

Compensation System Design and Analysis based on Job Values for Small and Medium Enterprise in Cullinary Cluster at Bogor City

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Abstract. The objective of this research is to formulate Base Pay Compensation System for Small Medium Enterprise (SME) in culinary cluster at Bogor City based on Position and job Value in order to increase internal and external equity. The subjects of this study are 24 SME in culinary cluster with 13 (thirteen) critical positions. Data collection used primary and secondary data using questionnaire, observation, in depth interview and literature study. Every compensable factors defined by expert panel. Data processing and analysis on this study based on Hay system concept, point system and eckenrode metode to formulate the job grading and job value. The result of this research were ten compensable factors which affected the job value which are formal education, working experience, managerial skill, human relation skill, creativity, physical attempted, responsibility of supervising, risk of job, asset responsibility, and decision making. Formal education was the highest subfactor affecting the compensation paid to an employee by an employer. The average salary for the entry level starts from IDR 1.8 million and for top management level is up to IDR 5.9 millions.

Keyword: Base pay · Cullinary cluster · Job grading · Job value · SMEs

1 Introduction

Compensation is one of the important factors to improve performance of human resources. There are two types of compensation, there are financial and nonfinancial compensation. The wage or salaries as a form of direct financial compensation are given as a reward from the company to the workers due to the effort. It generates in a production process. The amount of wages given to employees is influenced by the government regulation in the minimum wage payment through Upah Minimum Provinsi (UMP) or Upah Minimum Kota (UMK).

The determination of UMR and UMK by government was conducted to keep the worker's wages in balanced and is not under the poverty as the minimum salaries played a role reducing inequality of wage in Indonesia [1]. The minimum wage has an effect

on worker's salaries, where the minimum of wage is set so in a wage sector especially the formal sectors will be increase.

Bogor is the one of major city in West Java has a total population of 1.1 million in 2016 [2]. It is a city with the high potential in the development of small and medium industries. Micro, small and medium industries UMKM classes have different versions based on some criteria. Table 1 shows UMKM classification based on UU No. 20 tahun 2008, International Finance Corporation and Central Bureau of Statistic.

Table 1. SMEs classification based on criteria.

Criteria	UU No. 20 Year 2008		International Finance Corporation		Central Bureau of Statistic	
	Small Enterprise	Middle Enterprise	Small Enterprise	Middle Enterprise	Small Enterprise	Middle Enterprise
Omzet (IDR)	300 million- 2.5 billion	2.5 billion- 50 billion	100 thousand- 3 million	100 thousand- 3 million	-	-
Asset (IDR)	50 million- 500 million	500 million- 10 billion	3 million- 15 million	3 million- 15 million	-	-
Labour Amount	-	-	11-50	51-300	5-19	20-99

Source: Central Bureau of Statistic 2018

The regulation regarding the standard of the city or district minimum wage (UMK) have also been governed by the decree of the West Java Governor about the UMK. In 2019 Bogor's UMK was determined to be IDR 3.842.785,54 while West Java's UMP was IDR 1.668.372. Bogor is not only has agricultural potential but also it becomes the tourist destination. The tourism development brings impact at the business condition. The tourism development gives impacts especially for the culinary industries such as restaurant and cafes. Bogor gets the second ranks after Bandung. The number of restaurants or eateries has increased since 2015. There are 130 restaurant in 2015. Recently from 130 become 162 restaurant in 2016 [2]. It shows that Bogor has a great potential in the business culinary sectors. The great potential in the culinary sectors is supposed to be exploited well.

