such as position, years of service, education level and other factors that affect compensation. In general, the policy in providing compensation to employees is based on work results or work performance over a certain period of time. Fair and proper compensation for employees will improve the performance of these employees. With adequate allowances, employees will feel at home and comfortable with their work. Vice versa, the worse the distribution of compensation to employees, the worse the employee's performance (Syarifah et al., 2018).

In addition, compensation is also related to the effectiveness of teamwork. Today, the formation of teamwork is considered the best solution to achieve success in organizations (Tarricone & Luca, 2002). They say teamwork is a group of individuals who work together to achieve a common goal. This group of individuals must have clear rules and working mechanisms. It includes coordination and procedures that must be agreed upon by all team members. They say teamwork is a group of individuals who work together to achieve a common goal. This group of individuals must have clear rules and working mechanisms. It includes coordination and procedures that must be agreed upon by all team members.

On the other hand, the success of employees in a team work is also determined by spiritual intelligence. So that employees need to develop themselves through spiritual intelligence that can support themselves in carrying out their duties properly. (Verri, 2011 ). Spiritual intelligence is basically the ability to give the meaning of worship to every behavior and activity, through steps and thoughts that are natural, towards a fully human and have a monotheistic (integralistic) thought pattern and have principles only to Allah (Agustian, 2003).

Someone who has high spiritual intelligence, has good morals and is able to distinguish between bad and good deeds and how he should behave towards others according to his moral values. (Peter & Andris, 2012) . The implementation of spiritual activities is expected to eliminate disgraceful actions from employees such as lazy work, theft, corruption, dishonesty, and lack of discipline. Understanding spirituality in the workplace makes people feel equal and allows them to live in a fear-free environment, so that they are sharper in intuition and creativity (Leo & Nilam, 2015).

As explained in the previous section, compensation and spirituality can strengthen one's role in teamwork. While teamwork is the most important thing in an effort to improve the quality of performance and avoid miscommunication that can occur between employees and leaders so that it leads to increased productivity (Priskilla & Santika 2019). Basically a team is formed to complete work effectively and efficiently, through a group of people who are based on ability, work together, and complement each other to achieve the same goal (Hanafi, 2016). Teamwork is an activity carried out by a number of people in a company to achieve a set common goal. Teamwork is a group whose individual efforts result in higher performance than the sum of their individual inputs. Teamwork is the most important thing to advance performance.

Teamwork is carried out by several employees who have the same goals and strategies in achieving company targets. Teamwork can be interpreted as an employee's attitude in competing in a healthy manner through experience and solving problems appropriately according to their respective expertise (Widiyanti, 2017). Teamwork must also be formed by employees so as to give a good image to the company. Harmonious relationships between teams due to compensation and spiritual activities will create company productivity. Based on this explanation, this study aims to determine the relationship between compensation and spiritual activities on team work to productivity performance.

## **Liteature Review**

### **Compaensation**

Compensation is something that employees receive as compensation for their achievements in carrying out their duties (Nurjaman, 2014). Every company must be fair in providing compensation in accordance with the workload received by employees. Compensation can improve employee performance. Therefore, the company's attention to rational and fair compensation arrangements is needed. If employees perceive that compensation is inadequate for their work performance, their motivation and job satisfaction will tend to decrease.

Notoadmojo (2009) argues that compensation is what employees receive as remuneration for their work. Compensation is important for employees as individuals because the amount of compensation reflects the size of their work among the employees themselves, where companies in determining wages do not look at gender but qualifications. According to (Wibowo, 2014) compensation is the number of packages offered by the organization to workers in return for the use of their workforce. Therefore, compensation is one of the reasons an employee can stay in a company. According to Panggabean (2002) compensation is also called an award or reward and can be defined as any form of award given to employees as a reward for the contributions they make to the organization.

A good compensation system is a system that is able to ensure the satisfaction of a company that acquires, maintains, and employs a number of high-performing employees for the common good. Employees have given all their work abilities to the company, so the company should appreciate the employee's hard work by giving appropriate remuneration. Basically, employees will improve their performance until they reach the agreed goals if their job satisfaction is met. The form of compensation provided by the company to employees or parties involved in the business process can be in the form of material benefits. According to (Werther & Keith, 2014), grouping compensation into two general forms, namely: direct compensation and indirect compensation. Direct compensation consists of basic salary and wages, incentives and profit sharing. Whereas indirect compensation, in the form of welfare and service programs.

