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The Effect of Compensation and Training on Work Performance that Has an Impact on Employee Performance

Dede Andi

Universitas Pamulang, Tangerang Selatan, Banten, Indonesia Email: dosen02463@unpam.ac.id

ABSTRACT

This study aims to determine the effect of compensation and training on work performance which has an impact on employee performance at PT Cahaya Pratama Mandiri in Cilegon Banten. The method used is explanatory research with a sample of 100 respondents. The analysis technique uses statistical analysis with regression, correlation, determination, and hypothesis testing. The results of this study Compensation has a significant effect on work performance by 36.4%, hypothesis testing obtained a significance of 0.000 <0.05. Training has a significant effect on job performance by 46.3%, hypothesis testing obtained a significance of 0.000 <0.05. Simultaneous compensation and training have a significant effect on work performance by 52.9%, hypothesis testing obtained a significance of 0.000 <0.05. Work achievement has a significant effect on employee performance by 31.0%, hypothesis testing obtained a significance of 0.000 <0.05.

Keywords: Compensation; Training; Job Performance; Employee Performance

INTRODUCTION

The business world is now required to create high employee performance for company development (Crick & Crick, 2020; González-Cruz et al., 2019; Liao et al., 2012; Souisa et al., 2019; Zainal et al., 2018a). Companies must be able to build and improve performance in their environment (Gumilar & Sunarsi, 2020; Rozi & Sunarsi, 2020; Sunarsi, 2020; Sunarsi & Erlangga, 2020). The success of the company is influenced by several factors, one of the important factors in human resources (Akib et al., 2015; Papilaya et al., 2015; Zainal et al., 2018b). Attention to Human Resources is very important in order to obtain employee performance as expected in order to achieve the vision and mission as well as organizational goals (Hülsing et al., 2013; Ipinazar et al., 2021; McNulty & Ferlie, 2004).

Human resources are one of the factors that are directly involved in carrying out company activities and play an important role in improving employee performance in achieving the goals that have been set. Human resources are required to be able to overcome all challenges and are expected to be able to take advantage of opportunities and be able to meet the demands of needs, especially those that exist or come from the work environment.

PT Cahaya Pratama Mandiri is a private company that specializes in Fiber Optic Installation, CCTV, Media Converter, and Office Network Installation. With the implementation of free trade for all business people, including PT Cahaya Pratama Mandiri, continuing to strengthen domestic market share as a step in facing global competition and participating in strengthening the growth of the domestic industry, PT Cahaya Pratama Mandiri

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is determined to become a company that is consistent with maintaining the quality of its sources. human resources so that all aspects needed to support performance can be achieved optimally. In order to align the vision and mission, PT Cahaya Pratama Mandiri must continue to strive to improve the capabilities of its human resources so as to be able to properly realize the company's goals.

Employees/labor is one of the main factors driving the wheels of the most dominant activity of the organization/company factor, employees are one of the resources and assets that are very important for the life of an organization, which if handled properly will be the main capital of infinity for the company in achieving its goals.

To achieve the expected goals, every company leader is obliged to improve employee performance and morale as optimally as possible so that the company's expected goals can be realized and successfully achieved properly. With the increase in employee performance, it is expected that the performance of the company will be improved

Performance is one of the components that must be owned by an institution or company if it wants to achieve the goals that have been set (Ahmed et al., 2020; Ebrahimi et al., 2019; Elena-Iuliana & Maria, 2016; Mentzer & Konrad, 1991). In its activities, the organization or company must be able to improve performance from time to time, because this concerns the performance of the institution. Good performance is able to show an increasing number of achievements and meet good quality work, able to take actions that are able to support work optimally, have good confidence in completing work, and take full responsibility for tasks and obligations. Besides that, employees also have the ability to solve problems at work so that they can increase the company's competitiveness well. This is in line with the theory of (DasGupta, 2011; Galindo-Martín et al., 2019; Torkkeli et al., 2019) who argues "Work performance is a comparison between the results achieved by a person with the targets set in a certain time with the resources used".

PT Cahaya Pratama Mandiri assesses employee performance based on the results of project work on CCTV equipment installation, both in buildings and in-office shop houses by comparing the number of work targets with the realization each year.

Compensation is very important in the company as one of the ways the company does so that employees have responsibility for the company. Compensation that is applied properly to employees will reduce employee concerns about economic problems and employee needs, with compensation received from the company where he works. This situation will stimulate employees to provide rewards in the form of compliance with work regulations and responsibility for the smooth running of the company.

