

**ANALYSIS OF COMPENSATION SYSTEM BASED ON JOB VALUE
OF INDONESIAN MIGRANT FOR COOKS JOB CLUSTER IN KUALA
LUMPUR, MALAYSIA**

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Author Note

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ABSTRACT

Indonesian cooks is a kind of job that has a great potential to be developed, considering the high enthusiasm for Indonesian dishes in Malaysia and the popularity of Indonesian food in the world. This research aims to analyze the condition of compensation system currently applied to Indonesian Migrant Workers at cooks job cluster in Kuala Lumpur, as well as to identify the compensable factors, and to analyze the ideal compensation system. Data used in this research are primary data (questionnaire) and secondary data (literature study). This research used descriptive analysis, salary mapping analysis, point system method, and linear regression test in order to process the data. Result of the research shows (1) The evaluation result of Indonesian Migrant Cooks' salary distribution has not been ideal entirely; (2) Compensable factors that used are knowledge and skill, organizational capabilities, self reliance, self presentation, responsibility of supervising, responses to critics, and the influence of work result; (3) The ideal

compensation system for Indonesian Migrant Cooks in KL is non classification system based on Hay Plan Method, which the required funding is more efficient with amount RM 4,036.99 or about Rp.12,918,368.00.

Keywords: *compensation system, Indonesian migrant workers, job value*

ASEAN Economic Community (AEC) is an economic integration agenda from ASEAN member states that aims to reduce economic barriers among Southeast Asian states. Began in early 2016, AEC ensures the free flow of investment, capital, skill workers, goods and services in 10 ASEAN member states. According to a research by International Labor Organization (ILO) in 2015, AEC will increase the demand of professional workers as much as 41% or approximately 38 million workers, the demand of middle level workers 24% or 14 million workers, and for low level workers, 24% or 12 million workers. The increased demand for workers is an opportunity for ASEAN member states to solve the domestic unemployment problem in some states.

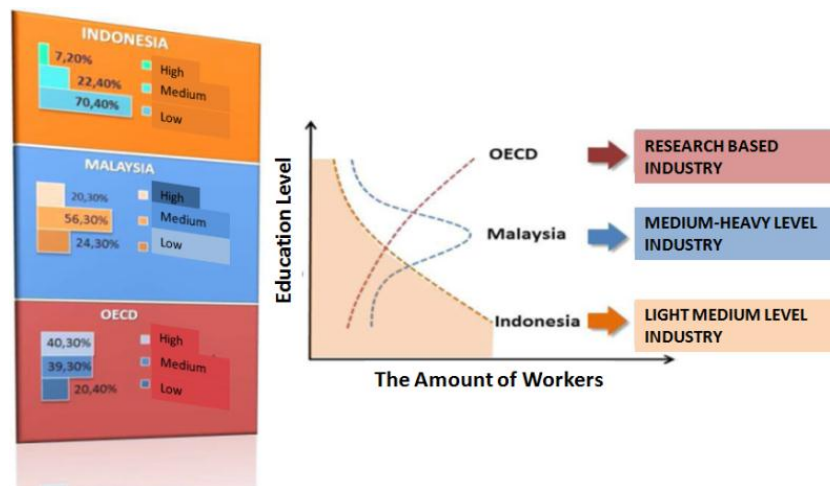
Accounted as the world's fourth largest population, Indonesia is also accounted as one of the world's largest exporter of labours amongst the ASEAN members. According to Act No.39 year 2004, Indonesian migrant worker is every Indonesian citizen who areeligible to work abroad under the status of employment for a certain period of time with a wage. Indonesian migrant workers are often referred as foreign exchange heroes since their remittances from working abroad, is second in line after the income from oil and gas sector for contributing about 10% of the value of the Indonesia's state budget (Bank of Indonesia, 2013).

However, the high remittances of these migrants cannot be compared to the situation and conditions that they have to undergo, such as assault, unpaid wages, and so on (BNP2TKI, 2015). In responding to this, the government of Indonesia has attempted to improve the protection of Indonesian migrant workers by reducing the number of informal migrant workers annually. It is supported by moratorium regulations, which functions to temporarily reduce the

influx of workers abroad as well as to reduce the number of Indonesian workers in informal sectors in several countries. According to BNP2TKI (The National Institution of Indonesian Migrant Placement and Protection) Indonesian informal migrant workers refer to those who are working abroad for individual employer with the absence of a binding law that leads to a subjective working relations and vulnerability towards complication. A large number of Indonesian informal workers caused by the low level of education in Indonesia. This is shown in Figure 1.