Not only the number of culinary industries but also the welfare of culinary human resource should be noticed. One of the highlights is the realization of Decent Work or commonly known as a job feasibility for the employee. This effort is parallel with one of the efforts in achieving the Sustainable Development Goals (SDG). Number 8 contains the effort to promote sustainability of inclusive and sustainable economic growth, a productive and comprehensive opportunity and proper job for all [3]. However until 2019 there is still a lot of effort hasn't implemented the system. Most business especially small and medium industries have not implemented system based on the UMK because it is financially unable to hire the employee with the standard. Picture 1 show the average of employee salaries in Bogor's restaurant compare to the Bogor's UMK and West Java's UMP 2019. The salary determination for most of Bogor's culinary SMEs is still not referring to UMP. Moreover out of 24 SMEs, only 16 or 33.33 % that fulfilled the West Java UMP in 2019 (fig. 1).

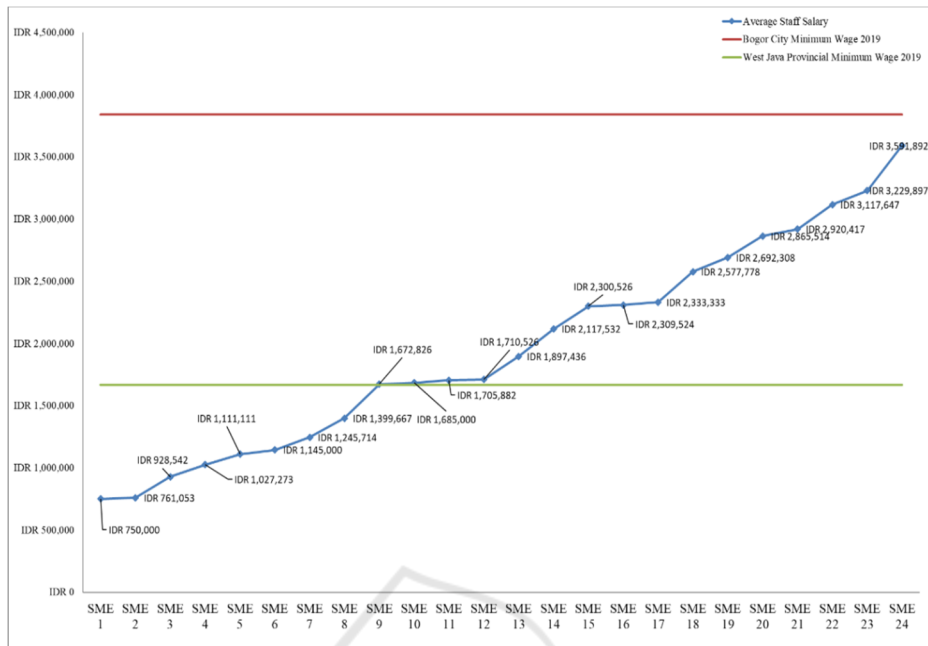


Fig. 1. Comparison of the average salary of SMEs based on culinary between Bogor city and West Java Province.

According to Milkovich (2001) in addition to the minimum of wage which is external environment from the basis of compensation, interval environment consisting of organizational policies and organizational ability to pay salaries for the employee. It also affects the company for determining the employee compensation. Both external and internal environment used as the basis in the determination of employee compensation. The company must be able to guarantee the justice of compensation. The injustice system can lead the employee's dissatisfaction. According to Rivai one of the causes of employee dissatisfaction with their job is salaries. Appropriate salary and fair salary will make employee feel appreciate. Job satisfaction will lead to a pleasant feeling of work, increasing productivity and employee performance. Therefore, the company's compensation system must be well constructed and fair in order to create employee satisfaction so it can impact in increasing company performance [4].

According to Mobley, one of the consequence from the unformed compensation system is emergence of intention which can impact the company's turnover [5]. A turnover intention is the employee's desire to quit from the organization which covers and give them a monetary wage or income. The high turnover will create a negative impact on the organization, creating instability and uncertainty over the labour conditions [6].

Kapoor explains that based on internal survey conducted by Hay Group Indonesia get third ranks with the highest turnover of 25.8 % in 2013-2014 [5]. The solutions to overcome the employee turnover problem is using employee retention (employee turnover). Retention refers to the definition of restraining, sustaining, resuming, and preventing from the employee's quit [7]. Employee's retention can be seen as a way or

company's strategy to be able to restrain its employees. Employee's retention is an important issues especially where the position of SMEs still in development process. The high turnover rate in SMEs will give a bad impact. It will make burden for SMEs.

