

Analysis of Compensation Systems Based on Salary Mapping Adhered and Overlapping Methods in RL SMEs

Analisis Sistem Kompensasi Berdasarkan Metode Salary Mapping Adhered dan Overlapping Pada RL SMEs

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ABSTRACT

RL SMEs operates a business in the food & beverage sector. In providing compensation to employees, the salary mapping system of RL SMEs considers ten compensable factors. The ten compensable factors used are education, experience, communication, problem-solving analysis, customer service orientation, planning & coordination, working conditions, freedom of action, physical effort, and impact & influence. Providing compensation to RL SMEs aims to create internal justice and to improve employees performance and productivity. One indicator of the compensation system is ideal, namely when the mid to mid is smaller than the spread. Meanwhile, the compensation system for RL SMEs could be better because there is still a mid to mid value more significant than the spread value, so it is necessary to improve salaries using adhered and overlapping methods. In this study, we collected data by interviewing RL SMEs owners and distributing questionnaires to RL SMEs employees. The researchers conducted this research in Kebayoran Baru, South Jakarta. The results of this study indicate that an effective and efficient method of improving base salary for RL SMEs is the overlapping method because it results in an increase in salary for each grade that is not too far from the actual base salary and a more even distribution of salary.

Keywords: Adhered, Compensation, Overlapping, Salary Mapping

ABSTRAK

RL SMEs merupakan usaha yang bergerak di bidang *food & beverage*. Sistem pemetaan gaji pada RL SMEs menggunakan 10 *compensable factors* yang menjadi pertimbangan dalam memberikan kompensasi kepada karyawan. Adapun 10 *compensable factors* yang digunakan, yaitu pendidikan, pengalaman, komunikasi, analisis pemecahan masalah, orientasi pelayanan pelanggan, perencanaan dan koordinasi, kondisi kerja, kebebasan bertindak, upaya fisik, serta dampak dan pengaruh. Pemberian kompensasi pada RL SMEs bertujuan untuk menciptakan keadilan internal serta sebagai upaya untuk meningkatkan kinerja dan produktivitas karyawan. Salah satu indikator sistem kompensasi dikatakan ideal yaitu ketika *mid to mid* lebih kecil dari *spread*. Sementara, sistem pemberian kompensasi pada RL SMEs belum terbilang ideal karena masih ditemukan nilai *mid to mid* yang lebih besar dari nilai *spread*, sehingga perlu dilakukan pembenahan gaji dengan menggunakan metode *adhered* dan *overlapping*. Pengumpulan data pada penelitian ini dilakukan melalui wawancara dengan pemilik UKM dan penyebaran kuesioner kepada para karyawan RL SMEs. Penelitian ini dilakukan di Kebayoran Baru, Jakarta Selatan. Hasil dari penelitian ini menunjukkan bahwa metode pembenahan gaji pokok yang efektif dan efisien bagi RL SMEs adalah metode *overlapping* karena menghasilkan jumlah peningkatan gaji pada setiap *grade* yang tidak terlalu jauh dari gaji pokok aktual dan distribusi gaji yang lebih merata.

Kata Kunci : Adhered, Kompensasi, Overlapping, Salary Mapping

1. Introduction

Ismail et al. (2022) stated that most companies adjust their salary system based on the number of workers, workload, and financial capabilities. The company designed its salary mapping system fairly and equitably by considering several compensable factors and job duties, including skills, knowledge, abilities, competencies, duties, responsibilities, working conditions, job complexity, and work experience. Mujanah (2019) suggested that having a sound salary mapping system can ensure employees satisfaction in the company, making appropriate compensation determination a strategy for retaining employees. Companies must use an appropriate salary mapping method to create internal and external fairness. "Mujanah (2019) explained that job evaluation forms the basis for internal fairness, emphasizing the company's internal salary structure. On the other hand, external fairness focuses on comparing the company's salaries with similar companies outside the organization through benchmarking.

The process of determining salary, better known as compensation, goes through many considerations and calculations. Compensation is a calculation or consideration of the overall wages of employees, both directly in the form of material (financial) and not in material (non-financial) form (Utami, 2019). Giving compensation to an organization has implications for improving the internal quality of the organization, such as increasing employees performance, for example, giving compensation to RL SMEs. The object of this research is RL SMEs, a business engaged in the food and beverage sector located in South Jakarta, with compensation in the form of salary (financial) and several forms of non-financial compensation. The compensation system in the form of salary for UKM could be better. One indicator of the compensation system is ideal, namely when the mid to mid value is smaller than the spread value.

Meanwhile, the compensation system for RL SMEs has yet to be ideal because there is still a mid to mid value more significant than the spread value. Therefore, it is necessary to improve the salary structure for RL SMEs to achieve internal justice for SMEs. RL SMEs need to improve their salary structure to achieve internal fairness. RL SMEs involve analyzing the compensable factors to improve the salary process. To determine job value, organizations use compensable factors. The company will reward these factors according to the different factor values for each job and workload (Regina & Kartika, 2016).