Figure 1

Human Resources Quality in Indonesia and Other Countries



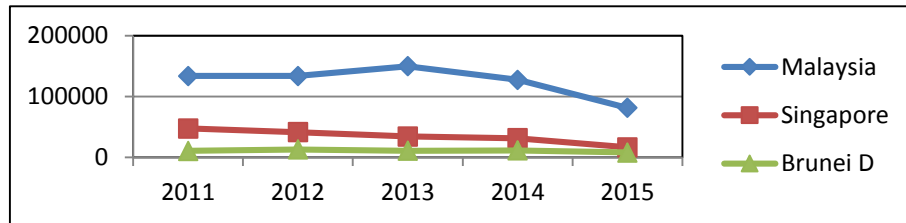
Source : Ministry of Trade of the Republic of Indonesia in 2016.

Based on Figure 1, human resources in Indonesia are still dominated by education at a base level of 70.40%. Comparing to other Southeast Asia countries such as Malaysia, Indonesia is still slightly behind from dominating the growing industries, and still developing on the light medium level industry.

Indonesia and Malaysia are two member states of ASEAN with common roots, history, and geographical proximity. In terms of Indonesian migrant workers, Malaysia serves as one of their primary destination from 2011 to 2015. This is shown in Figure 2.

Figure 2

Placement of Indonesian Workers in Foreign Countries in 2011-2015



Source : BNP2TKI (The National Institution of Indonesian Migrant Placement and Protection) in 2015.

Among the other destination countries both in Southeast Asia and in the world, Malaysia is occupying the first position as a destination country with the largest number of migrant workers. In 2008, Malaysia was also the main destination for migrant workers in Southeast Asia (Kaur, 2008). The ease of getting a job, higher salary, various work opportunities, and geographical proximity attract many Indonesian workers both in formal or informal sector to seek an opportunity in Malaysia. It supported by the study of Mansor (2014) who discovered that employee willingness to accept international assignment can be affected by their assumptions about cultural similarity between their home country and the host country. Kaur (2008) found that the reason of Indonesian workers migrating to Malaysia is because of the similar language, culture, and religion. Martin (2003) also revealed the factors which encourage people to migrate are the economic and non economic reasons both in terms of the attractiveness of labor demand, labor supply encouragement, and information transformation network. As previously mentioned, sending Indonesian workers to work abroad have indeed contributed to the state's budget, but not only that, they also reduce the number of unemployment, increase foreign exchange, as well as the development of rural areas of their origin (Republika.co.id, 2015 and Tribunnews.com, 2013). However sending workers abroad also inflicted a lot of problems such as assault, sexual harassment and even murder as they are often despised due to their job as domestic workers (voaindonesia.com, 2015). In Malaysia,

Indonesian migrant workers are mostly working on the 3D sector known as dirty, dangerous and difficult such as construction, plantation and restaurant services sector, as most Malaysians detest to work in this 3D sector (BBC.com, 2016).

In 2015, Ministry of Manpower of the Republic of Indonesia issued a regulation (Ministry of Manpower's Regulation No.1 /2015) regarding the change of the classification of 7 informal working fields to formal work for migrant workers, one of them is as a cook.

Indonesian cook is one of the jobs with highest development potential. This is supported by the popularity of Indonesian culinary that offers combination of peculiar spices and taste. Some Indonesian dishes have been praised as the most delicious food in the world, such as Rendang and NasiGoreng (fried rice) that placed first and second as the world's most delicious food according to World's 50 Best Food in 2011. *Satay*, another Indonesian original dish, also successfully placed in the 14th position of world's best food according to CNN in 2011. World's enthusiasm for Indonesian food is very significant, including in Kuala Lumpur. In this recent times, *Ayam Penyet*, a dish originating from Java, has greatly been demanded. *Ayam Penyet* dishes even have become a franchise business with many different brands such as Ayam Penyet AP which has 26 outlet branches in Malaysia and Ayam Penyet Ria which has 9 outlet branches in Malaysia, and many more Ayam Penyet brands in Malaysia (antaranews.com, 2011 and finance.detik.com, 2014). This indicates that Indonesian cook is a potential job to be developed in Malaysia especially in Kuala Lumpur.