The condition of employee payroll which is still under the standard of Bogor's UMK especially in UMK based on culinary such as restaurant and cafes will have further impact in employee's problem. Therefore SMEs needs appropriate compensation system so it can be continue to develop.

This research was conducted by analyzing the compensation system SMEs culinary in Bogor. The purpose of the research are (1) to compose the job grading and job value based on the effectiveness of compensable factors (2) to analyze and implement the evaluation of payroll system SMEs culinary in Bogor.

2 Research Methods

Data processing and analysis methods used descriptive statistic analysis, compensable factors analysis based Hay Method and Point System classification techniques to determine Job Grading and Job Value.

This research was conducted in 24 small and medium enterprises based on culinary such as restaurant and cafes in Bogor. The time of research started from February to September 2019. The data used in this research is the primary data and secondary data. Primary data obtained from the survey of culinary UMK employee's salary in Bogor. In addition there are also job factor questionnaires used to determine key job factors. The questionnaires used rank scales which is the scale of choice where the respondent asked to rank the others relativity [8]. In addition, it also used unstructured interview techniques to find out compensable factors. Secondary data of the research is a general overview of SMEs based culinary in Bogor, books of literature, and journals.

The sampling methods used in this research were non probability sampling with purposive sampling techniques. The purposive sampling technique is a technique with certain considerations or criteria [9]. The technique is used to determine the expert in rating compensable factors. The experts are chosen from the owner of SME, store manager and academician majoring in human resources management. In addition, it also used judgement sampling to determine the experts who made be the respondent for this research.

Processing methods and data analysis using descriptive statistical analysis, analysis of compensable factors based on Hay methods and point system techniques classification to determine Job Grading and Job Value.

Compensable Factors

Job evaluation is the process of determining the relative value of a job in relation of other jobs [10]. Through job evaluation, salary and compensation determination can be done more fairly in accordance to the competencies expectation in the work [11]. One of the basics can be used to set the value of a job through compensable factors. The compensable factors are the basis for establishing the value of a position consisting of characteristic in work. It is valuable for the organization and helping to achieve organizational strategy and purpose. Each factors has its own degree of importance and points according to work or position. These factors are general and universal and

contain the main characteristics or various types of work [12].

Compensable factor is used as the basis for assigning a position value. Those factors are rewarded by the company and the amount of rewards directly related to the degree of importance different factors in job or position. Essentially, up to certain degree of compensable factor is valid and exist at any occupation or job title. These factors should be common to various type of work. There are several methods can be used to make compensable factors such as Hay system, Watson Wyatt, Mercer and others.

Compensable Factors based on Hay Methods

Hay system is a method of evaluation of work achievement which is widely used in North America and Europe. The values in Hay system is aimed the management knowing the most important factor in enhancing the performance of the position that will further become a reference to the job raising research using the Hay System. Hay system has three criteria and each has a sub criterion. Three criteria in the Hay system are:

1. *Know-How Factor*. The know-how factors related to the skills and experience reflect the responsibility and ability to make decisions appropriately so offering the best solutions to the problems faced in the work [13]. Skenes and Kleiner explains that Hay Group identifies three elements in the factors. There are : a) The practical procedures or special techniques required for the work; b) Managerial Skills related to the integration and coordination of various functions or assignments are considered more complex than work has specific function and; c) Human relations skills that measure the works should be interact with others. Jobs involving interpersonal interaction has higher values than jobs do not have these requirements [14].
2. *Problem-Solving*. Problem solving reflects the intensity of management thinking is dealing and solving specific problems, sharpness and timeliness of thinking when handle the problems and levels of effectiveness in solving the difficulties may be encountered. The problem solving factors consist of two dimensions, there are: a) Number, size, level to think and make decisions in a job independently; b) The ability of initiatives and creativity that reflects mental activity when utilize the amount of act freedom [13]
3. *Accountability*. The accountability factors is related to the consequences or effects resulting from the decisions and actions have been taken [13]. The dimensions factors includes: a) Degrees of freedom to make decision; b) The strength of resulting impacts may refers to the scale of production, services, sales, or budget related to a particular job; c) The affected area, can be primary impact, shared impact, contributory impact or remote impact.

