Evaluation of X Coffee Shop in Bogor Compensation with Determination of Position Grade Using Overlapping and Adhered Methods

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ABSTRACT

Over the last few years, coffee shops have gained immense popularity as a travel destination for individuals looking for a relaxed atmosphere to relax and enjoy their preferred coffee blend.One of the most effective ways to achieve business success is to offer competitive salary packages that are in line with employee expectations and market norms.In this study, we aim to evaluate the compensation practices of Genus Coffee Shop, a leading player in the industry, using adhered and overlapping methods to rank positions.This study will explore the benefits offered to employees in various positions, including supervisors, cashiers, and baristas in coffee shops. In addition, this study will assess the state of the external market and how wage rates are affected. This study uses a descriptive method with a qualitative approach to reveal compensation management at the UKM X coffee shop in Bogor. Data collection was carried out using interview instruments. The location of this research was conducted at UKM X Coffee Shop in the Bogor area. This research was conducted from January to February 2023. The people in the study were the Cafe Managers of UKM X Coffee Shop and all employees of UKM X Coffee Shop. After analyzing and improving the payroll system, it can be concluded that the compensation system is effective to be implemented by X Coffee shop is to use Adhered method. This is because operational costs are lower.

Keywords: Compensable Factors; Compensation; Job Value; Job Grading; Salary Mapping

INTRODUCTION

Over the past few years, coffee shops have gained immense popularity as a go-to destination for individuals seeking a relaxing ambiance to unwind and savor their preferred coffee blends. However, for coffee shop owners to ensure the success of their businesses, they must attract and retain competent staff members who are committed to delivering high-quality service. One of the most effective ways to achieve this is by offering competitive pay packages that align with both employee expectations and market norms (Indrastuti, 2020).

Compensation is a critical factor in attracting and retaining qualified employees, and it plays a significant role in ensuring the success of a business. According to Akmal & Tamini, (2015), compensation is everything employees receive in return for their work, which was then concluded by Herlina, (2020) as the awarding of both financial and non-financial awards received by employees in return for their services provided to the organization, and also used as a motivator or stimulus by the organization in improving work performance. Providing salaries to employees should be determined by

Evaluation of X Coffee Shop in Bogor Compensation with Determination of Position Grade Using Overlapping and Adhered Methods

360

Dhiya Abiddaya, Fadhli Hidayat, Frans, Lintang Dwiansyah, M. Rifal Agung Permana, Lindawati Kartika

Evaluation of X Coffee Shop in Bogor Compensation with Determination of Position Grade Using Overlapping and Adhered Methods

fairness and equity, ensuring that workers are appropriately compensated for their efforts and are capable of fulfilling the requirements for a decent standard of living (Pratiwi, 2016). In a market system, the quantity of labor supply and demand is influenced by the level of wages (Regina & Kartika, 2016). Firmandari, (2014) then implies that compensation is also an important factor in managing human resources because it is directly related to employee welfare while working at the company, and in meeting employee needs.

One industry where this is particularly important is the coffee shop industry, where the quality of service and experience provided to customers is paramount (Indrastuti, 2020). In this study, we aimed to evaluate the compensation practices of Genus Coffee Shop, a leading player in the industry, by using both overlapping and adhered methods to determine position grades. These approaches are commonly employed in assessing the relative value of positions within an organization, taking into account factors such as job responsibilities, skills, and experience to establish a fair and equitable compensation structure.

Compensation practices in the coffee shop industry are complex and dynamic, with many factors influencing the overall structure of pay (Bairizki, 2020). These factors include the level of experience and education required for each position, the local cost of living, and the availability of qualified talent. Additionally, the coffee shop industry is highly competitive, with many businesses vying for market share by offering attractive compensation packages to their employees (Bahwita, 2022).

This study will delve into the benefits offered to employees in various positions, including supervisors, cashiers, and baristas, among others, in the coffee shop. Additionally, the research will assess the state of external markets and how pay levels are impacted.