2. Methods

Research Framework

This study uses the following research framework:

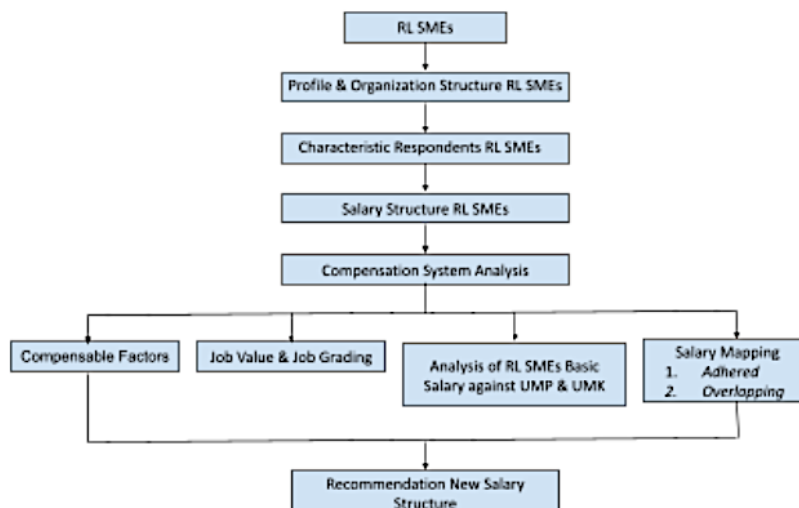


Figure 1. Research Framework

Location and Time of Research

The researchers conducted this research at RL SMEs in Kebayoran Baru, South Jakarta. The analysis took place over four weeks, from February to March 2023. To complete the project, we followed these steps: gathering information, analyzing data, making revisions, and compiling scientific articles. The RL SMEs case study was analyzed offline by coming directly to the UKM and online via Zoom and Whatsapp.

Data Types and Sources

This study uses primary data sources and secondary data. RL SMEs employees filled out questionnaires using a Google form to gather primary data. Additionally, we interviewed internal experts from RL SMEs, including the owner and commissioners, both offline and online via Zoom. Charging Questionnaires were also carried out by experts using method pairwise comparison or method comparison in pairs (Meanwhile, secondary data is obtained by studying literature, such as theses, scientific journals, articles, and other reliable sources.

Data Processing and Analysis Methods

Data system compensation is processed And analyzed through job value And job grading by determining the compensable factor through the given grade method in RL SMEs. To ensure fair wages for small and medium-sized enterprises in RL SMEs, we conducted a salary survey and salary mapping using both adhered and overlapping methods. We recommend a more suitable salary structure for the organization based on our findings.

3. Result and Discussion

Overview RL SMEs

RL SMEs is a business engaged in the food and beverage sector. The experts in RL are located in South Jakarta's Kebayoran Baru neighborhood. Two young men founded this SME in October 2022. RL SMEs offer a unique food product called food fusion. This type of food combines different culinary traditions and techniques into one dish. It is available for purchase on our website. Fusion, which is the food menu of RL SMEs, is Western-Indonesian. In addition to food, RL SMEs offer a variety of beverages, including coffee and other trendy Western drinks.

RL SMEs vision is to reap the benefits of its business operations. To realize this vision, RL SMEs carries out its mission by providing the best service and products that can produce and increase consumer satisfaction. RL SMEs believes that when customers are satisfied with their service and product aspects, the position of SMEs in the market will be strong, and customers will be loyal to SMEs. The company's profits will be affected both directly and indirectly by this. RL SMEs applies the 5S work culture in work: Smile, Greeting, Greet, Polite, and Polite.

RL SMEs has two owners who each act as the principal commissioner and the principal director. In addition, RL SMEs has 24 permanent employees: one head chef, one finance manager, one purchasing manager, one consultant, one sous-chef, two station chefs, one junior chef, one person bar leader, one captain, four baristas, four servers, three cleaning service, and 3 parking attendants. RL SMEs also has 3 freelance employees who play a role in the company's marketing. The following is the organizational structure of RL SMEs:

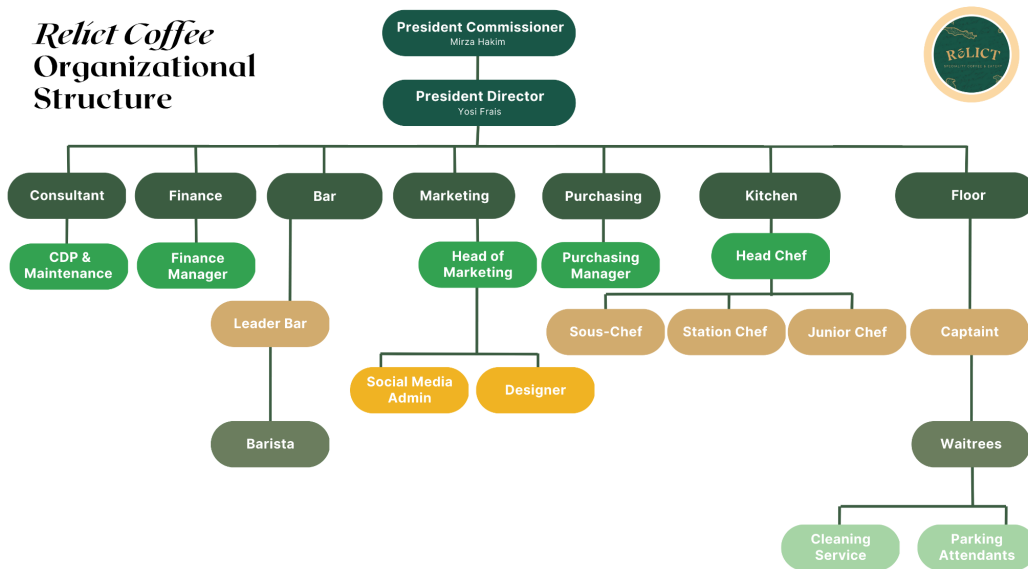


Figure 2. RL SMEs Organizational Structure

Analysis of Respondent Characteristics

This study's primary salary data survey came from RL SMEs employees, totaling 24 respondents. The characteristics of the respondents were determined based on gender and level of education, as attached in Table 1.