Descriptive Statistics

Descriptive statistics are statistics used to analyze data by describing the data has been collected without the intention of making generally valid conclusion [9]

Point System Method

In a point system the assessor allocates the numeric value for specific job factors and the amount of value will provide quantitative assessment of the relative value at the work [10]. The steps of point system methods are :

1. Choose a group of jobs. Some positions or job title level occupation divided into the cluster as job grade. The average restaurants and café in Bogor has several levels of positions.
2. Identifying compensable factors. The methods used in the determination of compensable factors is Hay system. This method divides the compensation factors into three parts are know how, problem solving, and accountability.
3. Determining the factors values. The level of factors is determined using expert's opinions. The method used in determining the values factors. This research used the Eckenrode method. The methods used to determine the degree of importance of each criterion [15]. The values are considered important because it will affect the final total value. The method is done by converting the order of values for example change the first order with the highest values and fifth order with the lowest order. The steps in the Eckenrode of calculation methods are:
 - a. Determining the work factors
 - b. Determining the values of work factors by giving the score for the answer. First placed will be multiplied by the value obtained by reducing factors and sequence.
 - c. The previous values by expert multiplied by the value of the allocation so the values has obtained.
 - d. Determining the minimum points, maximum points, and the interval
 - e. Set the values of job
 - f. The point is obtained by the division between the total incentive and the total points.

4. Determining Factor Point Value. This stage is to determine minimum value, maximum and interval. The minimum value is obtained by multiplying the points of percentage by 100 to get decimal value. The maximum value of each factors is obtained by multiplying the values to the total point. Intervals are obtained with the formula :

$$= \frac{\text{Maximum value of factor} - \text{minimum value of factor}}{\text{Level of factor} - 1} \quad (1)$$

5. Validate point system. After the assessment has determined, the next step is to count for each cluster . The total values is job point from each position cluster in the work.
6. Set up the price for each job. After converting the results of the job evaluation questionnaire into working point value for each level of the previously acquired factors, the price of each job is determined by the salary mid point.
7. Pay Ranges. The pay ranges is detrmind by finding the highest salary and basic salary of a job
8. Pay Grades. Jobs are classified to simplify the pricing of work by:
 - a. Determine the group interval with the formula:

$$\frac{\text{The Highest Weight of Job Title} - \text{The Lowest Weight of Job Title}}{\text{Amount of Classification}} \quad (2)$$

- b. Determine the weight of the lower point, midpoint and upper point of each group. The midpoint of each group is obtained by using the formula:

$$\frac{\text{upper point} + \text{lower point}}{2} \quad (3)$$

9. Adjustment. Adjustment process of the point system will produce 3 actual salary conditions, which are as follows [10]:
 - a. *Under Paid* is an actual salary condition lower than the basic salary
 - b. *In Paid* is an actual salary condition between the basic salary and the highest salary.
 - c. *Over Paid* is an actual salary condition received exceeding the highest salary.

3 Result

Overview of Salary Distribution of SMEs based Culinary in Bogor

Based on a research survey of 24 culinary SMEs in Bogor City that were the object of research, a total of 565 respondents were all respondents. The average of the 24 restaurants and cafes studied had a total workforce of 34 people and all of them were classified as medium-scale businesses based on the number of workers referring to Central Bureau of Statistic. Overall, the research objects identified 13 critical positions in restaurants and cafes based on the main functions that need to exist in a culinary-based business are as follows in Table 2 along with the average and minimum and maximum salary comparison of 24 SMEs as follows.