The provision of compensation will have a positive impact on improving the performance of an organization. Compensation can be a reward for the effort or hard work done outside of the regular income he receives. The company should provide regular salaries and meet statutory standards, provide incentives or rewards to motivate workers to work productivity, and provide targeted bonuses and wages that are calculated based on the length of working hours as well as adequate allowances in order to support their work. The needs of employees can be met through their work. Through the work done, employees get commensurate compensation for their contribution to the company/organization. Non-financial compensation in the form of praise and a conducive work environment. While the in financial form in the form of salary/wages, incentives, allowances, and bonuses.

Training is very necessary in order to improve the quality of human resources in advancing the company and is one of the most important factors in competition both from within and from abroad, the rapid development of conditions, science, and technology in a company needs to be balanced with development efforts. human resources that function to handle and run the company's wheels. Adjusting the ability to carry out tasks in accordance with new standards, new technology, and new system procedures encourage every company to carry out training for employees. It is understandable, that the right vehicle for transferring all new developments that occur in the corporate environment is through balanced training.

Considering that training is generally oriented to skill improvement, the trainers selected to provide training materials must truly have adequate qualifications according to their field. Employees in addition to having the required level of education must also have good competence. The trainees must also be selected based on certain requirements and appropriate qualifications. Likewise, HR training materials must be material that is in accordance with the objectives of HR training. Regarding the method used, it will also ensure that the HR training activities are effective if it is in accordance with the type of material and components of the training participants.

Based on the background of the above problems, the authors are interested in conducting further research with the title: "The Effect of Compensation and Training on Work Performance That Has an Impact on Employee Performance at PT Cahaya Pratama Mandiri Cilegon Banten.

Articles are typed in Microsoft Office Word format. By using Times New Roman font size 11, single-spaced on A4 paper. People who want the Journal of Administrare: Journal of Scientific Thought and Office Administration Education in printed form can contact the journal manager.

METHOD

The population in this study amounted to 100 respondents PT Cahaya Pratama Mandiri in Cilegon Banten. The sampling technique in this study is a saturated sample, where all members of the population are used as samples. Thus the sample in this study amounted to 100 respondents. The type of research used is associative, where the aim is to find out the relationship.

RESULT AND DISCUSSION

Instrument Test Results

- a. From the test results, all items of the Compensation variable questionnaire obtained a 2tailed significance value of 0.000 < 0.05, thus the instrument is valid.
- b. From the test results, it was obtained that all questionnaire items on the training variable obtained a 2-tailed significance value of 0.000 < 0.05, thus the instrument was valid.
- c. From the test results, it was obtained that all questionnaire items on the work performance variable obtained a 2-tailed significance value of 0.000 < 0.05, thus the instrument was
- d. From the results of reliability testing, the following results were obtained:

Table 1. Reliability Test Results

Variable	Cronbach's Alpha	Standard Critical Alpha	Description
Compensation (X1)	0,631	0,600	Reliable
Training (X2)	0,630	0,600	Reliable
Work Performance (Y)	0,617	0,600	Reliable
Employee Performance (Z)	0,628	0,600	Reliable

Based on the results of the above test, the overall variable Compensation (X1), training (X2), work performance (Y) and employee performance (Z) obtained a Cronbach alpha value greater than 0.600. Thus it is declared reliable.

Classical Assumption Test Results

1. Normality test

The results of the normality test using the Kolmogorov-Smirnov Test are as follows:

Table 2. Kolmogorov-Smirnov Test (Normality Results)

Tests of Normality

Model	Kolmogorov-Smirnov ^a			Shapiro-Wilk		
Model	Statistic	df	Sig.	Statistic	df	Sig.
Work Performance (Y)	0.078	96	0.173	0.973	96	0.048

^{*.} This is a lower bound of the true significance.

Based on the test results in the table above, a significance value of 0.173 is obtained where the value is greater than the value of $\alpha = 0.050$ or (0.173 > 0.050). Thus, the assumption of the distribution of the equations in this test is normal.

2. Multicollinearity Test

The multicollinearity test was carried out by looking at the Tolerance Value and Variance Inflation Factor (VIF). The test results are as follows:

Table 3. Multicollinearity Test Results with Collinearity Statistics.

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Model	_ :	tandardized oefficients	Standardized Coefficients	Collinear Statistic	•
	В	Std. Error	Beta	Tolerance	VIF

a. Lilliefors Significance Correction

	(Constant)	9.68	2.897			
1	Compensation (X1)	0.28	0.079	0.311	0.654	1.53
	Training (X2)	0.49	0.087	0.498	0.654	1.53

a. Dependent Variable: Work Performance (Y)

Based on the test results in the table above, the tolerance value of each independent variable is 0.654 < 1.0 and the Variance Inflation Factor (VIF) value is 1.528 < 10, thus this regression model does not occur multicollinearity.