Table 1. Analysis Characteristics Respondents

	Gender		Education			
	P	L	JHS	SHS	D3	S1
Head Chef		1				1
Finance Manager	1					1
Purchasing Manager		1				1
Consultant		1				1
Sous Chef		1			1	
Station Chef		2		2		
Junior Chef		1		1		
Leader Bar		1		1		
Captain		1		1		
Barista	3	1		4		
Waitress	3	1		4		
Cleaning Service		3		3		
Parking Attendants		3				

Source: Processed data (2023)

Based on the information in the table, there are seventeen male and seven female employees. The male employees are the head chef, purchasing manager, consultant, sous chef, station chef, junior chef, bar leader, captain, barista, waitress, cleaning service, and parking attendant. Meanwhile, female employees dominate the finance manager, barista, and server positions. The education level of most RL SMEs employees is at the high school level. In addition, this study also used two internal experts who were resource persons in determining compensable factors. The following is an expert profile from RL SMEs:

Table 2. Profile of RL SMEs Internal Expert

Expert	Organization	Position	Last education
1	RL SMEs	Commissioner	S1/Equivalent
2	RL SMEs	owner	S1/Equivalent

Source: Processed data (2023)

Overview of the RL SMEs Compensation System

Analysis of the compensation system in RL SMEs salary mapping based on position levels determines compensation. The salary structure of RL SMEs shows that RL SMEs has 24 permanent employees with 13 different job titles. The total expenditure of RL SMEs to pay the basic salary per month is IDR 92,675,000.00. The following is the monthly primary salary data for each RL SMEs employee.

Table 3. Basic Salary Data per Month for RL SMEs Employees

Grade	Employee Name (Note: Disguised)	Basic Salary Per Month (Rp)
I	Head Chef	8,000,000
	Finance Manager	6,000,000
	Purchasing Manager	5,000,000
	Consultants	5,000,000
II	Sous-Chef	4,725,000
	Station Chef 1	4,650,000
	Station Chef 2	4,650,000
	Junior Chef	4,150,000
	Leader Bar	4,100,000
	Captain	4,000,000
III	Baristas 1	3,500,000
	Baristas 2	3,500,000
	Baristas 3	3,500,000
	Baristas 4	3,500,000
	Waitress 1	3,500,000
	Waitress 2	3,500,000
	Waitress 3	3,500,000
	Waitress 4	3,500,000
IV	Cleaning Service 1	4,725,000
	Cleaning Service 2	4,650,000
	Cleaning Services 3	4,650,000
	Parking Attendant 1	4,150,000
	Parking Attendant 2	4,100,000
	Parking Attendant 3	4,000,000

Source: RL SME Owner Interview Data (2023)

Job Value and Job Grading RL SMEs

Job value is a process of identifying and measuring compensable factors or factors that have the competence to influence the determination of compensation in each job (Eargle, 2013). Determining the value of work must be carried out systematically and properly organized (Chaneta, 2014). Organizations use job values to determine the grading of a job. The design of a compensation system through salary classification by a company must create justice for every

employee so that all parties can accept it. The following are steps to determine the ideal compensation for SMEs RL.

1. Compensable Factor

The first step in designing a compensation system must be determining compensable factors. We obtained ten compensable factors by interviewing experts from internal RL SMEs. We used cluster classification based on the Hay Method to categorize them. Table 4 below displays the compensable factors.

Table 4. Compensable Factors

Cluster (Hay Method)	Compensable Factors	Total Grade	Source
Know How	Education	4	(Comitee, 2009)
	Experience	4	(Comitee, 2009)
	Communication	4	(The NHS Staff Council, 2013).
Problem Solving	Problem-Solving Analysis	3	(Comitee, 2009)
	Customer Service Orientation (CSO)	3	(Hay Group, 2005)
	Planning - Coordination	3	(Comitee, 2009)
Accountability	Working Conditions	3	(Comitee, 2009)
	Freedom of Action	3	(Comitee, 2009)
	Physical Effort	4	(Comitee, 2009)
	Impact & Influence	4	(Hay Group, 2005)

2. Determination of Level or Weight for Each Job Title

Determining the value or weight of each compensable factor is an important step in designing a compensation system. In RL SMEs, ten factors are taken into consideration when compensating employees.

