

THE EFFECT OF TRAINING AND COMPENSATION ON
EMPLOYEE PERFORMANCE AT PT. INDOTRADE SEKAWAN S
COMMITMENT

dr. Hj. Misrofiningah, MM1), Arif Riyanto, SE MM2)
Tama Jagakarsa University

PRELIMINARY

A. Background of the problem

In the era of globalization that is currently developing and economic growth and development of the business world requires all companies to obtain maximum profits. For the sake of the survival of the company and so that the company's goals can be achieved, a management is needed that can manage everything related to the company's activities so that it is better. One of the decisions that must be taken by management is the management of human resources. Technology continues to develop, Human Resources, are required to be able to apply technology that is also growing.

Human resources are a resource that is needed by a company that plays an active role in the running of a company and in the process of making decisions in company activities. By improving the quality of human resources so that they can work productively and professionally and the performance achieved is expected to be more satisfying and in accordance with the work standards required by the company.

Whether or not the company's goals are achieved does not only depend on complete facilities and infrastructure, work environment, and modern equipment, but even more depends on the people who carry out the work

themselves. Every company will always try to improve the performance of

its employees in the hope that company goals can be achieved. Performance is one of the main factors that influence the progress of the company and in achieving company goals, so that the better the employee's performance, the easier the company's goals will be achieved, and vice versa if the employee's performance is low or not good.

Employee performance plays an important role because the employee workforce is the executor and driving force within a company in realizing company goals. To improve employee performance can be influenced by several factors including through the provision of regular and continuous training as well as providing incentives for employees. Job training is a very important thing for companies to do. The purpose of the training is to update knowledge, skills, increase productivity and work quality of employees and help them adapt to new technology.

Training at a company is very closely related to results of the performance of the Human Resources. Therefore, an assessment is needed to measure performance and human resource training is carried out after the results of the assessment are available. Employee training is carried out with the aim that employees have the knowledge, abilities and skills in accordance with the demands of the work they do. Appropriate human resource training and development, can provide good effect on employees. Employees can develop themselves and be able to understand the intricacies of carrying out work more deeply understand the development of the company understand the goals to be achieved by the company, understand the need for cooperation in carrying out work, can easily understand the information conveyed by the company, can understand every difficulty faced by the company, is able to make relationships with the environment, is able to understand policies and regulations applicable in the company, able to understand the systems and procedures used in the implementation of company tasks, able to understand and implement

behavior that supports and is demanded by the company.

Compensation is everything that is received which can be physical or non-physical and must be calculated and given to someone who is generally an object that is exempt from income tax. Compensation is a complex and difficult matter, because it involves the basis of feasibility, logic, rationality and accountability and involves emotional factors from the workforce aspect. Compensation is given with the aim of providing stimulation and motivation to the workforce to improve work performance, as well as production efficiency and effectiveness. Therefore, when compensation is given correctly, employees will be more satisfied and motivated to achieve organizational goals. But if employees perceive their compensation as inadequate, job performance,

Companies need workers who have high work motivation, want to work, and are full of responsibility and good performance. They view work as not merely a source of income, but as an opportunity to develop themselves, to develop something meaningful for the company and to function as a laboratory for those who are capable of working hard and productively. Improving the quality of human resources in the organization is the spirit of performance, which encourages individuals to work beyond their abilities previously displayed. In an organization, humans always play an active and dominant role in every organizational activity, because humans become planners, actors and determinants of the realization of organizational goals. Managing employees is difficult and complex, because they have thoughts, feelings, status, heterogeneous desires and backgrounds that are brought into the organization. Because employees cannot be fully regulated and controlled like managing machines, capital or buildings.

Every organization or company will always try to improve employee performance, with the hope that the company's goals will be achieved. One

aspect that can support the success of employees in achieving work success is work ability. With adequate work ability, employees are expected to be able to overcome all work problems so that work assignments can be completed better. Good ability and knowledge of skills is an important component in achieving performance.

Thus, in order to achieve satisfactory performance, professional abilities and skills are required and to achieve this, several stages or conditions must be achieved. The existence of human resources in a company plays a very important role. The workforce has great potential to carry out activities at PT. The Commitment of Sekawan Indotrade, as for the potential of every human resource in PT. Sekawan Indotrade's commitment must be put to good use so as to be able to provide optimal output. One way to develop the performance of employees at PT. Sekawan Indotrade's commitment is to hold a training program where the program implemented is made according to the needs of PT. Indotrade's Commitment.