By utilizing both overlapping and adhered methods, we aimed to provide a comprehensive evaluation of the compensation practices of Genus Coffee Shop. This study will be useful not only to the company but also to other businesses in the coffee shop industry looking to improve their compensation practices and attract and retain talented employees.

METHOD

This research was conducted by taking data at UKM X Coffee Shop. Data collection was carried out using the interview instrument. Location from this research was conducted at UKM X Coffee Shop which is in the Bogor area. The research was conducted from January to February 2023. Insider study is Cafe Manager UKM X Coffee Shop and employees of UKM X Coffee Shop.

Rudiyansari, (2014), the point system approach involves assigning numeric values to specific job factors, which are then totaled to yield a quantitative evaluation of the job's value in comparison to others. Research analysis data conducted in this research is by way of single case analysis, starting from determining research subjects, determining data sources, collecting data, analyzing data using adhered and overlapping methods, drawing conclusions and compiling research compensation management reports in UKM X Coffee Shop.

The company's compensation system should take into account the local living standards and conditions in which it operates to ensure that employees can meet their daily requirements (Hafni & Tsabit, 2021). Additionally, it's crucial to analyze the workload, potential job risks, and required competencies associated with the job. According to Virginia, (2018), information related to "job grading" will also appear. The purpose of job evaluation is to establish both internal and external consistency in terms of compensation or remuneration. It aims to ensure consistency in how compensation is awarded (Sudaryo et al., 2019).
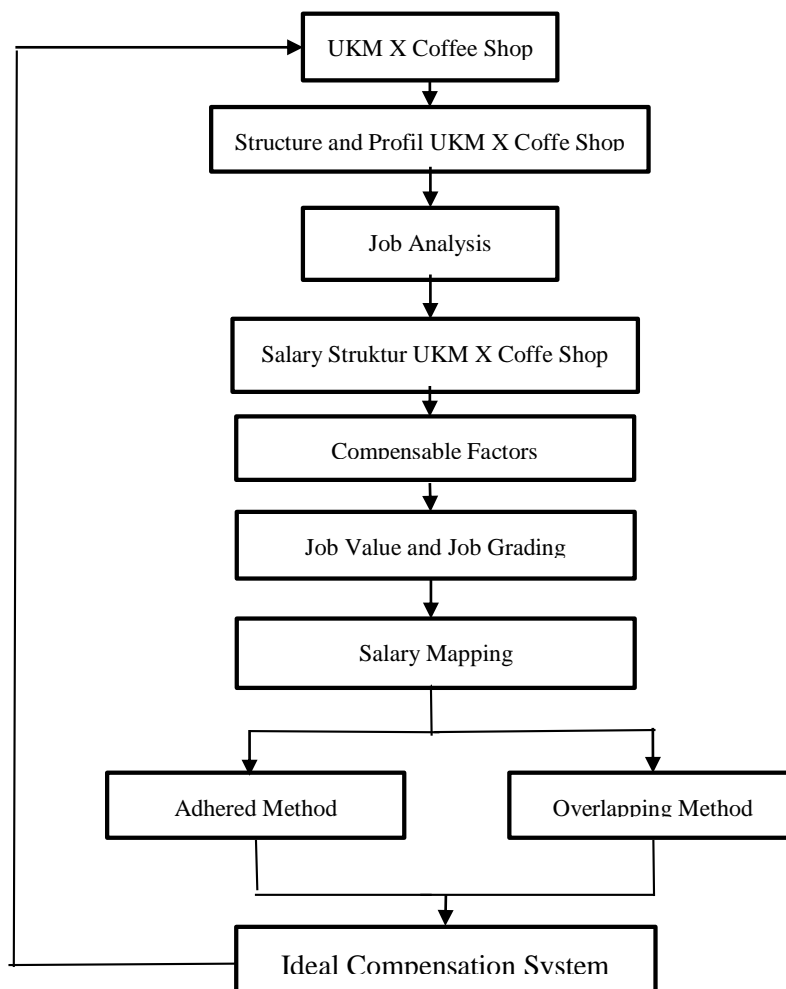
Figure 1. The Framework of Thought

Based on figure 1, we will evaluate the salary mapping of UKM X Coffee Shop using the adhered and overlapping method. so that the results obtained are in the form of an ideal and useful compensation system for UKM X Coffee Shop.