HAY THEORY												
Compensable factor	Education	Experience	Communication	Problem-Solving Analysis	Customer Service Orientation	Planning/Coordination	Working Conditions	Freedom of Action	Physical Effort	Impact and Influence	Weight	Percentage
Education	1,00	0,20	0,33	0,17	0,33	0,25	3,00	0,33	5,00	0,20	10,82	4,88%
Experience	5,00	1,00	3,00	2,00	3,00	4,00	7,00	5,00	8,00	3,00	41,00	18,52%
Communication	3,00	0,33	1,00	0,33	3,00	0,33	5,00	3,00	7,00	0,33	23,33	10,54%
Problem-Solving Analysis	6,00	0,50	3,00	1,00	4,00	2,00	6,00	5,00	7,00	3,00	37,50	16,94%
Customer Service Orientation	3,00	0,33	0,33	0,25	1,00	0,50	5,00	3,00	6,00	0,14	19,56	8,83%
Planning/Coordination	4,00	0,25	3,00	0,50	2,00	1,00	5,00	3,00	6,00	0,33	25,08	11,33%
Working Conditions	0,33	0,14	0,20	0,17	0,20	0,20	1,00	0,20	3,00	0,20	5,64	2,55%
Freedom of Action	3,00	0,20	0,33	0,20	0,33	2,00	5,00	1,00	7,00	0,20	19,27	8,70%
Physical Effort	0,20	0,13	0,14	0,14	0,17	0,17	0,33	0,14	1,00	0,14	2,56	1,16%
Impact and Influence	5,00	0,33	3,00	0,33	7,00	3,00	5,00	5,00	7,00	1,00	36,67	16,56%
TOTAL											221,43	100,00%

Figure 3. Compensable Factor Weighting

Giving weight to each compensable factor in RL SMEs uses the pairwise comparison method. A scale of 1 to 9, based on Saaty's theory from 1990, is used to establish the priority ranking of factors. The researchers rated the importance of factors on a scale of 1 to 9, with 1 being equal and 9 being the most significant. They found that the three most important factors, based on the calculated weights, are skill (41), problem-solving through factor analysis (37.5), and impact and influence (36.67).

3. Determination of Points for Each Compensable Factor

A total of 13 job titles in RL SMEs will be assessed based on the level of each predetermined compensable factor. This step is important to obtain the results of calculating the number of weights and values for the factors in each position.

Job title/ Compensable factor	Number of People	Know How			Problem Solving		Accountability				
		Education	Experience	Communication	Problem-Solving Analysis	Customer Service Orientation (CSO)	Planning - Coordination	Working Conditions	Freedom of Action	Physical Effort	Impact & Influence
Headchef	1	4	4	4	3	3	3	2	3	3	4
Finance Manager	1	4	3	3	3	3	3	3	3	1	4
Purchasing Manager	1	4	3	4	3	3	3	3	3	1	4
Consultant Product Development & Maintenance	1	4	4	3	3	3	3	3	3	1	4
Sous-Chef	1	3	3	3	3	2	2	3	3	3	3
Station Chef (2)	2	2	3	3	3	2	2	3	3	3	3
Junior Chef	1	2	3	2	2	2	2	2	2	3	3
Leader Bar	1	2	3	2	2	3	2	2	2	2	2
Captain	1	2	3	2	2	3	2	2	2	2	2
Barista (4)	4	2	2	1	1	2	1	3	2	3	2
Waittres (4)	4	2	2	1	1	2	1	3	1	3	2
Cleaning Service (3)	3	2	1	2	2	1	1	1	1	4	1
Parking Attendant (3)	3	1	1	2	1	1	1	1	2	2	1

Figure 4. Compensable Factor Value of Each Job Title

You can find the factor values for each job title by looking at Figure 4. Next, the job value for each job title is determined by multiplying the weight and value and then sorting them from highest to lowest.

Job title/ Compensable factor	ΣNx B (Job Value)	Number of People
Headchef	770	1
Finance Manager	707	1
Purchasing Manager	730	1
Consultant Product Development & Maintenance	748	1
Sous Chef	620	1
Station Chef	609	2
Junior Chef	523	1
Leader Bar	503	1
Captain	503	1
Barista	365	4
Waittres	346	4
Cleaning Service	301	3
Parking Attendant	267	3

Figure 5. Job Value Calculation Results

Based on the calculation of the work value for each job title, the highest score is 770 for the head chef position. The parking attendant position had the lowest score, with a score of 267.

4. Job assignment Grading

There are two methods for grading, the min-max method and the given grade method. The researchers in this study determine job grading using the given grade method. In order to assign job grades, we need to give weights to different factors for each job and compute its overall value.

GIVEN METHOD						
Job title/ Compensable fact =	ΣNx B (Job Value) =	Number of People	Total Point	Given		Given Grade
Headchef	770	1	770	644	770	GRADE IV
Consultant Product Development & Maintenance	748	1	748			
Purchasing Manager	730	1	730			
Finance Manager	707	1	707			
Sous-Chef	620	1	620	519	644	GRADE III
Station Chef	609	2	1218			
Junior Chef	523	1	523			
Captain	503	1	503			
Leader Bar	503	1	503	393	519	GRADE II
Barista	365	4	1460			
Waittres	346	4	1384	267	393	GRADE I
Cleaning Service	301	3	903			
Parking Attendant	267	3	801			
			10870			

Figure 6. Job Grading Given Method

Based on Figure 6, this study classifies job titles into four grades (given grade). The calculation mechanism for determining job grading based on a given grade is as follows:

- Determine the interval value for each grade given (given grade) by calculating the difference between the highest and the job value numbers Lowest.