Table 2. Salary survey result based on 24 Cullinary SME's for 13 Critical positions.

No	Job Title	Total Person	Average Salary	Minimum Salary	Maximum Salary
1	General Manager/ Restaurant Manager	35	IDR 5,108,889	IDR 2,000,000	IDR 12,000,000
2	Head of Chef	21	IDR 4,657,929	IDR 1,200,000	IDR 13,000,000
3	Finance & Accounting Staff	15	IDR 3,502,029	IDR 2,000,000	IDR 6,100,000
4	Logistic Staff	33	IDR 3,217,738	IDR 720,000	IDR 6,883,418
5	Captain / Head of Waiter	19	IDR 3,052,117	IDR 1,100,000	IDR 4,902,500
6	Marketing & IT Staff	12	IDR 2,461,667	IDR 840,000	IDR 4,700,000
7	Admin	5	IDR 2,367,420	IDR 2,100,000	IDR 3,437,100
8	Cooking staff	149	IDR 2,337,829	IDR 690,000	IDR 6,605,612
9	Barista	36	IDR 2,254,575	IDR 750,000	IDR 4,500,000
10	Dish Washer	16	IDR 2,064,413	IDR 1,300,000	IDR 2,800,000
11	Helper	96	IDR 1,897,010	IDR 900,000	IDR 3,500,000
12	Cashier	19	IDR 1,837,158	IDR 750,000	IDR 3,201,800
13	Waiter	109	IDR 1,531,431	IDR 420,000	IDR 3,500,000
Total Employees		565			

According to Table 3, the highest managerial position of restaurants and cafes in Bogor is filled by general manager or restaurant manager with an average salary of IDR 5,108,889. Meanwhile the positions of Finance & Accounting Staff, Logistics Staff, Captain / Head of Waiter, Marketing & IT Staff, Admin, Cooking staff, Barista, Dish Washer, Helper, Cashier and Waiter are on average still below the UMK of Bogor City. The lowest minimum salary is in the Waiter of IDR 420,000 and the highest maximum is in the Head of Cheff of IDR 13,000,000, this is because this position is considered a key position to maintain customer loyalty.

Culinary Compensable Factors Results with Hay Method for Culinary-Based SMEs

The Hay System Method divides factors based on know-how, problem solving, and accountability for 24 culinary-based SMEs resulting in 10 factors giving compensation to culinary-based SMEs. In this study, several factors were determined and the level of following factors are: [11], [14], [16]–[18]

1. Formal education factors. This factor is used to assess the minimum level of education required to perform certain functions or tasks in a position.
2. Experience Factors. This factor is used to assess the minimum level of work experience to be had to fill the requirements of a position.
3. Managerial Skill Factors. This factor is used to measure jobs that have a variety of functions or tasks are thought more complex than work that has very specific functions. consequently, higher complexity and stronger managerial skills are needed to be able to complete the tasks assigned to workers.
4. Human Relation Skill Factors. Human relations skills are used to measure the employee interact with others. The work involving broader interpersonal interactions is asses to higher level than those who do not have these requirements.
5. Creativity Factors. This sub-factor is used to measure the level of innovation or artistic talent needed for the implementation of job duties.
6. Physical Business Factors. This factor is used to assess physical effort, level of difficulty and pressure as well as the frequency (percentage of time) of work assignments.
7. Subordinate Employee Responsibilities Factors. This factor is to measure the number of people who are under surveillance and the level of complexity of the supervision conducted in accordance with the position.
8. Risk of Job Factors. Factors used to measure the scale of losses that incurred as a result of fault of the position holders.
9. Asset Responsibility Factors. This factor measures job responsibility of worker for financial assets e.g cash, vouchers, checks, debit and credit, invoice payments, budget, income, income and physical assets, including office equipment and others, tools and instruments; vehicles, factories and machinery; place, equipment and supplies; personal belongings of clients or others; goods, production, stock and inventory.
10. Decision Making Factors. The Factors used to assess how far a person or workers is involved in solving problems

The next step is weighting compensable factors using the eckenrode system method with the results in Table 3.