### **Spirituality**

Spirituality in the workplace is an interesting topic and is rarely taken as a theme in the world of work, especially related to rituals of religious activities. Spirituality in the workplace is related to efforts that show an increase in the quality of work of an employee or company organization. Spirituality is felt to make employees more effective at work, because they see their work not just looking for money but also getting peace because of the reward on the side of the creator. So that employees often do a better job.

Duchon & Plowman (2005) systematically define that spirituality in the workplace is an individual's self-understanding as a spiritual being whose soul needs nurturing at work with all the values that exist within him, experiences a sense of purpose and meaning in his work and also experiences a sense of interconnectedness. With other people and the community in which the individual works.

Spirituality is a broad concept with various dimensions and perspectives characterized by a feeling of attachment (connection) to something greater than ourselves, which is accompanied by an attempt to find meaning in life or can be explained as a universal and touching experience. Some individuals describe spirituality in their life experiences as a sense of connection/transcendental that is sacred and reassuring. This spirituality is individual, so that the spiritual experience that can happen to someone will not be the same as the spiritual experience experienced by others.

Spiritual intelligence is the awareness within us that allows us to discover and develop innate talents, intuition, inner authority, the ability to distinguish between right and wrong and wisdom. Thus, spiritual intelligence is a necessary foundation for the effective functioning of the Intellectual and Emotional quotient. Even spiritual intelligence is the highest human intelligence (Danah & Ian, 2001).

### **Teamwork**

The purpose of forming a team is so that the work carried out can be completed effectively and efficiently compared to if the work is done individually. A work team is a group in which individuals produce a

level of performance that is greater than the individual's input (Robins, 2006). In general, work teams can also be defined as formal groups consisting of separate individuals and are responsible for achieving a goal (Robins, 2006).

Work teams must function as cooperative and productive players to achieve the desired results, emphasizing the importance of cohesiveness that 'collaboration' as a process in which two or more people implement and evaluate joint activities. Teamwork is like an orchestra that works together to make beautiful music. If one of the players plays the wrong instrument correctly, it can lead to disharmony. Teamwork will be successful only if employees can give up the attitude to compete and choose to concentrate on different views and skills to overcome problems or challenges with different perspectives and come together.

**Work Productivity**

Productivity is a process where human resources can produce an output with a productive size. Productivity can also be interpreted as a process that focuses attention on the output produced by human resources with a ratio between input and output (Ramadon et al., 2017). Work Productivity is where goods and services are produced by each individual or group that shows consideration between inputs and outputs with more efficient performance measures (Wibowo, 2018). According to Handoko (2011) the factors that affect work productivity are: (1) Education level (2) Skills (3) Work discipline (4) Motivation (5) Nutrition and health (6) Income level (7) Social security (8) Work environment and climate (9) Industrial relations (10) Technology (11) Production facilities (12) Management (13) Achievement opportunities.

**Conceptual Framework**

Based on the literature review above, the conceptual framework of this study can be describe in the figure 1 below.