$$\text{Interval} = (\text{highest job value} - \text{lowest job value})$$

$$= 770 - 224$$

$$= 137$$
- Furthermore, determining the upper limit for a given grade I is obtained by adding up the interval value with the job value number Lowest.

$$\text{Upper limit given grade I} = (\text{lowest job value} + \text{interval})$$

$$= 224 + 137$$

$$= 361$$
- The upper limit of the given grade I This will serve as the minimum limit for the given grade II. Then, when added to the interval value, it will produce the upper limit given grade II. So so on until generated limit on given grade IV.

$$\text{The minimum limit of given grade II} = \text{The Upper limit given grade I}$$

$$\text{The upper limit of given grade II} = (\text{Minimum limit of given grade II} + \text{Interval})$$

$$= 361 + 137$$

$$= 498$$

This process will continue until the company reaches the maximum limit for grade IV.

Analysis of RL SMEs Basic Salary against UMP and UMK

To conduct the analysis, we compared the basic salary of RL SMEs to the 2023 DKI Jakarta UMP of IDR 4,901,798 and the 2023 South Jakarta UMK of IDR 4,873,996. After examining the data, we discovered that four job titles within Grade IV have a basic salary exceeding the DKI Jakarta UMP (3.89%) and South Jakarta UMK (3.92%). A total of four employees occupy these four positions. A total of four employees occupy these four positions. Meanwhile, the remaining three grades have a lower basic salary than the UMP DKI Jakarta and UMK South Jakarta with the following details: (1) 5 job titles in Grade III with a total of 6 employees have a lower base salary of 4.36% than the UMP DKI Jakarta and 4.39% from South Jakarta UMK; (2) 2 job titles in Grade II with a total of 8 employees have a lower base salary of 4.46% from the DKI Jakarta UMP and 4.49% from the South Jakarta UMK; and (3) 2 job titles in Grade I with a total of 6 employees having a lower base salary of 2.18% from the DKI Jakarta UMP and 2.2% from the South Jakarta UMK. Figure 7 compares the basic salary

of RL SMEs and the DKI Jakarta UMP and South Jakarta UMK.

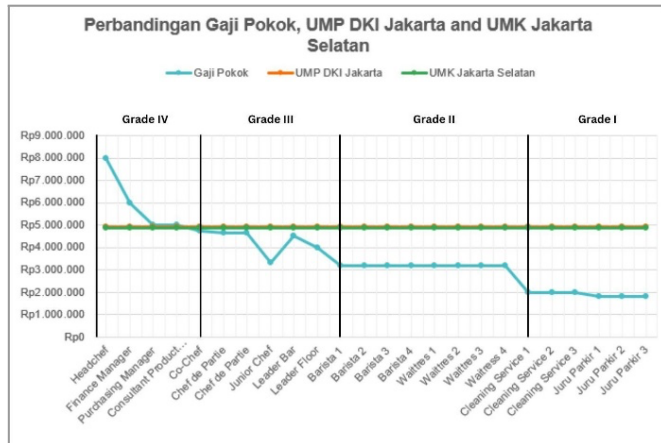


Figure 7. Graph of Comparison of Basic Salary, UMP DKI Jakarta and UMK South Jakarta

Based on confirmation from the RL SMEs owner, besides receiving a basic salary, several employees also receive benefits in the form of holidays, transportation, and meal allowances. They also receive overtime pay and a 5 percent bonus based on the sales chart. However, there are exceptions in the provision of benefits, overtime pay, and bonuses for several job titles, including parking attendants who only receive holiday allowances, cleaning services who only receive holiday allowances and meal allowances, and finance managers, purchasing managers, and consultants who do not get overtime pay.

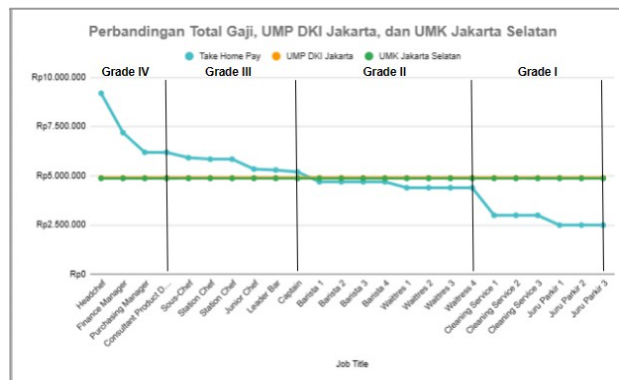


Figure 8. Graph of Total Salary Comparison, DKI Jakarta UMP, and South Jakarta UMK

Providing benefits, overtime pay, and bonuses increase the salary earned by every employee at RL SMEs. However, the provision of allowances, overtime pay, and bonuses do not necessarily increase the salary earned above the DKI Jakarta UMP and South Jakarta UMK for employees classified as Grade I and II. Meanwhile, salaries for employees who are at Grade III are worth more than the DKI Jakarta UMP and South Jakarta UMK after receiving benefits, overtime pay, and bonuses. Figure 8 shows the visualization of the comparison of the total salary earned by employees of RL SMEs with UMP DKI Jakarta and UMK South Jakarta.