Human resource is the most valuable asset which has the greatest potential in determining the performance and achievement of an organization. Some studies related to the analysis of the compensation system are done considering the importance of compensation for human resources in companies and in order to achieve success in a company itself. At the previous research, Hatman (20016) found that the compensation system in CV. Indopress Cemerlang

still needs improvement. 50% levels of the job are not in ideal condition. Compensable factors in CV. Indopress Cemerlang are experience, responsibility to supervise, consequences of errors, problem solving, working condition and level of independence. Another research which conducted by Yusliana (2012) also found that there were 16 indicators which used to determine the amount of incentives for education personnel who are civil servants in the Bogor Agricultural University. Assessment of work quality has the greatest weight than other indicators. In 2013, Safdar also found that the compensable factors which used at the Job Evaluation for Humanitarian Actors in Health Sector of Pakistan were experience, education, working zones, and job status. The proposed salary of Doctors in various specialization was varying from minimum to maximum salary. Data at Safdar's research had poor coordination with scoring system. Staff with highest score was having least salary and those having least score were receiving maximum salary. Safdar's research also suggests a new salary structure. Based on some previous studies, such the studies which had been carried out by Hatman, Yusliana, Safdar, , it is obtained that the compensation system in several companies is not yet ideal. It implies that the internal equity has not been reached on some of those conditions. The previous studies also found the factors which underlying the nominal payroll in specific type of job that had been studied. Based on previous researches by Hatman, Yusliana, Safdar, and Sun, and the presence of Ministry of Manpower's regulation No.1/2015 which stated that cooks is one of the jobs which will be enhanced from informal to the formal sector or later Indonesian cooks will work with employers who incorporated in legal entities, author is interested to do a research regarding compensation system analysis based on job value of Indonesian migrant for cooks job cluster in Kuala Lumpur, Malaysia. This study focuses on the assessment system of compensation received by TKI cook at home industry level who work in Kuala Lumpur, Malaysia.

METHOD

Sampling Method

Sampling method in this research is non probability sampling with purposive sampling techniques and convenience sampling. Purposive sampling is a sampling technique with certain considerations of data sources (Sugiyono 2010) which is directed to experts in ranking the compensable factors. Convenience or incidental sampling is a sampling technique based on coincidence, when anyone who coincidentally or incidentally meet with the researcher, is taken as a sample if they are suitable to be a data source (Sugiyono 2010). The sample numbers in this study were 14 experts, and 30 samples of Indonesian cooks. The sample used as resource persons in this study include: (1) one representative from Expert Assessor of Indonesian Chef Association; (2) one representative from Owner of the Restaurant in Indonesia (3) one Human Resources Management Expert (The Expert Lecturer of Human Resource Management, University of Indonesia); (4) 11 shop owners that employ Indonesian cooks of home industry level in Kuala Lumpur, Malaysia; (5) 30 Indonesian Migrant Workers who works as cooks in home industry level, Kuala Lumpur, Malaysia.

Statistical Descriptive Analysis

According Sugiono (2010) descriptive statistics are statistics which used to analyze data by describing the data that has been collected without intention to create a generally applicable conclusion.

Salary Mapping Analysis

Salary mapping analysis is used to determine the percentage of the range spread and mid to mid in every level of existing positions. The good conditions of salary structure is the condition where the presentation of mid to mid is smaller than the percentage of range spread in a position level.

Payscale (2013) stated that the range spreads could be calculated by:

$$= \frac{\text{The upper limit salary of a level positions} - \text{The lower limit salary of a level positions}}{\text{The lower limit of a level positions}} \dots\dots\dots(1)$$

And Payscale (2013) also stated that mid to mid (mid point differential) could be calculated by:

$$= \frac{\text{midB} - \text{midA}}{\text{midA}} \dots\dots\dots(2)$$

Point System Method

Through the point method, appraisers allocate the numeric values towards the job specific factors, and the numbers of these values provide a quantitative assessment of the relative job value (Mondy 2008). Point system method steps that were taken this study include:

1. Choose the Work Group
2. Identify the Compensable Factors

According to Mondy (2008) compensable factors or worthy factors of compensation is a factor that is selected to measure the value of work. Compensable factors become the standard to evaluate a certain work. People who are very familiar with the work being assessed are the most suitable in identifying those factors.

3. Determine the Level and Define Every Compensation Factors

Level indicates the number of related differentiation levels with the factors (Mondy 2008).

4. Determine the Weight of Factors

The weight of factors is determined based on their relative importance in the work which being evaluated (Mondy 2008). Total percentage in 1(one) factor is 100%. Weighting techniques used in this study is the *Eckenrode* weighting method. According to Maarif and Tanjung (2003) *Eckenrode* is a weighting method which determine the degree of

importance/weight of each criteria in decision making. *Eckenrode* weighting is conducted through the following steps: (1) Sorting the work factor; (2) Converting the sequence is into a value by obtaining the number of factors minus by 1(one); (3) Calculate the weight summation (factor value multiplied by opinions) divided by total sum (factor value multiplied by opinions).