3. Autocorrelation Test

The test was carried out with the Durbin-Watson test (DW test). The test results are as follows:

Table 4. Autocorrelation Test Results

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.726 ^a	.527	.516		1.837

a. Predictors: (Constant), Training (X2), Compensation (X1)

b. Dependent Variable: Work Performance (Y)

The test results in the table above obtained the Durbin-Watson value of 1,637, the value is between the interval 1,550 - 2,460. Thus the regression model stated that there was no autocorrelation disorder.

4. Heteroscedasticity Test

The test was carried out with the Glejser Test Model test tool. The test results are as follows:

Table 5. Heteroscedasticity Test Results with Glejser Test Model.

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		В	Std. Error Beta			8
	(Constant)	2.89	1.672		1.728	0.09
1	Compensation (X1)	-0.12	0.046	-0.311	-2.51	0.06
	Training (X2)	0.088	0.05	0.216	1.739	0.09

a. Dependent Variable: RES2

The results of the test using the glejser test obtained the value of Sig. > 0.050. Thus the regression model has no heteroscedasticity disorder.

Descriptive Analysis

In this test, it is used to determine the minimum and maximum scores, the highest score, the rating score and the standard deviation of each variable. The results are as follows:

Table 6. Results of Descriptive Statistics Analysis Descriptive Statistics

Descriptive Statistics						
	N	Minimum	Maximum	Mean	Std. Deviation	
Compensation (X1)	96	30	46	37.9	3.792	
Training (X2)	96	31	46	38.1	3.445	
Work Performance (Y)	96	32	46	39	3.41	
Employee Performance (Z)	96	31	50	39.3	3.646	
Valid N (listwise)	96					

Compensation obtained a minimum variance of 30 and a maximum variance of 46 with a rating score of 37.89 with a standard deviation of 3.792. The training obtained a minimum variance of 31 and a maximum variance of 46 with a rating score of 38.06 with a standard deviation of 3,445. Work performance obtained a minimum variance of 32 and a maximum variance of 46 with a rating score of 39.03 with a standard deviation of 3,410. Employee performance obtained a minimum variance of 31 and a maximum variance of 50 with a rating score of 39.27 with a standard deviation of 3.646.

Quantitative Analysis

This analysis is intended to determine the effect of the independent variable on the dependent variable. The test results are as follows:

1. Multiple Linear Regression Analysis

This regression test is intended to determine changes in the dependent variable if the independent variable changes. The test results are as follows:

Table 7. Multiple Linear Regression Test Results

	Coefficients ^a								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.			
		В	Std. Error	Beta					
	(Constant)	9.68	2.897		3.34	0			
1	Compensation (X1)	0.28	0.079	0.311	3.52	0			
	Training (X2)	0.49	0.087	0.498	5.65	0			

a. Dependent Variable: Work Performance (Y)

Based on the test results in the table above, the regression equation Y = 9.681 +0.279X1 + 0.493X2. From this equation, it is explained as follows:

- 1) A constant of 9.681 means that if there is no compensation and training, then there is a work performance value of 9.681 points.
- 2) The regression coefficient for compensation is 0.279, this number is positive, meaning that every time there is an increase in compensation of 0.279 points, work performance will also increase by 0.279 points.
- 3) The training regression coefficient is 0.493, this number is positive, meaning that every time there is an increase in training of 0.493 points, work performance will also increase by 0.493 points.

2. Coefficient of Determination Analysis

The analysis of the coefficient of determination is intended to determine the percentage of the influence of the independent variable on the dependent variable either partially or simultaneously. The test results are as follows:

Table 8. Results of the Coefficient of Determination of Compensation on Work Performance

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.603ª	.364	.357	2.734

a. Predictors: (Constant), Compensation (X1)

Based on the test results, the determination value is 0.364, meaning that compensation has an influence contribution of 36.4% on work performance.

Table 9. Results of Testing the Coefficient of Training Determination on Job Performance. Model Summary

	wide Summary							
Model R		R Square Adjusted R Square		Std. Error of the Estimate				
1	.681a	.463	.458	2.512				

a. Predictors: (Constant), Training (X2)

Based on the test results, the determination value is 0.463, meaning that training has an influence contribution of 46.3% on work performance.

Table 10. Results of Simultaneous Testing of the Coefficient of Determination of Compensation and Training on Work Performance. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate			
1	.726ª	.527	.516	2.372			

a. Predictors: (Constant), Training (X2), Compensation (X1)

Based on the test results obtained a determination value of 0.527 meaning that compensation and training simultaneously have a contribution of 52.9% influence on work performance, while the remaining 47.1% is influenced by factors.

Table 11. Results of Testing the Coefficient of Determination of Work Performance on Employee Performance

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate		
1	.557a	.310	.303	3.044		

a. Predictors: (Constant), Work performance (Y)

Based on the test results, the determination value is 0.310, meaning that work performance has an influence contribution of 31.0% on employee performance.