Salary Mapping RL SMEs

Salary mapping is a stage that is used as a way to get the spread value as well as the mid to mid base salary value for each position. The formula used to get the midpoint value, spread, and mid to mid salary:

$$\text{Midpoint (Average)} = \frac{\text{The Total Salary at The Position Level}}{\text{The Total Employees at The Position Level}}$$

After obtaining the midpoint value, the spread and mid to mid values can be found using the formula:

$$\text{Spread (\%)} = \frac{\text{Salary Max Limit} - \text{Salary Min Limit}}{\text{Salary Min Limit at The Position Level}} \times 100\%$$

$$\text{Mid to Mid (\%)} = \frac{\text{Salary Midpoint A} - \text{Salary Midpoint B}}{\text{Salary Midpoint B}} \times 100\%$$

After obtaining the spread and mid-to-mid values, next, you can compare the spread and mid-to-mid values. The salary structure is ideal if the mid to mid value is smaller than the range spread (mid to mid value < spread value). If the value of the salary structure is larger than the mid-point spread, then it indicates that the wage structure is not ideal and requires the implementation of salary improvements. Improving the salary structure can be done using adhered and overlapping methods. According to the Ministry of Manpower of the Republic of Indonesia (2017), his objective was to improve wages. It can help you improve your performance within the company. The following is a mapping of the initial SME salary RL:

Table 5. Initial Salary Mapping for RL SMEs

SALARY MAPPING PRIOR TO SALARY REMUNERATION									
JOB TITLE	TOTAL PERSONS	GRADE	TOTAL SALARY	SALARY RANGE			INCREASE & SPREAD		INFORMATION
				MIN	MIDPOINT	MAX	MID TO MID	SPREAD	
Headchef	1	IV	Rp24.000.000	Rp5.000.000	Rp6.500.000	Rp8.000.000	49%	60%	IDEAL
Finance Manager	1								
Purchasing Manager	1								
Consultant	1								
Sous-Chef	1	III	Rp26.275.000	Rp4.000.000	Rp4.362.500	Rp4.725.000	30,22%	18%	NOT IDEAL
Station Chef	2								
Junior Chef	1								
Leader Bar	1								
Captain	1	II	Rp26.800.000	Rp3.200.000	Rp3.350.000	Rp3.500.000	28,85%	9%	NOT IDEAL
Barista	4								
Waittress	4								
Cleaning Service	3								
Juru Parkir	3	I	Rp15.600.000	Rp2.500.000	Rp2.600.000	Rp2.700.000	0%	8%	IDEAL

Source: Processed data (2023)

Based on the results of salary mapping calculations, it shows that the condition of the SME RL salary structure is currently not ideal because there are still conditions where the mid to mid value is greater than the range spread value, namely at position level III (mid to mid: 30.22% > range spread: 18%) and position level II (mid to mid: 28.85% > spread range: 9%). Therefore, it is necessary to improve the salary structure of RL SMEs to achieve internal fairness in the company.

RL SMEs Compensation System with the Adhered Method

Previously, RL SMEs used actual data to calculate salaries, but adjustments could have been more efficient. The mid-to-mid value held more significance than the spread value. To tackle this problem, RL SMEs has now switched to the Adhered method for improving salaries.

SALARY MAPPING AFTER SALARY REMUNERATION USING ADHERED										
NO	JOB TITLE	TOTAL PERSONS	GRADE	TOTAL SALARY	SALARY RANGE			INCREASE & SPREAD		Information
					MIN	MIDPOINT	MAX	MID TO MID	SPREAD	
1	Headchef	1	IV	Rp25.793.600	Rp5.896.800	Rp7.665.840	Rp9.434.880	51,67%	60%	Ideal
2	Finance Manager	1								
3	Purchasing Manager	1								
4	Consultant	1								
5	Sous-Chef	1	III	Rp26.937.000	Rp4.212.000	Rp5.054.400	Rp5.896.800	35,65%	40%	Ideal
6	Station Chef	2								
7	Junior Chef	1								
8	Leader Bar	1								
9	Captain	1	II	Rp26.960.000	Rp3.240.000	Rp3.726.000	Rp4.212.000	25,45%	30%	Ideal
10	Barista	4								
11	Waittress	4								
12	Cleaning Service	3								
13	Parking Attendant	3	I	Rp17.010.000	Rp2.700.000	Rp2.970.000	Rp3.240.000	0%	20%	Ideal

Figure 9. Salary improvement using the Adhered method

The stage in improving salaries using the Adhered method is to improve the value of the spread (Indah et al., 2022). The spread value is set at 20% for Grade I, and it is increased for the

subsequent grades based on the position held. The second stage sets the minimum salary for a Grade I job title based on the ability of RL SMEs to pay the minimum salary to its employees. Thus, the new minimum salary for job titles in Grade I is IDR 2,700,000. The third stage setting the maximum salary using the formula [minimum salary + (minimum salary* spread)]. The fourth step is determining the midpoint salary using the formula $[(\text{minimum salary} + \text{maximum salary})/2]$. The maximum score obtained from the previous grade determines the minimum score for the subsequent grade in the fifth stage. The final stage calculates the mid to mid value using the $[(\text{midpoint A} - \text{midpoint B})/\text{midpoint formula b}]*100\%$.