5. Determine the Factor Point Value

In this phase, the minimum, maximum, and interval of each factor are calculated and the weight of each factor must be presented in a percentage form. The minimum value of each factor is obtained by multiplying the percentage of weight with 100 to get a decimal value. The maximum value of each factor is obtained by multiplying the weight value to the total points. Interval could be obtained by the formula:

$$= \frac{\text{Maximum value of factor} - \text{Minimum value of factor}}{\text{Levels of factor} - 1} \dots\dots\dots(3)$$

6. Validate the Point System

In this phase, job points of each factor and level is calculated. First, the matrix point of each factor and level must be calculated. Each level of the factor has the same number of difference and that become the number of intervals of each factor.

7. Calculate the Job Point of Workers

Job point of each worker at each position is calculated by converting the results of the job evaluation questionnaires into the value of the job point for each level of the factors that have been obtained from the previous phase.

8. Determine the Price of Works

Work prices or midpoint salary is obtained through linear regression equation by calculating the value of the job point and actual salaries.

9. Calculate the Pay Ranges

Pay range could be determined by calculating the basic and top salary of work from finding the value of the multiplier and multiply it with the mid-point salary.

10. Calculate the Pay Grades

Pay grades or work grouping is conducted to simplify pricing of work through: (a) determine the lowest and the highest job point; (b) Calculate intervals by using the formula:

$$= \frac{\text{The Highest Job Point} - \text{The Lowest Job Point}}{\text{Total Group}} \dots\dots\dots(4)$$

Then (c) Determine the bottom point of the lowest class based on the lowest job point and determine the top point by summing the bottom point with the interval that has been calculated in the previous phase; (d) Bottom point in Group II is same as the value of the top point in Group I. The top point of Group II is calculated by summing bottom point of Group II by the intervals, and so on; (e) Calculate the midpoints of each class by the formula:

$$= \frac{\text{Top Point of a Class} - \text{Bottom Point of a Class}}{2} + \text{Bottom Point of a Class} \dots\dots\dots(5)$$

(f) Calculate the midpoint salary of each class with a linear equation; (g) Determine the class for every worker based on the worker's job point; (h) Calculate bottom and the upper salary margin of each class by multiplying the midpoint with the multiplier.

11. Adjustments

Points system will indicate the actual salary conditions:

- a. Under paid, indicating that actual salaries are lower than the bottom margin salary
- b. In paid, indicating that actual salaries are in the right position, which is located between the bottom and the upper margin salary
- c. Over paid, indicating that actual salaries are higher than the upper margin salary

12. Ideal Compensation System Making

At the under paid a salary, actual salaries should be increased to the bottom margin salary. In paid salary does not need to be changed or adjusted because it is in the right conditions. The over paid salary could not be changed, because every salary could not be downgraded.

Collect Data

The research was conducted in Kuala Lumpur, Malaysia in January 2016 - April 2016. Data used in this research were primary and secondary data. The primary data was obtained through the primary source of data which directly provide data to data collectors (Sugiyono 2010) by filling out the questionnaire. The questionnaire in this study is divided into two types. The first type of questionnaire was aimed to determine the rating of compensable factors, this was distributed to the experts. The second type of questionnaire was distributed to Indonesian workers on cooks job cluster at home industry level in Kuala Lumpur in order to know the aspects of workers' compensation received. Secondary data were obtained from secondary sources that refers to indirect sources which provide data for the data collector (Sugiyono 2010). In this research, secondary data are taken from Ministry of Labor of the Republic of Indonesia and the BNP2TKI, the Indonesian Embassy in Malaysia, books, internet, theses and the relevant journals.

RESULT AND DISCUSSION

The main object of this research is the Indonesian migrant workers who work as a cook at home industry level or equivalent with SMEs or shops in Kuala Lumpur, Malaysia. The Indonesian Cooks who become samples in this research work for the shops at Chow Kit, Kampung Baru and Kampung Bandan area of Kuala Lumpur, Malaysia.