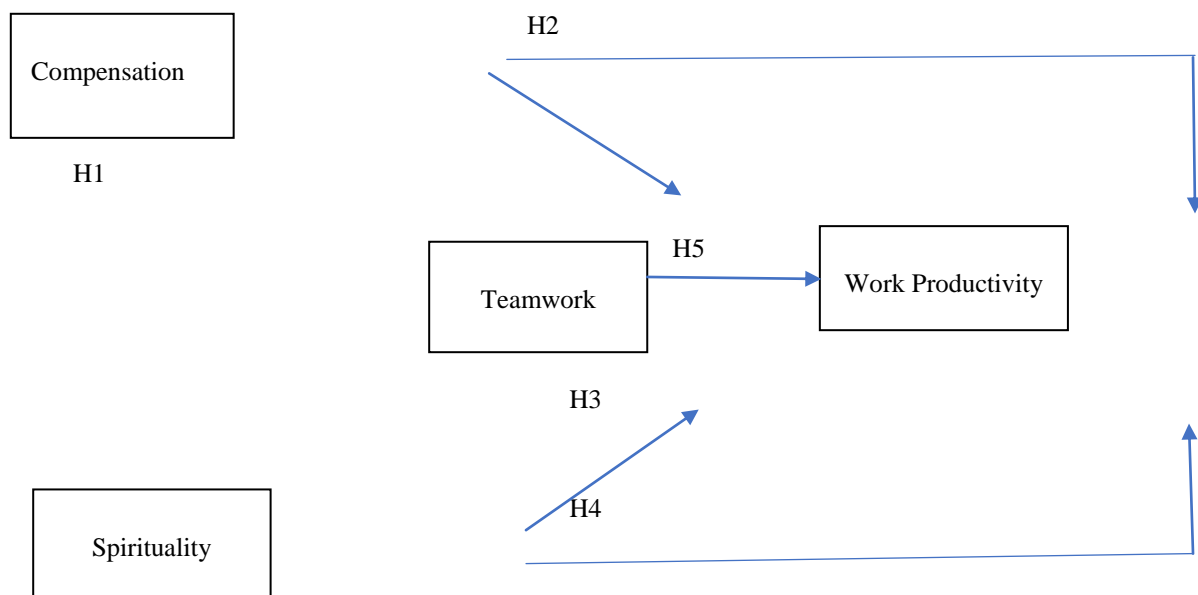


Figure 1  
Conceptual Framework

Based on the figure 1 above, the hypotheses of this study can be developed as follows:

- H1: Compensation has a significant impact on teamwork
- H2: Compensation has a significant impact on work productivity
- H3: Spirituality has a significant impact on teamwork
- H4: Spirituality has a significant impact on work productivity
- H5: Teamwork has a significant impact on work productivity

### Research Method

The population in this study were all employees of PT. Jagad Karya Utama. The total number of employees of PT. Jagad Karya Utama in January 2022 is 42 people. Variables of this study are compensation, spiritual activity, team work, and work productivity. The indicators of compensation are adopted from Kasmir (2016). Those indicators are Salary and wages, Incentives, Allowances, Overtime, and Insurance. Indicators of spiritual activity are adopted from Prasetyo (2016) that consist of Reading Al Quran, Prayer, and Alms. Team work has indicators Cooperation, Trust, Compactness, Mutual contribution, and High commitment. These indicators are adopted from Robbins & Judge (2015). Work productivity has 5 indicators that consist of Effectiveness, Able to complete employees' jobs, Quality of work, Efficient, and Time required. These indicators are adopted from Smith & Wekeley (1995).

The analysis tool used in this study was partial least squares with smartpls version 3. The first step of this analysis is evaluation of measurement model or outer model. This model specifies the relationship between latent variables and their indicators. or it can be said that the outer model defines how each indicator relates to its latent variables. Tests performed on the outer model are Convergent Validity, Discriminant Validity, and Composite Reliability. The second step is evaluation of structural model or inner model. There are several tests for the structural model, namely: R Square, Estimate for Path Coefficients, and Prediction relevance (Q square).

### Results and Discussion

Based on the results of data processing, respondents' responses to the compensation, spiritual activity, team work, and work productivity variables can be seen in table 1, 2, 3, and 4 below.

Table 1  
Compensation Variable

Variable	Indicators	Average
Compensation	Salary and wages	3.867
	Insentive	4.093
	Allowance	4.107
	Overtime	3.653
	Insurance	3.787

Source: Data processed 2022

Indicators of the compensation variables that have a low average below 4, namely indicators of salary and wages, overtime and insurance. This reflects the company's need to pay attention to the items mentioned, thus the company should increase the amount of salaries and wages, overtime pay and pay attention to insurance. In the context of the standard salary, it needs to be increased according to the ability of the company or at least with the laws and regulations or in accordance with the regional minimum wage.

The overtime policy is considered if you have to get more compensation in numbers so that overtime is widely approved by employees, so employees will be happy if they get time allotment for overtime. Employment and health insurance payments need to be considered by companies for their employees, companies that still provide direct benefits because the age of workers is still below the time determined by legislation, if later there is an obligation, the company should register its employees to get insurance.