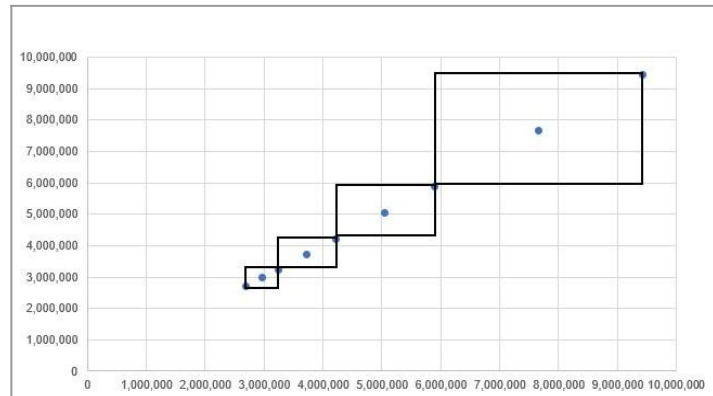


Figure 10. Salary chart after salary adjustments using the adhered method

The ideal compensation is obtained by adhering to salary adjustments. As shown in Figure 10, the *mid to mid score* for each *grade* is always lower than the distribution. Furthermore, the obtained distance or interval difference is entirely accurate and aligns with the predetermined provisions for distance or interval.

RL SMEs Compensation System with the Overlapping Method

Besides using an *Adhered method*, this research also uses *the Overlapping method*. The following is the result of salary mapping using the *overlapping method*.

SALARY MAPPING AFTER SALARY REMUNERATION USING OVERLAPPING METHOD									
JOB TITLE	TOTAL PERSONS	GRADE	TOTAL SALARY	SALARY RANGE			INCREASE & SPREAD		Information
				MIN	MIDPOINT	MAX	MID TO MID	SPREAD	
Headchef	1	IV	Rp24.280.337	Rp5.023.077	Rp6.530.000	Rp8.036.923	49,60%	60%	IDEAL
Finance Manager	1								
Purchasing Manag	1								
Consultant	1								
Sous-Chef	1	III	Rp27.323.284	Rp3.637.500	Rp4.365.000	Rp5.092.500	27,60%	40%	IDEAL
Station Chef	2								
Junior Chef	1								
Leader Bar	1								
Leader Floor	1	II	Rp28.282.972	Rp2.974.559	Rp3.420.743	Rp3.866.927	16,52%	30%	IDEAL
Barista	4								
Waittres	4								
Cleaning Service	3								
Parking Attendant	3	I	Rp16.814.007	Rp2.668.890	Rp2.935.779	Rp3.202.668	0%	20%	IDEAL

Figure 11. Salary improvement using the *Overlapping method*

Like Which seen in Picture 11, improvement structure wages using overlapping is obtained by first determining the new minimum salary *grade I* by *benchmarking* against similar companies, namely equal to IDR 2,668,890. With a *spread range* of 20% for grade I, the *spread value* increases at each position level above it. After that, determine the maximum *grade I* salary with the formula [minimum salary + (minimum salary x *spread*)]. Then, determine *the grade I midpoint value* with the formula [minimum salary + (maximum salary x *spread*)]. =If the *midpoint value* has been obtained, the *company can set it for the next grade* based on its capabilities or by *benchmarking*

with similar companies. This process can result in obtaining the ideal compensation. The last step in the *overlapping method* is to determine the minimum value with the formula [$midpoint / (1 + 0.5 * spread)$ at a specific position level] and the maximum value with the formula [$minimum\ salary + (minimum\ salary * spread)$]. To ensure completion, repeat this step for all sections. Once we gather the results, we can consider the compensation system ideal if the *mid-to-mid value* is less than the *spread value*.

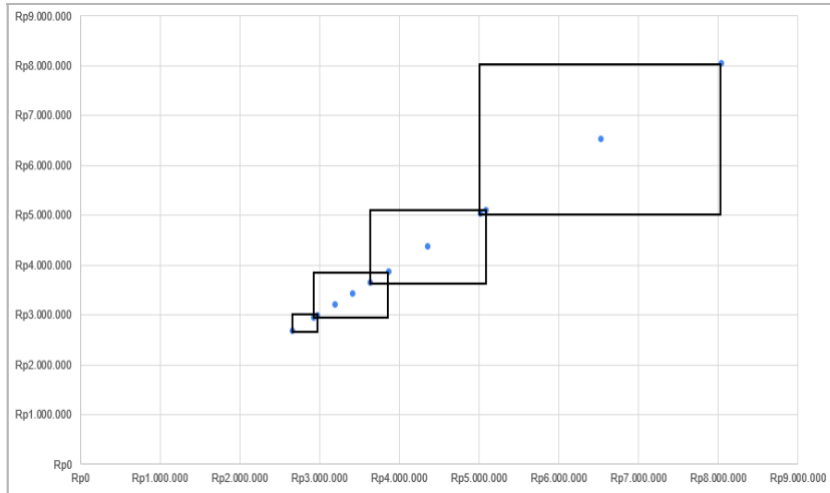


Figure 12. Salary Chart after Improvements Done with the Overlapping Method

RL SMEs already has an ideal salary structure after making improvements using the *Overlapping Method* because *mid to mid values are obtained < range spread values* for each *grade*. Figure 12 shows the results of the maximum *grade 1* RL SMEs score of IDR 3,202,668 and a *midpoint* of IDR 2,935,779. Whereas *grade 2* RL SMEs has a minimum value of IDR 2,974,559, a *midpoint value* of IDR 3,420,743, and a maximum value of IDR 3,866,927. According to Triyono et al. (2021), the compensation system allows for carrying over the highest value from the previous *grade* to the next *grade* and the *lowest value* from the grade to the previous *grade*.