RESULT AND DISCUSSION
Setting Compensable Factor

In designing compensation, the first step that must be taken is to determine the compensation factor (Handayani, 2015). In this case, we conducted group discussions to formulate the compensation factors used. These factors can be seen in table 1 below:

Table 1. Compensable Factor

NO	COMPENSABLE FACTOR	DEFINITION	LEVEL	INFORMATION	CITATION
1	Pendidikan	Faktor ini menilai seberapa jauh latar pendidikan diperlukan agar rata-rata orang dapat menjalankan tugasnya dengan baik.	1	Tamat Sekolah Menengah Pertama	Job Evaluation Manual (Ontario Public Service Union & College Compensation and Appointment Council)
			2	Tamat SMA/SMK atau pernah di tingkat pertama Universitas/Akademik	
			3	Diploma (D1/D3)	
			4	Sarjana (S1)	
2	Pengalaman	Faktor ini menilai berapa lama pengalaman diperlukan dengan pendidikan seperti tersebut pada faktor pendidikan agar pekerjaan dapat dilaksanakan dengan memuaskan	1	0 - 1 tahun	Job Evaluation Plan Factors BCGEU Support Staff
			2	>1 tahun - 2 tahun	
			3	>2 tahun - 3 tahun	
			4	>3 tahun - 4 tahun	
			5	>4 tahun - 5 tahun	
			6	>5 tahun	
3	Komunikasi	Faktor ini mengukur keterampilan komunikasi yang dibutuhkan oleh posisi, baik lisan maupun tulisan dan meliputi: - komunikasi untuk memberikan saran, bimbingan, informasi atau pelatihan - interaksi untuk mengelola transaksi yang diperlukan - keterampilan interpersonal untuk mendapatkan dan mempertahankan komitmen dan mempengaruhi tindakan orang lain	1	Komunikasi melibatkan pertukaran informasi rutin dengan menggunakan kesopanan dan mendengarkan secara aktif.	Job Evaluation Manual (Ontario Public Service Union & College Compensation and Appointment Council)
			2	Komunikasi melibatkan pertukaran informasi yang memerlukan penjelasan dan/atau penafsiran	
			3	Komunikasi melibatkan menjelaskan dan/atau menafsirkan informasi untuk mengamankan pemahaman. Mungkin melibatkan komunikasi informasi teknis dan saran	
				Komunikasi melibatkan menjelaskan dan/atau menafsirkan informasi untuk	

From the results of our discussion, we formulated 10 compensable factors taken from Hay's dictionary, Ontario's job evaluation, and BCGEU's job evaluation, namely education level, experience, communication, analysis and problem solver, freedom of action, working conditions, customer service orientation, physical effort, responsibility for materials and products, and build relationships.

Determine The Level or Weight of Each Job (Job Value)

When evaluating a position, before using the method, Given System or Min Max it is necessary to weight and assign values to factors and positions (Jonatan et al., 2020). In the compensation design at the X Coffee Shop used as many as 10 assessment factors, namely education level, experience, communication, analysis and problem solver, freedom of action, working conditions, customer service orientation, physical effort, responsibility for materials and products, and build relationships.