Table 3. Eckenrode System Table for SMEs based on Cullinary at Bogor City.

Subfactors	Weight	Level					Interval
		1	2	3	4	5	
Formal Education	0.1870	19	61	103	145	187	42
Work Experience	0.0949	9	31	52	74	95	21
Managerial Skill	0.0862	9	28	47	67	86	19
Human Relations Skills	0.1430	14	79	143			64
Creativity	0.0828	8	46	83			37
Physical Business	0.0741	7	30	52	74		22
Subordinate Employee Responsibilities	0.0803	8	26	44	62	80	18
Risk of Job	0.0783	8	31	55	78		23
Asset Responsibility	0.0934	9	37	65	93		28
Decision Making	0.0811	8	45	81			36

Source: Data Processed, 2018

Based on the results of the point system in Table 3, it is known that the biggest value factor is the formal education factor which is 18.7% and the factor with the smallest weight is the thinking challenge factor which is 7.41%. This shows that formal education is the main aspect seen in the recruitment of culinary-based SME employees in Bogor City.

Design Job Grading and Job Value Through Point System Method

Point system is used in this study to provide a quantitative assessment of the relative value of a job. Values given through the point system will then be used to assess and analyze job values and job grading. Job value calculation results are in Table 4.

Table 4. Job Value on 13 Critical Positions of Culinary-based SMEs.

No.	Job Title	Job Value	Given		Grade Given
			Min	Max	
1	General Manager/ Restaurant Manager	782	691	782	V
2	Head of Chef	674	600	690	IV
3	Finance & Accounting Staff	599			
4	Marketing & IT Staff	599			
5	Logistic Staff	588	508	599	III
6	Captain / Head of Waiter	550			
7	Barista	497			
8	Cooking staff	497	417	507	III
9	Helper	429			
10	Admin	368			
11	Cashier	355			
12	Waiter	368	324	416	I
13	Dish Washer	324			

Source: Data Processed, 2018

Based on the calculation of the job value in Table 4, the General Manager or Restaurant Manager position of has the highest job value. This is due to the skills, abilities, and capacity required for the manager's position to be highly valued. In Table 4 it can also be noted that the dish washer position has the lowest value. The skills, abilities, and capacity needed for this position are classified as low.

The arrangement of the departement or job grading is obtained based on the given method by determining the number of grade or the position desire. Job grade preparation is done to see whether the payroll system analyzed will be suitable when divided into several job grade. according to Table 4, it can be seen that 5 job grades were formed with the highest point limit of 782 and the lowest point limit of 324 with an interval for each grade is 91.53. The results of this classification will be the basis for conducting the payroll structure with an overlapping system.

The Result of the Analysis Non Classification of Salary Mapping

Salary mapping was conducted to determine the initial conditions of the payroll conditions that occurred in the 24 culinary-based SMEs, from thirteen critical positions the dish washer position was overpaid or over the payroll average of the minimum and maximum ranges that had been obtained as follows in Table 5.

Table 5. The results of the non-classification based Point System.