The Compensation System Condition of Indonesian Migrant Workers at Cooks Job Cluster in Home Industry Level, Kuala Lumpur

According to survey which conducted by researcher, Indonesian cooks in KL at home industry level have an average basic salary of RM 1,642 or about Rp.5,2553,333.00 (exchange rate of 1 RM=Rp. 3,200.00). Overall, the Indonesian cooks receive a fixed allowance for meal, and holiday allowance, but not all Indonesian migrant workers who work as cook receive bonus, as it is dependent on the policy of shop owner. This could be seen in Table 1.

Table 1

The Condition of Compensation Component which Received by Indonesian Cooks at Home Industry Level in Kuala Lumpur 2016

Position	Total Person	Basic Salary		The Average of Basic Salary		% of Total Receiver (Person)						
		RM	Rp	RM	Rp	Direct Financial Compensation			Indirect Financial Compensation			
						Salary	Wage	Bonus	Meal	Holiday	Health	
Cooks	21	1,200	3,840,000.0	1,73	5,539,000.0	10	38.	0	38.1	100	100	57.1
		-	0	-	0	0	1	0	0	0	0	0
		3,000	9,600,000.0	1	0	0	1	0	0	0	0	0
Senior Cooks	7	1,100	3,520,000.0	1,41	4,524,800.0	10	14.	0	14.2	100	100	71.4
		-	0	-	0	0	29	0	0	0	0	0
		2,100	6,720,000.0	4	0	0	29	0	0	0	0	0
Junior Cooks	2	1,500	4,800,000.0	1,50	4,800,000.0	10	0	0	0	50	100	100
		-	0	0	0	0	0	0	0	0	0	0
		3,000	0	0	0	0	0	0	0	0	0	0
TOTAL	30											

Source: Data processed (2016)

Notes. Exchange Rate of 1 RM=Rp. 3,200.00

Table 1 explains that Indonesian cooks at home industry level in KL have a basic salary that is already above the workers minimum wage in Malaysia which is RM 900 based on the agreement between the government of Malaysia and Indonesia (finance.detik.com, 2015), but

not all of Indonesian cooks receive the complete remuneration package. From 21 positions of Cooks Position and seven Senior Cooks Assistant, there are eight cooks and one Senior Cooks Assistant where their workplace applies wage system through the implementation of overtime and bonuses when the shop get many visitors. From the total sample of Indonesian Cooks, there are 19 Cooks who received health reimbursements from the shop owner when they get ill.

The Salary Mapping of Indonesian Cooks in Kuala Lumpur, 2016

The condition of compensation system which currently implemented on Indonesian migrant workers at cooks job cluster for home industry level in Kuala Lumpur is able to be observed from the salary mapping based on job position.

Table 2
Salary Mapping Result

Job Position	Total Person	Total Salary (RM)	Actual (RM)			Actual		Explanation
			Min	Average	Max	Mid to Mid	Spread	
Cooks	21	44,003	1,358	2,095.38	3,375	21.36%	148.53%	Ideal, but the Range Spread is very large
Senior Cooks Assistant	7	12,086	1,408	1,726.57	2,408	-6.57%	71.02%	Ideal, but the <i>mid to mid</i> percentage is less appropriate because it is negative
Junior Cooks Assistant	2	3,696	1,808	1,848.00	1,888	-	4.42%	Ideal

Source: Data processed (2016)

According to the salary mapping results in Table 2, the spread value on the actual compensation condition for Cooks position is ideal, for it is greater than mid to mid value (148.53% > 21.36%). Mid to mid which is smaller than the spread indicates that the salary increase that occurred on the job level is not too extreme. But the spread value that still less suitable due to the spread value in these conditions is very large which is more than 100% and dispersed at every position level, where the spread value at Cooks position is more than 100%. It describes the respondents' salary distribution are considerable enough for every job level in cooks job cluster, therefore it is less than ideal and should be fixed. Moreover, the mid to mid value for Senior Cooks Assistant is also less suitable as its value is negative, where mid to mid value should be positive. The negative value is caused due to the average salary value of the lower positions is greater than the average salary value of the Senior Cooks Assistant (1,848.00 > 1,726.57), and it should be revised.

Job Value Calculation of Indonesian Cooks in Kuala Lumpur 2016

In this study, compensable factors are formulated based on the Hay Plan Method, cooks' appraisal on form Chef Resources official website www.chefs-resources.com, and Indonesian Government Regulation on KEP.217/MEN/VII/2009 on SKKNI Social Services Sector and Individual Services Sector Enterprises Food. Compensable factors are sorted from the most important to least important factor by experts through questionnaires. The results of compensable factors rating is then used to calculate the weight of job value using Eckenrode methods.