Table 2. Weighting of Compensable Factors

Compensable factor	Know How			Problem Solving					Accountability			
	Education	Experience	Communication	Analysis and problem solving	Freedom of action	Working conditions	Customer service orientation	Physical effort	Responsibility for materials and products	Building Relationships	BOBOT	
Education	1	0.20	0.33	0.50	4.00	5.00	0.25	3.00	6.00	2.00	22.28	0.0960
Experience	5.00	1	3.00	4.00	8.00	9.00	2.00	7.00	9.00	6.00	54.00	0.2345
Communication	3.00	0.33	1	2.00	6.00	7.00	3.50	5.00	8.00	4.00	36.83	0.1600
Analysis and problem solving	3.00	0.25	0.50	1	5.00	6.00	0.33	4.00	7.00	3.00	29.08	0.1263
Freedom of action	0.25	0.13	0.17	0.20	1	2.00	0.14	0.50	3.00	0.33	7.72	0.4092
Working conditions	0.20	0.11	0.14	0.17	0.50	1	0.13	0.33	2.00	0.25	4.83	0.0210
Customer service orientation	4.00	0.50	2.00	3.00	7.00	8.00	1	6.00	8.00	5.00	44.50	0.1933
Physical effort	0.33	0.14	0.20	0.25	2.00	3.00	0.17	1	4.00	0.50	11.59	0.0504
Responsibility for materials and product	0.17	0.11	0.13	0.14	0.33	0.50	0.13	0.25	1	0.20	2.95	0.0128
Building Relationships	0.50	0.17	0.25	0.33	3.00	4.00	0.20	2.00	5.00	1	16.45	0.0714
											230.24	

Factor	Priority
Education	5
Experience	1
Communication	3
Analysis and problem solving	4
Freedom of action	8
Working conditions	9
Customer service orientation	2
Physical effort	7
Responsibility for materials and products	10
Building Relationships	6

Table 2 shows the results of the weighting of the values between the factors that will be used as the basis for determining compensation at X Coffee Shop. The weighting of these compensable factors shows the level of importance between factors where a value of 1 means that the factors are equally important, a value of 3 means a little more important than other factors, a value of 5 means more important than other factors, a value of 7 means very more important than other factors, and value 9 which means absolute more important than other factors. From the calculation of these compensable factors, the accumulated value of each factor will be calculated and the total weight and value of the factors for each position will be calculated.

Assign points to Each Job Factor Level

The next step is to assign a value or point to the factors in each position that can show how important these factors must be for each position (Ridwanullah & Herdiana, 2018). In assigning values, it is known that there are 16 positions that affect the design of the compensation system, namely General Manager, Cafe Manager, Craft Manager, Finance Manager, Purchasing Staff, Head Coffee Barista, Head Kitchen, Finance Assistant, Senior Barista, Senior Kitchen, Junior Barista, Junior Kitchen, Head Waitress, Staff Waitress, Security Coordinator, and Security Staff. This step needs to be done to get the results of calculating the number of weights and values for the factors of each position.

Table 3. Factor Value of Each Position

	Know How			Problem Solving						Accountability
Job Title / Compensable Factor	Education	Experience	Communication	Analysis and problem solving	Freedom of action	Working conditions	Customer service orientation	Physical effort	Building relationships	Responsibility for materials and products
General Manager	4	4	5	5	5	1	6	1	5	1
Cafe Manager	4	5	4	4	4	2	5	2	4	1
Craft Manager	4	5	4	4	4	2	5	2	4	1
Finance Manager	3	3	4	3	3	2	3	2	3	6
Finance Assistant	2	2	3	3	3	2	3	2	2	6
Purchasing	2	2	3	3	3	2	3	4	2	4
Head Coffee Bar	2	2	3	3	3	2	3	3	2	4
Head Kitchen	3	3	3	3	3	4	3	3	2	4
Senior Barista (2)	2	2	2	2	2	2	2	4	2	3
Senior Kitchen	2	2	2	2	2	4	2	4	2	3
Junior Barista (2)	1	1	1	2	2	2	2	4	2	3
Junior Kitchen (3)	1	1	1	1	2	4	2	4	2	3
Waitress (6)	1	1	1	1	2	2	2	3	2	1
Security Staff	1	1	1	1	1	2	1	3	1	6
Security Coordinator	1	1	1	1	1	2	1	2	1	1

Table 3 above shows the factor values owned by each position. The next step is to determine the Job Value of each position, namely by sorting the positions based on the final total from the largest to the lowest by multiplying the weight obtained with the value obtained.