Table 2  
Spiritual Activity Variable

Variable	Indicator	Average
Spiritual activity	Reading Al Quran	4,227
	Prayer	4,493
	Alms	4,453

Source: Data processed 2022

Base on the table 2 above, the spiritual activity variable, the average value is above 4 all, indicating that spirituality activities are highly approved by employees, the company needs to carry out better spiritual activities. By regularizing and evaluating spiritual ritual activities that are carried out continuously so that employees are enthusiastic and can give blessings to the company where they live to earn a living for their families.

Table 3  
 Team Work Variable

Variable	Indicator	Average
Team work	Cooperation	3,813
	Trust	4,213
	Compactness	4,467
	Mutual contribution	4,307
	High commitment	4,067

Source: Data processed 2022

Base on the table 3, the teamwork variable that should get enough attention is the indicator of cooperation, it could be that the cooperation carried out by employees in the company has problems. There are many possibilities that can be taken and improved, the ones that get enough attention are the feeling of mutual understanding of the duties and authorities of each person, then good communication methods, thus it is necessary to hold a company gathering which during the pandemic this activity is very rarely done and training is held that makes cooperation between the team is getting better.

Table 4  
 Work Productivity Variable

Variable	Indicator	Average
Work productivity	Effectiveness	3,520
	Able to complete employees' jobs	3,827
	Quality of work	4,013
	Efficient	3,507
	Time required	4,053

Source: Data processed 2022

From the data above, it can be seen that the value of the effectiveness indicator is below the average of 4, indicating that employee performance is less effective, it can be a special concern for management to make performance effective, including frequent coordination between departments or by preparing good planning and coordinating with stakeholders. more policies. After the company's ups and downs, an organizational assessment is needed by the company, this is made for a better and organized organization.

For employees who have not been able to maximally complete the task completely, it can be analyzed first from the explanation of the task, whether it is unclear or not, so that when working there are not many questions. then apart from being clear the order may need a firm and clear evaluation, reporting to the team so that it can be known what the next step to be done. For efficient indicators, it can be seen again what the implementation of the employee's work is, so that it can be seen what can be made more efficient, by analyzing the duties of each employee, there may be a double job side with the department so that it is ineffective. Figure 2 below describe the results of Bootstrapping Overall Model using SmartPLS version 3

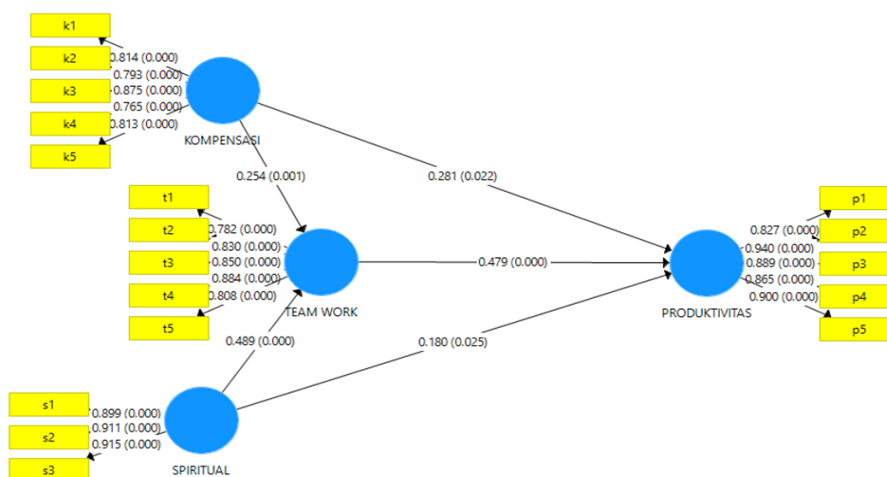


Figure 2  
 Results of SmartPLS Software

Notes:

Kompensasi = Compensation

Produktivitas = Productivity

Based on the figure 2 above, all indicators of compensation, spiritual activity, team work, and work productivity variables have loading factor value above 0.7. This means that all of these indicators can be used in testing further research models, because they have met convergent validity, meaning that they are good in measuring the variables.