Hypothesis testing

1. Partial Hypothesis Test (Uji t)

Hypothesis testing with t test is used to find out which partial hypothesis is accepted.

- H1: There is a significant effect of compensation on work performance.
- H2: There is a significant effect of training on job performance.
- H4: There is a significant effect of work performance on employee performance.

Table 12. Compensation Hypothesis Test Results on Work Performance Coefficients^a

Model		dardized ficients	Standardized Coefficients	t	Sig.		
	В	Std. Error	Beta				
(Constant)	18.466	2.816		6.557	.000		
Compensation (X1)	.543	.074	.603	7.338	.000		

a. Dependent Variable: Work performance (Y)

Based on the test results in the table above, the value of t arithmetic > t table or (7.338 > 1.984), thus the hypothesis proposed that there is a significant influence between compensation on work performance is accepted.

Table 13. Training Hypothesis Test Results on Job Performance

Coefficients^a

	C O O DITTE CITY OF					
Model	Unstandardize d Coefficients		Standardized Coefficients	t	Sig.	
	В	Std. Error	Beta	·	~- g ·	
(Constant)	13.384	2.858		4.683	.000	
Training (X2)	.674	.075	.681	9.009	.000	

a. Dependent Variable: Work performance (Y)

Based on the test results in the table above, the value of t arithmetic > t table or (9.009 >1.984), thus the hypothesis that is proposed that there is a significant influence between training on job performance is accepted.

Table 14. Results of Hypothesis Testing of Work Performance on Employee Performance Coefficients^a

 Committee							
Model	Unstanda Coefficie		Standardized Coefficients	t	Sig.		
	В	Std. Error	Beta				
(Constant)	16.020	3.588		4.465	.000		
Work performance (Y)	.596	.092	.557	6.505	.000		

a. Dependent Variable: Employee performance (Z)

Based on the test results in the table above, the value of t arithmetic > t table or (6.505)1.984), thus the hypothesis proposed that there is a significant influence between work performance on employee performance is accepted.

2. Simultaneous Hypothesis Test (F-Test)

Hypothesis testing with the F test is used to find out which simultaneous hypothesis is accepted.

H3: There is a significant effect of compensation and training on work performance.

Table 15. Results of Simultaneous Compensation and Training Hypothesis Testing on Job Performance

 ANOVA"						
 Model	Sum of Squares	df	Mean Square	F	Sig.	
Regression	581.734	2	290.867	51.705	.000 ^b	
Residual	523.172	93	5.626			
Total	1104.906	95				

- a. Dependent Variable: Work performance (Y)
- b. Predictors: (Constant), Training (X2), Compensation (X1)

Based on the test results in the table above, the calculated F value > F table or (51,705 >2,700), thus the fourth hypothesis proposed that there is a significant influence between compensation and training simultaneously on work performance is accepted.

Discussion

Compensation has a significant effect on work performance with a coefficient of determination of 36.4%. Testing the hypothesis obtained the value of t arithmetic > t table or (7.338 > 1.984). Thus the hypothesis proposed that there is a significant effect between compensation on work performance is accepted. Training has a significant effect on work performance with a coefficient of determination of 46.3%. Testing the hypothesis obtained the value of t arithmetic > t table or (9.009 > 1.984). Thus the hypothesis proposed that there is a significant effect between training on job performance is accepted. Compensation and training have a significant effect on work performance with the regression equation Y = 9.681 +0.279X1 + 0.493X2, with a coefficient of determination of 52.9% while the remaining 47.1% is influenced by other factors. Testing the hypothesis obtained the calculated F value > F table or (51.705 > 2.700). Thus the hypothesis proposed that there is a significant effect between compensation and training on work performance is accepted. Work performance has a significant effect on employee performance with a coefficient of determination of 31.0%. Testing the hypothesis obtained the value of t arithmetic > t table or (6.505 > 1.984). Thus the hypothesis proposed that there is a significant effect between work performance on employee performance is accepted.

CONCLUSION

Compensation has a significant effect on work performance with a contribution of 36.4% influence. Hypothesis test obtained value of t count > t table or (7.338 > 1.984). Training has a significant effect on work performance with a contribution of 46.3%. Hypothesis test obtained value of t count > t table or (9.009 > 1.984). Compensation and training simultaneously have a significant effect on work performance with a contribution of 52.9% influence while the remaining 47.1% is influenced by other factors. Hypothesis test obtained value F arithmetic > F table or (51,705 > 2,700). Work performance has a significant effect on employee performance with a contribution of 31.0% influence. Hypothesis test obtained value t arithmetic > t table or (6.505 > 1.984).

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