Job Title	Job Points (X)	Actual Monthly Salary (Y)	Mid Point Salary $y = \frac{7056,5X - 807712}{10}$	Minimum Salary (MP*0.65)	Maximum Salary (MP*1.35)	Result
General Manager/ Restaurant Manager	782	IDR 5,108,889	IDR 4,710,650	IDR 3,061,923	IDR 6,359,378	IP
Head of Chef	674	IDR 4,657,929	IDR 3,946,353	IDR 2,565,129	IDR 5,327,576	IP
Finance & Accounting Staff	599	IDR 3,502,029	IDR 3,416,690	IDR 2,220,848	IDR 4,612,531	IP
Marketing & IT Staff	599	IDR 2,461,667	IDR 3,416,690	IDR 2,220,848	IDR 4,612,531	IP
Logistic Staff	588	IDR 3,217,738	IDR 3,338,732	IDR 2,170,176	IDR 4,507,288	IP
Captain / Head of Waiter	550	IDR 3,052,117	IDR 3,076,634	IDR 1,999,812	IDR 4,153,455	IP
Barista	497	IDR 2,254,575	IDR 2,698,808	IDR 1,754,225	IDR 3,643,391	IP
Cooking staff	497	IDR 2,337,829	IDR 2,698,808	IDR 1,754,225	IDR 3,643,391	IP
Helper	429	IDR 1,897,010	IDR 2,221,879	IDR 1,444,221	IDR 2,999,536	IP
Admin	368	IDR 2,367,420	IDR 1,791,589	IDR 1,164,533	IDR 2,418,645	IP
Cashier	355	IDR 1,837,158	IDR 1,700,728	IDR 1,105,473	IDR 2,295,983	IP
Waiter	368	IDR 1,531,431	IDR 1,791,589	IDR 1,164,533	IDR 2,418,645	IP
Dish Washer	324	IDR 2,064,413	IDR 1,481,103	IDR 962,717	IDR 1,999,489	OP

Source: Survey SME Cullinary Based in Bogor City, Data Processed, 2019

Note: OP = Over Paid, IP = In Paid, UP = Underpaid

Based on the results of salary mapping in Table 5, it can be seen that the salary structure in culinary-based SMEs is still not ideal. It requires improvement through the method of point based system as follows in Table 6.

Table 6. Compensation System Based on point classification system for Culinary SMEs in Bogor City.

Job Title	Cluster	Job Point (Grading)	Job Points (X)	Actual Monthly Salary (Y)	Mid Point Salary $y = \frac{7056,5X - 807712}{1}$	Min Base Pay (MP*0.65)	Max Base Pay (MP*1.35)	Results
General Manager/ Restaurant Manager	5	736	782	IDR 5,108,889	IDR 4,387,566	IDR 2,851,918	IDR 5,923,214	IP
Head of Chef	4	645	674	IDR 4,657,929	IDR 3,741,755	IDR 2,432,141	IDR 5,051,369	IP
Finance & Accounting Staff	3	553	599	IDR 3,502,029	IDR 3,095,944	IDR 2,012,363	IDR 4,179,524	IP
Marketing & IT Staff	3	553	599	IDR 2,461,667	IDR 3,095,944	IDR 2,012,363	IDR 4,179,524	IP
Logistic Staff	3	553	588	IDR 3,217,738	IDR 3,095,944	IDR 2,012,363	IDR 4,179,524	IP
Captain / Head of Waiter	3	553	550	IDR 3,052,117	IDR 3,095,944	IDR 2,012,363	IDR 4,179,524	IP
Barista	2	462	497	IDR 2,254,575	IDR 2,450,133	IDR 1,592,586	IDR 3,307,679	IP
Cooking staff	2	462	497	IDR 2,337,829	IDR 2,450,133	IDR 1,592,586	IDR 3,307,679	IP
Helper	2	462	429	IDR 1,897,010	IDR 2,450,133	IDR 1,592,586	IDR 3,307,679	IP
Admin	1	370	368	IDR 2,367,420	IDR 1,804,322	IDR 1,172,809	IDR 2,435,835	IP
Cashier	1	370	355	IDR 1,837,158	IDR 1,804,322	IDR 1,172,809	IDR 2,435,835	IP
Waiter	1	370	368	IDR 1,531,431	IDR 1,804,322	IDR 1,172,809	IDR 2,435,835	IP
Dish Washer	1	370	324	IDR 2,064,413	IDR 1,804,322	IDR 1,172,809	IDR 2,435,835	IP

Source: Survey SME Cullinary Based in Bogor City, Data Processed, 2019

Note: OP = Over Paid, IP = In Paid, UP = Underpaid

Based on the results of salary mapping with a point-based classification and overlapping produced five major job cluster become as follows: Manager, Kitchen head, Assistant Manager, Kitchen Staff and Restaurant Area Staff, these five job families are selected based on the main occupational categories that need to exist In a culinary business (Fig. 2).