It can also be seen in the figure 2 the results of path coefficients. The estimation results of the inner model for the direct effect of compensation on team work show a path coefficient value of 0.254 where the value is greater than 0 with an error rate value of less than = 5%, this shows that the direct effect of compensation on teamwork is significant. The resulting effect is positive, which means that the better the compensation, the greater the teamwork will be. On the other hand, the less good the compensation, the less teamwork will be. For the direct impact of spiritual activity on team work is significant, because the value of coefficient is 0.489. The resulting influence is positive, which means that the better the spirituality, the greater the teamwork will be. On the other hand, the less good the spirituality, the less teamwork will be.

The estimation results of the inner model for the direct effect of compensation on productivity show a path coefficient value of 0.281 where the value is greater than 0 with an error rate value of less than = 5%, this shows that the direct effect of compensation on productivity is significant. The resulting effect is positive, which means that the better the compensation, the higher the productivity. And vice versa, the less good the compensation, the lower the productivity. The estimation results of the inner model for the direct effect of compensation on productivity show a path coefficient value of 0.479 where the value is greater than 0 with an error rate value of less than = 5%, this shows that the direct influence of teamwork on productivity is significant. The resulting influence is positive, which means that the better the teamwork, the more productivity will increase. And vice versa, the less good the compensation, the lower the productivity.

The estimation results of the inner model for the direct influence of spirituality on productivity show a path coefficient value of 0.180 where the value is greater than 0 with an error rate value of less than = 5%, this shows that the direct influence of spirituality on productivity is significant. The resulting effect is positive, which means that the better the spirituality, the higher the productivity. And vice versa, the less good spirituality, the productivity will also decrease. Based on the results of path coefficients, it can be concluded that all hypotheses of this study (five hypotheses) are accepted.

Table 5 below describe the result of discriminant validity.

Table 5  
Average Variance Extracted (AVE)

	Average variance extracted (AVE)
Compensation	0.660
Spiritual activity	0.825
Team work	0.691
Work productivity	0.783

Source: Data processed 2022

Based on the table 5 above, the AVE value for each construct is greater than 0.5, so it can be concluded that the constructs of compensation, spiritual activity, teamwork and productivity are good models, so that all constructs in the estimated model meet the criteria for discriminant validity. Table 6 below describe the construct reliability of this study.

Table 6  
Construct Reliability

	<i>Cronbach's Alpha</i>
Compensation	0.875
Team work	0.888
Spiritual activity	0.895
Work productivity	0.930

Source: Data processed 2022

Construct reliability based on Cronbach's alpha value is good if the value is above 0.70. Based on the table above, it can be seen that the cronbach alpha for the compensation variable is 0.875, teamwork is 0.888,

spiritual is 0.895, productivity is 0.930 where the 4th Cronbach alpha values of the constructs in the model are all greater than 0.70. Thus, it can be said that the variables of Compensation, teamwork, spiritual activity and productivity really have high construct reliability, with a very strong level of reliability. So that the model in this study has met construct reliability. The result of determinant coefficients of this study can be seen in the table 7 below.

Table 7  
Determinant Coefficient

	R square	R square Adjusted
Work productivity	0.578	0.560
Teamwork	0.379	0.361

Source: Data processed 2022

Goodness of fit in Partial Least Square can be seen from the value of  $Q^2$ . The value of  $Q^2$  has the same meaning as the coefficient of determination (R-square /  $R^2$ ) in the regression analysis. The higher  $R^2$ , the model can be said to be more fit with the data. A Q-Square value greater than 0 (zero) indicates that the model has predictive relevance, while a Q-Square value less than 0 (zero) indicates that the model lacks predictive relevance (Ghozali, 2006). From table 7, it can be seen that the value of  $Q^2$  is as follows:

$$\text{Value of } Q^2 = 1 - (1 - R^2_1) \dots (1 - R^2_n)$$

$$= 1 - (1 - 0.578) (1 - 0.379)$$

$$= 0.738 = 73,8\%$$

In this research model, the R-square value generated in the overall model equation is 73.8%, this means that the structural model has very high predictive relevance, the model is getting better and feasible to use in predictions.

### Conclusion

The purpose of this study is investigate the the effect of compensation and spiritual activities on the effectiveness of team work and their impact on productivity. Using Partial Least Square and SmartPLS software, this study found that compensation has a significant influence of team work and also on work productivity. The spiritual activity also has a significant effect on team work and on work productivity. The team work variable also has a significant impact on productivity.

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