Table 3

The Result of Point System

Factor	Weight	Level				
		1	2	3	4	5
Knowledge and Skill	27.78	27.78	90.29	152.79	215.30	277.80
Self Presentation	14.24	14.24	56.96	99.68	142.40	
Organizational Capabilities	16.32	16.32	53.04	89.76	126.48	163.20
Responses to Critics	9.72	9.72	38.88	68.04	97.20	
Self Reliance	15.28	15.28	61.12	106.96	152.80	
Responsibility of Supervising	13.89	13.89	55.56	97.23	138.90	
The Influence of Work Result	2.78	2.78	15.29	27.80		

Source: Data processed (2016)

The factor that has the highest weight of job value is knowledge and skills factor with the weight of 27.78% and the lowest weighting of job value is the influence the work with 2.78%. It shows that knowledge and skills factor is a main aspect which is used in hiring Indonesian cooks. Furthermore, the weight of each level at every compensable factor was used to analyze the job value of every Indonesian cooks that will be examined by processing the questionnaire results.

Points System for Job Position on Indonesian Cooks in Kuala Lumpur 2016

To determine the value of the job point on every worker who works as cooks at each position, the researcher analyze the job value of every aspect through questionnaires that has been given to Indonesian cooks. Job value aspects are analyzed and rated in accordance with the result of the points system at every level of compensable factors which is obtained in the preceding stage.

Table 4

Job Point of Indonesian Cooks at home industry level in Kuala Lumpur 2016

No	Name	Location of Work	Position	<i>Job Point</i>	No	Name	Location of Work	Position	<i>Job Point</i>
1	R1	KB1	C	792.26	16	R7	CK2	C	433.64
2	R2	KB1	C	792.26	17	R26	CK1	C	371.14
3	R17	CK4	C	772.48	18	R27	KB4	C	371.14
4	R16	CK4	C	670.37	19	R24	KB3	C	337.79
5	R3	KB2	C	649.54	20	R12	CK3	C	337.79
6	R9	KB4	C	603.7	21	R11	CK3	C	308.63
7	R4	KB3	C	587.03	22	R23	KB2	SCA	430.51
8	R5	CK1	C	582.86	23	R14	KB5	SCA	387.79
9	R19	CK4	C	563.08	24	R15	KB5	SCA	384.67
10	R18	CK4	C	562.03	25	R13	CK3	SCA	341.95
11	R6	CK2	C	548.24	26	R28	KB6	SCA	306.29
12	R8	KB4	C	541.19	27	R25	KB3	SCA	299.23
13	R21	CK4	C	510.98	28	R22	KB1	SCA	279.44
14	R10	KBd1	C	489.62	29	R30	KBd1	JCA	230.21
15	R20	CK4	C	448.48	30	R29	CK1	JCA	224.21

Notes. R= Respondent; KB= Kampung Baru; CK= Chow Kit; KBd= Kampung Bandan;

C= Cooks; SCA= Senior Cooks Assistant; JCA= Junior Cooks Assistant

Source: Data processed (2016)

According to the job point calculations given in Table 4, the Cooks has the highest value of job point. This is due to the skills, abilities, and high capacity of cooks that also possess a significant value to the results of the job point analysis of the Cooks. Table 6 also depicted that the position of Junior Cooks Assistant has the lowest value the job point. It is due to the skills, abilities, and capacity which are low in this position create the value of the job point analysis of JCA position become low.

The Job Value Effect toward Actual Salaries of Indonesian Cooks in Kuala Lumpur 2016 through the Regression Analysis

After obtaining the job point value of every cooks worker, the next step is finding the linear equations by using the job point as the variable x and actual salaries (all-in) as the variable y.

Table 5

Regression Analysis between Job Point and Actual Salaries

		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	1108.368	226.921		4.884	.000
	job point	1.874	.455	.614	4.116	.000

a. Dependent Variable: actual salaries

Source: Data processed (2016)

Table 5 shows that the regression equation to see the effect of job value on actual salaries of Indonesian Cooks is $y = 1108.368 + 1.874059x$. This equation shows that if the job point of Indonesian Cooks increase for 1(one) unit, the actual salaries will rise to RM 1.874059. Then, the regression equation is used to calculate a midpoint salary of each position to determine the value of the bottom margin and the upper margin salary of each position.