According to Figure 2, the salary structure in Bogor Culinary SMEs in is already said to be ideal, it can be seen that the minimum and maximum points in each grade are appropriate. The complete salary structure overlapping is formed ideal.

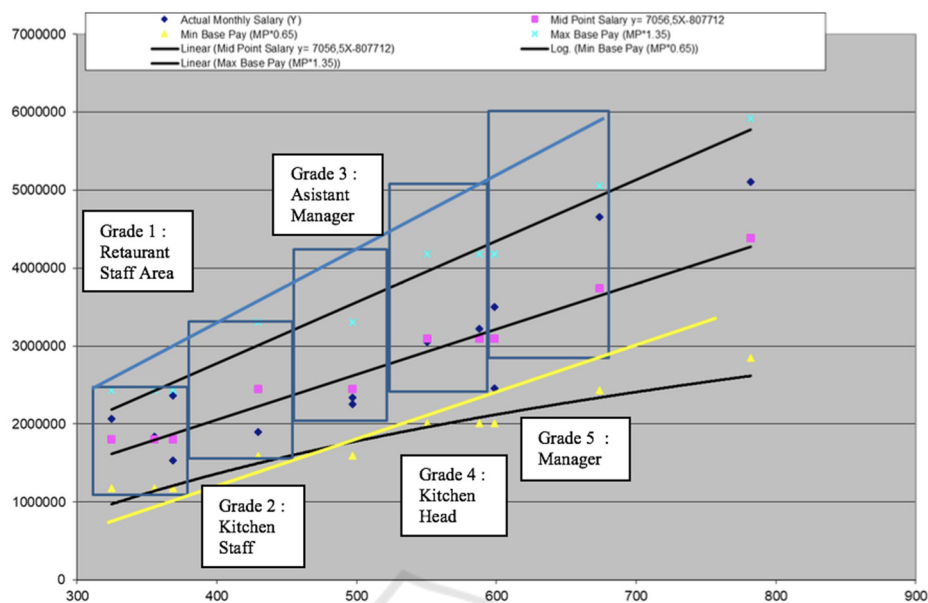


Fig. 2. The Ideal Compensation System Based on Point Classification for Bogor Culinary SMEs.

The result of the Regression show that $Y = 7056.5 X - 807712$ where Y is the salary and X is the job point / value, which means the higher the point value of the compensable factors produced by the employee, the higher income concerned. Job Value-based compensation system that was designed to meet above the West Java UMP in 2019, although it has not been able to meet the minimum standards of the City of Bogor in 2019, this is done in stages, because the SMEs in this study are still in the business age below ten years, even 60 percent under five years, so it is still a stage of growth and development that requires adjustments to be able to compete in the provision of compensation and maintain the best talent. This is also realized by SME owners, that the ideal compensation is not only to attract the best talent but also to retain the best employees they have. Therefore, it is also important that besides fulfilling the principle of pay for person and position, it is also necessary to complete with pay for performance, so as to make employees in SMEs more enthusiastic and feel fair in giving rewards and maintain the best employee loyalty. In addition, employee retention programs can be done in several ways, including building a positive work environment, improving suitability, encouraging leaders to support and help employees cope with conflicts [19].

4 Conclusion

Based on the results of the research gets:

1. Compensation system in culinary-based SMEs in the city of Bogor through ten factors determining the compensation of formal education, work experience, managerial skills, human relations skills, creativity, physical effort, subordinate

responsibility, risk of job, asset responsibility and decision making, with educational factors being the most dominant determine payroll standards.

2. The ideal compensation system for culinary SMEs in Bogor using a grading system or five main job families, namely the position of Manager, Kitchen head, Assistant Manager, Kitchen staff and Restaurant Area Staff with an income of IDR 1,804,322 up to IDR 5,923,214 and still not fully able to reach the Bogor City UMK standard.

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