Table 4. Job Value

Job title / Compensable factor	ΣNxB (Job Value)	Number of people	Total Point	Given		Grade Given
General Manager	1159	1	1159	997	1173	V
Cafe Manager	987	1	987	820	997	IV
Craft Manager	987	1	987			
Finance Manager	683	1	683	643	820	III
Finance Assistant	661	1	661			
Purchasing Staff	678	1	678			
Head Coffee Bar	667	1	667			
Head Kitchen	676	1	676			
Senior Barista	540	2	1080	466	643	II
Senior Kitchen	550	1	550			
Junior Barista	427	2	854	275	466	I
Junior Kitchen	407	3	1222			
Waitress	380	6	2281			
Security Coordinator	275	1	275			
Security Staff	289	1	289			
			9233			
Range JV	177					
Total Salary	Rp64.000.000					
Value per point	Rp6.932					

Table 4 above shows the job value of each position, where the highest value is in the General Manager position of 1159, while the lowest value is in the Security Coordinator of 275. The next step is to compile job grading based on the method grade given which is a way to determine how many grades you want to make to perform a compensation design system calculation.

Design Job grading

After obtaining the job value for each position, we give five grades that show in Table 4. The following steps to obtain the job grading are:

1. Calculating the interval at each given grade by calculating the difference between the job values highest and lowest then dividing by the number of grades to be made.
   = [(Highest job grade - lowest job value)/number of given grades]
   = [(1159-275)/5]
   = 177

2. To obtain the upper limit of Given Grade I, the lowest job value is added to the interval of given grade.
   = [Lowest job value + Interval]
   = [275+177]
   = 466

3. The upper limit of Given Grade I becomes the lower limit of Grade II. Then if added to the interval given grade it will produce the upper limit of Grade II. And so on until the Grade V with the Given intervals between 997 - 1173.

Salary Mapping Using Point System Adhered

The compensation system currently implemented by X Coffee Shop can be analyzed further by using salary mapping based on position.

Table 5. Mapping Salary Actual

| MAPPING SALARY ACTUAL | | | | | | | | |
| JOB TITLE | LEVEL | TOTAL PERSONS | TOTAL SALARY | RANGE GAJI | | | INCREASE & SPREAD | |
				MIN	MIDPOINT	MAX	MID TO MID	SPREAD
General Manger		1							
Caffe Manager	5	1	Rp18.800.000	Rp5.000.000	Rp6.400.000	Rp7.800.000	96,92%	56,00%	x
Craft Manager		1							
Finance Manager		1							
Purchasing	4	1	Rp12.900.000	Rp3.000.000	Rp3.250.000	Rp3.500.000	20,00%	16,67%	x
Head Coffee Barista		1							
Head Kitchen		1							
Finance Assistant		1							
Senior Barista	3	2	Rp10.000.000	Rp2.500.000	Rp2.500.000	Rp2.500.000	38,89%	0,00%	x
Senior Kitchen		1							
Junior Barista		2							
Junior Kitchen	2	3	Rp19.800.000	Rp1.800.000	Rp1.800.000	Rp1.800.000	44,00%	0,00%	x
Ketua Waiters		1							
Anggota Waiters		5							
Security Coordinator	1	1	Rp2.500.000	Rp1.000.000	Rp1.250.000	Rp1.500.000		50,00%	
Security Staff		1							

Description x means not ideal because the existing Mid to mid > Spread. Based on Table 5, the salary given form Grade I - V is not ideal. From these results it can be concluded that the compensation system in x Coffee Shops is not ideal and it shows that internal justice has not been created in the company. After we know the results, the improvements are needed using the Adhered Methods.