Non Classification of Compensation System

Midpoint salary in this study was obtained by the formula $y = 1108.368 + 1.874059x$. Pay ranges of Indonesian cooks is 3% which derived from the average of salary increase received by workers. Interval bottom margin of salary and the upper margin salary of Indonesian cooks is 6%, where the bottom margin of salary is 97% of the midpoint salary, and the upper margin salary is 103% of the midpoint salary. To this extend, the salary received by Indonesian cooks can be categorised into three condition; in paid or appropriate, over paid and under paid. The detail results of Indonesian Cooks compensation condition by non classification calculation could be seen Table 6.

Table 6

Analysis of Non Classification Salary Structure

Position	Total			
	Person	UP	IP	OP
Cooks	21	10	3	8
Senior Cooks Assistant	7	5	0	2
Junior Cooks Assistant	2	0	0	2
Total	30	15	3	12

Notes. UP=Under Paid; IP=In Paid; OP=Over Paid

Source: Data processed (2016)

The under paid salary should be pulled up into the bottom margin salaries as it is the minimum salary that must be paid aligned with the job value of Indonesian cooks. On the other hand, the over paid salary shall remain as it is essentially the employee's salary and cannot be downgraded, but it could be resolved by extending the work of the migrant workers in order to balance out the over paid salary. In the previous research, Pandey (2012) found that people and their motivation is dependent upon how well they are being paid. Trevor (2006) also found that pay dispersion had stronger negative effects on satisfaction and commitment for those who had lower salaries. Therefore the adjustment salary which calculated based on job evaluation was needed to enhance the external and internal consistency.

Adjustment of ideal salary is conducted in order to diminish the imbalance of salaries ranging from the bottom margin of salary and the upper margin of salary or in paid. Adjustments are made to raise the upper margin of salary range by 41% that is obtained by multiplying midpoint salary by 144%. Under the non classification system of compensation, the total actual salaries that are issued monthly for Indonesian cooks amounte to RM 59.785 or about Rp. 191,312,0000 for the total of 11 shops which employ Indonesian cooks (the total of 30 Indonesian Cooks). Through the ideal compensation for non classification system, the total salaries which necessary to be issued in a month amounted to RM 63,821.99 or about Rp.204,230,368.00 for the total of 11 shops for also the total of 30 Indonesian cooks which are being the sample respondent in this research, where the number of difference between the ideal salary and the current salary which not appropriate is amounted to RM 4,036.99 or about Rp.12,918,368.00 for seven shops that employ Indonesian Cooks which the salary is identified in under paid condition.

The Classification of Compensation System

In providing a comprehensive research, the compensation system is also calculated with the classification system to compare the results between the non classification and classification calculations in order to show the most efficient alternative in solving the loopholes of the existing compensation system. Pay ranges used in Figure 7 is 6%, where the bottom margin of salary is 97% of the midpoint salary, and the upper margin of salary is 103% of the midpoint salary. It is obtained from the average increase salary for Indonesian cooks, that is 3%. The result of the classification of compensation system is shown in Table 7.

Table 7

The Result of Classification Compensation System

Group	Total	UP	IP	OP
III	6	4	0	2
II	11	4	5	2
I	13	4	0	9
Total	30	12	5	13

Notes. UP=Under Paid; IP=In Paid; OP=Over Paid

Source: Data processed (2016)

According to Table 7, it is known that there are 12 Indonesian cooks whose salary are in under paid condition, 5 Indonesian cooks that are in paid condition, and 13 Indonesian cooks with the overpaid conditions of actual salary. This step is followed by salary adjustment of Indonesian cooks which indicated in under paid condition. Adjustments are made by tugging the under paid salaries to be in paid into the bottom margin salaries and raise the upper margin of salary for 47%. Upper margin of salary is 150% of the midpoint salary.

After being adjusted, all salaries are in the condition of in paid or appropriate in the range between the bottom margin of salary and the upper margin of salary. Total salary issued on the actual conditions in which many Indonesian cooks salaries are in unsuitable conditions is amounted to RM 59.785 or about Rp.191,312,000 for the total of 11 shops which employ Indonesian cooks. In order to achieve the ideal system of classification, the total compensation that needs to be issued must amount to RM 64,733.07 or about Rp.207,145,830.40 monthly per the total of 11 shops that employ 30 Indonesian cooks. The gap between ideal salary and the current salary is inappropriate as it amounts only RM 4,948.07 or about Rp.15,833,830.40 for eight shops that employ Indonesian cooks in which the salary have been indicated in the under paid condition.