Comparison of the *Adhered Method* and the *Overlapping Method*

Table 6 compares the initial *salary mapping* before and after improvements using the *adhered* and *overlapping methods*:

Table 6. Comparison of the Old Basic Salary vs the Adhered Method of Basic Salary and the Overlapping Method of Basic Salary

Grade	Job Title	Gaji Pokok Lama	Gaji Pokok Baru (Adhered)	Gaji Pokok Baru (Overlapping)	Total Gaji Pokok Lama	Total Gaji Pokok (Adhered)	Total Gaji Pokok (Overlapping)
IV	Head Chef	Rp8.000.000	Rp8.000.000	Rp8.000.000	Rp24.000.000	Rp25.793.600	Rp24.280.337
	Finance Manager	Rp6.000.000	Rp6.000.000	Rp6.000.000			
	Purchasing Manager	Rp5.000.000	Rp5.896.800	Rp5.140.169			
	Consultant	Rp5.000.000	Rp5.896.800	Rp5.140.168			
III	Sous-Chef	Rp4.725.000	Rp4.725.000	Rp4.825.000	Rp26.275.000	Rp26.937.000	Rp27.323.284
	Station Chef 1	Rp4.650.000	Rp4.650.000	Rp4.700.000			
	Station Chef 2	Rp4.650.000	Rp4.650.000	Rp4.700.000			
	Junior Chef	Rp4.150.000	Rp4.400.000	Rp4.450.000			
	Leader Bar	Rp4.100.000	Rp4.300.000	Rp4.400.000			
	Leader Floor	Rp4.000.000	Rp4.212.000	Rp4.248.284			
II	Barista 1	Rp3.500.000	Rp3.500.000	Rp3.650.000	Rp26.800.000	Rp26.960.000	Rp28.282.972
	Barista 2	Rp3.500.000	Rp3.500.000	Rp3.650.000			
	Barista 3	Rp3.500.000	Rp3.500.000	Rp3.650.000			
	Barista 4	Rp3.500.000	Rp3.500.000	Rp3.650.000			
	Waitress 1	Rp3.200.000	Rp3.240.000	Rp3.420.743			
	Waitress 2	Rp3.200.000	Rp3.240.000	Rp3.420.743			
	Waitress 3	Rp3.200.000	Rp3.240.000	Rp3.420.743			
	Waitress 4	Rp3.200.000	Rp3.240.000	Rp3.420.743			
I	Cleaning Service 1	Rp2.700.000	Rp2.970.000	Rp2.935.779	Rp15.600.000	Rp17.010.000	Rp16.814.007
	Cleaning Service 2	Rp2.700.000	Rp2.970.000	Rp2.935.779			
	Cleaning Service 3	Rp2.700.000	Rp2.970.000	Rp2.935.779			
	Juru Parkir 1	Rp2.500.000	Rp2.700.000	Rp2.668.890			
	Juru Parkir 2	Rp2.500.000	Rp2.700.000	Rp2.668.890			
	Juru Parkir 3	Rp2.500.000	Rp2.700.000	Rp2.668.890			

According to Table 6, RL SMEs had to pay its employees a total base salary of IDR 92,675,000 before the basic salary was updated. Then, after improving the basic salary using the adhered

method and the overlapping method, the total basic salary that UKM must pay for RL employees is IDR 96,700,600. RL experts have noticed that the overall base salary has increased due to implementing salary improvements through *adhered* or *overlapping methods*. The increase in the total base salary that RL SMEs has to pay is IDR 4,025,600, or equivalent to 4.34%.

Next, a comparative analysis of the most effective salary improvement method for UK RL is carried out based on the total amount of base salary increases for each *grade*. This analysis found that an effective and efficient primary salary improvement method for RL SMEs is the *overlapping method*. This method is considered more effective and efficient for RL SMEs as it increases wages for each grade, leading to higher production levels. In addition, the updated salaries do not differ significantly from the previous base salary, resulting in a more fair distribution of salaries.

4. Conclusion

Conclusion answers the objectives of research or study based on more comprehensive meaning of results and discussion of research. Suggestions are addressed for practical action (to the participating institution), for the development of new theories, and for further research. The discussion of the research results obtained can be presented in the form of theoretical description, both qualitatively and quantitatively. In practice, this section can be used to compare the results of the research obtained in the current research on the results of the research reported by previous researchers referred to in this study. Scientifically, the results of research obtained in the study may be new findings or improvements, affirmations, or rejection of a scientific phenomenon from previous researchers.

Based on the results of research conducted on RL SMEs regarding System Analysis Compensation Based on *Adhered* and *Overlapping Salary Mapping Methods* in RL SMEs, As for some of the things that the researchers suggest are as follows:

1. Considering improving the salary of RL SMEs, an effective method for RL SMEs to adjust their salary is the *overlapping method*. This method is effective because it provides salary increments for each *grade* close to the previous basic salary and distributes salary increases equally among employees.
2. RL SMEs must use an ideal compensation system based on the capabilities and conditions of the company in order to achieve employee job satisfaction which will have implications for productivity Work.

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