Table 6. New Mapping Salary (Adhered)

| NEW MAPPING SALARY | | | | | | | | |
| JOB TITLE | LEVEL | TOTAL PERSONS | TOTAL SALARY | RANGE GAJI | | | INCREASE & SPREAD | |
				MIN	MIDPOINT	MAX	MID TO MID	SPREAD
General Manger		1						
Caffe Manager	5	1	Rp18.800.000	Rp4.524.000	Rp6.220.500	Rp7.917.000	69,23%	75%
Craft Manager		1						
Finance Manager		1						
Purchasing	4	1	Rp12.900.000	Rp2.827.500	Rp3.675.750	Rp4.524.000	53,88%	60%
Head Coffee Barista		1						
Head Kitchen		1						
Finance Assistant		1						
Senior Barista	3	2	Rp10.000.000	Rp1.950.000	Rp2.388.750	Rp2.827.500	38,48%	45%
Senior Kitchen		1						
Junior Barista		2						
Junior Kitchen	2	3	Rp19.800.000	Rp1.500.000	Rp1.725.000	Rp1.950.000	27,78%	30%
Ketua Waiters		1						
Anggota Waiters		5						
Security Coordinator	1	1	Rp2.500.000	Rp1.200.000	Rp1.350.000	Rp1.500.000		25%
Security Staff		1						

Table 6. is an improvement in compensation using the Adhered Method. According to the data in the table, the spread in Grade I becomes 20% with the new minimum salary being IDR 1.200.000.

After reforming the salary, the ideal compensation system is obtained. It can be seen that from mid to mid each grade is always smaller than the spread. In addition, the difference in the interval or distance obtained is not too far away and in accordance with the provisions of the interval or distance that has been determined.

Salary Mapping Using Point System Overlapping

In addition to using the Adhered Method, it can also be done using the Overlapping Method. The most striking difference from the Adhered Method is that the maximum value of the previous grade can be greater than the minimum value of the next grade.

Table 7. New Mapping Salary (Overlapping)

NEW MAPPING SALARY								
JOB TITLE	LEVEL	TOTAL PERSONS	TOTAL SALARY	RANGE GAJI			INCREASE & SPREAD	
				MIN	MIDPOINT	MAX	MID TO MID	SPREAD
General Manger	5	1	Rp18.800.000	Rp5.555.555,56	Rp7.500.000,00	Rp9.444.444,44	56,25%	70%
Caffe Manager		1						
Craft Manager		1						
Finance Manager	4	1	Rp12.900.000	Rp3.582.089,55	Rp4.800.000,00	Rp6.017.910,45	60,00%	68%
Purchasing		1						
Head Coffee Barista		1						
Head Kitchen		1						
Finance Assistant	3	1	Rp10.000.000	Rp2.352.941,18	Rp3.000.000,00	Rp3.647.058,82	36,36%	55%
Senior Barista		2						
Senior Kitchen		1						
Junior Barista	2	2	Rp19.800.000	Rp1.760.000,00	Rp2.200.000,00	Rp2.640.000,00	27,54%	50%
Junior Kitchen		3						
Ketua Waiters		1						
Anggota Waiters		5						
Security Coordinator	1	1	Rp2.500.000	Rp1.500.000,00	Rp1.725.000,00	Rp1.950.000,00		30%
Security Staff		1						

Table 7. is an improvement in compensation using the Overlapping Method with the minimum salary in Grade I is IDR 1.500.000 with 30% Spread.

CONCLUSION

Based on the analysis using the job point system, the factors that form the basis for determining salary are based on weighting for UKM X Coffee shop ranked from highest to lowest are experience, customer service orientation, communication, analysis and problem solving, education, building relationships, physical effort, behavior habits, working conditions, and responsibility for materials and products. In scoring, it is known that there are 16 positions that influence the design of the compensation system, namely General Manager, Cafe Manager, Craft Manager, Finance Manager, Purchasing Staff, Head Coffee Barista, Head Kitchen, Finance Assistant, Senior Barista, Senior Kitchen, Junior Barista, Junior Kitchen, Head Waitress, Waitress Staff, Security Coordinator, and Security Staff. After doing the calculations obtained the highest score is in the General Manager position of 1159, while the lowest score is in the Security Coordinator of 275.

After mapping the actual salary,salary given from Grade I - V on UKM X Coffee shop it's not ideal. From these results it can be concluded that the compensation system at x Coffee Shop is not ideal and this shows that internal justice has not been created within the company. After analyzing and improving the payroll system, it can be concluded that the compensation system is effective to be implemented by UKM X Coffee shop is to use Adhered method. This is because operational costs are lower.

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