Managerial Implications

Based on the analysis of this study, Indonesian Cooks' salary are already above the minimum salary policy of Indonesian workers in Malaysia, but have not reached the average salary standard based on the salary survey that was conducted with a calculation of the compensation system on the existing of Indonesian Cooks in KL. Indonesian Cooks salaries which are on under paid condition should be increased, therefore the job value will appropriate through the salary amount and achieve the equity. The difference details of actual salary received by Indonesian cooks, the ideal of non classification salary, and the ideal of classification salary could be seen in Table 8.

Table 8

The Difference of Actual Salary Received by Indonesian Cooks In 2016, Ideal Salary Based on Non Classification System and the Ideal Salary Based on Classification System

	Actual Salary Amounts of Indonesian Cooks in February,2016 (RM)	The Ideal Salary through Non Classification System (RM)	The Ideal Salary through Classification System (RM)
Total Salary	59,785	63,821.99	64,733.07
Difference in price		*4,036.99	4,948.07

Notes. * The Most efficient of Ideal Compensation System

Source: Data processed (2016)

The difference of the actual salary received by Indonesian cooks in February 2016 with the the ideal salary through non classification system has the lowest gap when its being compared through the gap of the ideal salary of classifications which amounts to RM 4,036.99 or about Rp.12,918,368.00. It concludes that the more efficient ideal compensation system to be applied in revamping of the existing compensation system for Indonesian cooks is compensation based on non classification system, because it has the smallest amount of difference, therefore it most likely to be achieved. This is also strengthened by the fact that a shop at home industry level have a slight different capacity, therefore the compensation system with the classification analysis would be difficult to be applied for the aggregates or clusters calculation as done in this study. In order to enhance the competitiveness and productivity, the shop owner may use the results of compensation based on salary surveys that have been done throughout this study, where the shop owners who employ Indonesian cooks which are

identified in under paid condition are expected to increase the salaries of cooks with a total of RM 4,036.99 for 7(seven) shops per month where the details is shown in Table 9.

Table 9

The Details of Total Funding for Adjustment Based on Ideal Compensation System of Non Classification for Indonesian Cook in KL, 2016

Shop	Total Operational Cost for Employee Adjustment (RM/Month)
KB2	914.60
KB3	706.69
CK1	376.37
CK2	719.13
KB4	553.52
KB5	662.32
CK4	104.36
TOTAL	4036.99

Notes. : KB2= Kampung Baru 2 (Second Shop which is located in Kampung Baru as the sample in this research that employ Indonesian Cooks); KB3= Kampung Baru 3; KB4=Kampung Baru 4; CK1= Chow Kit 1; CK2= Chow Kit 2; CK4= Chow Kit 4.

Source: Data processed (2016)

According to Table 9, the shops of KB2, KB3, KB4, KB5, CK1, CK2, and CK4 have Indonesian cooks which the salaries are under paid, so it is advisable to increase the salaries of Indonesian cooks with the funding amount in Table 11.

Additionally, based on the calculation of non classification compensation system of job value on the sample of Indonesian cooks in KL by salary survey that have been conducted by researcher, the ideal average of bottom margin salary and the upper margin salary (all

in/includes meal and allowances) and the ideal basic salary of Indonesian cooks at home industry level in KL could be seen in Table 10.

Table 10

The Ideal Salary (all in) and the Basic salary for Indonesian Cooks in KL 2016

Position	Ideal Salary (<i>all in</i>)				Ideal Basic Salary	
	Average of Bottom Salary		Average of Upper Salary			
	Margin		Margin			
	RM	Rp	RM	Rp	RM	Rp
Cooks	2,051.06	6,563,392.00	3,044.87	9,743,584 .00	1,743.06	5,577,792.00
Senior Cooks Assistant	1,706.14	5,459,648.00	2,532.82	8,105,024.00	1,398.14	4,474,048.00
Junior Cooks Assistant	1,488.15	4,762,080.00	2,209.21	7,069,472.00	1,180.15	3,776,480.00

Source: Data processed (2016)

The determination of cooks' classification could be adjusted to the rules of core competencies in SKKNI (Indonesia National Standard of Work Conditions) for Social Services Sector and Individual Services Sector Enterprises Food. The average salary at bottom margin and upper margin and also the ideal basic salary then expected to become an input and consideration for Ministry of Manpower of the Republic of Indonesia and Indonesian Embassy in Kuala Lumpur to be informed for the ideal payroll system in accordance with the salary survey conducted for Indonesian Migrant Workers in Kuala Lumpur especially on cooks job cluster at home industry level which propose to enhance the external and internal equity and improve the productivity and welfare of Indonesian Cooks at home industry level in KL.

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