Based on the background above, it is interesting to conduct research that discusses "The Influence of Training and Compensation on Employee Performance at PT. Commitment of Indotrade Friends.

B. Formulation of the problem

1. Does training affect employee performance at PT. Commitment of Indotrade Friends.
2. Does Compensation affect the performance of employees at PT. Commitment of Indotrade Friends.
3. Do Training and Compensation both have the same effect on employee performance at PT. Commitment of Indotrade Friends.

DISCUSSION

A. Human Resource Management

Resource management is part of organizational management that focuses on the human resource element and is also one of the most vital divisions in improving the quality of employees by managing the human element and empowering all the company's internal parties. Which handles various kinds of problems within the scope of employees, to be able to support company activities in order to achieve predetermined goals. Well-managed human resources will have a positive impact on the company because the human resources within the company are executor and activator within a company in realizing company goals.

The definition of human resource management put forward by several experts is as follows:

According to Mangkunegara (2017:2) argues that:

"Human resource management is a planning, organizing, directing, and supervising the procurement, development, compensation, integration, maintenance, and termination of employment with the aim of achieving the goals of the company's organization in an integrated manner."

According to Kasmir (2018: 6) argues that:

"Human resource management is the process of managing people, through planning, recruitment, selection, training, development, compensation, careers, safety and health and maintaining industrial relations until termination of employment in order to achieve company goals and improve stakeholder welfare".

B. Data Types and Sources

The type of data in a study is quantitative data while the data sources consist of primary data and secondary data

1. Data Type

- a. Quantitative data is data that is used to examine populations or samples, namely ordinal data obtained from the results of a questionnaire translated using a Likert scale.

2. Data source

- a. Primary data is data obtained directly by distributing questionnaires to all factory employees at PT. Commitment of Indotrada Friends.
- b. Secondary data is data that already exists and is systematically arranged and is the result of research or summaries of documents related to the problem under study such as books, newspapers and journals.

C. Method of collecting data

Data collection methods are techniques or methods that can be used by researchers to collect data (Sugiyono, 2013: 187). There are several data collection instruments used in this study, including:

1. Interview

Interview is the collection of information by asking questions directly to related parties so as to facilitate the collection of both primary and secondary data. This is done to obtain information that cannot be extracted by a questionnaire.

2. Questionnaire

Questionnaire is a set of questions arranged to be asked to respondents. Questionnaire data is collected directly, this is done to obtain truly objective data. Questionnaire data is closed, that is, the questions are made in such a way that the respondent's answers are limited to one of the alternative answers provided.

D. Results of Data Analysis

1. Multiple linear regression

Regression analysis is used to test the hypothesis about the partial and simultaneous effect of independent variables on the dependent variable. A good regression equation model is one that meets the requirements of the classical assumption, including that all data are normally distributed, the model must be free from multicollinearity and free from heteroscedasticity. From the previous analysis proves that this research is considered good. The results of the SPSS used as an analysis tool, the results of multiple regression are as follows:

Table 1
Multiple Linear Test Results
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t
	B	std. Error	Betas	
1 (Constant)	-1.017	1,078		-,943
Training (X1)	,327	.025	,816	13,333
Compensation (X2)	,057	.023	,154	2,513

a. Dependent Variable: Performance (Y)

~~SPSS Output 22~~
~~SPSS Output 22~~

Based on the SPSS 22 output results in table 1 above, the multiple linear regression equation can be formulated as follows:

$$Y = -1.017 + 0.327X_1 + 0.057X_2$$

Information:

Y = Employee performance

X1 = Training

X2 = Compensation

2. Correlation Analysis (R)

Correlation analysis (R) is used to find the direction and strength of the relationship between two or more variables. In this way, it can be stated that there is a positive relationship between the independent variables, namely training and compensation, and the dependent variable, namely employee performance which is categorized as very strong, as a guideline for providing an interpretation of the correlation coefficient as follows:

Table 2
Correlation Test Results
Summary model b

Model	R	R Square	Adjusted R Square	std. Error of the Estimate	Durbin-Watson
1	.905a	.819	.816	.84858	2.080

SPSS Output 22

3. Coefficient of Determination (R²)

The coefficient of determination is used to determine how much the training and compensation variables contribute or contribute to employee performance variables. The value of the coefficient of determination is determined by looking at the R

square value as in the following table:

1. Influence of Training (X1) on Employee Performance (Y) partially.

Table 3
Determination Coefficient Results

Summary models

Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	,896a	,804	,799	,88161

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

~~SPSS Output 22~~

Based on table 3 above, the SPSS calculation results in the Summary Model obtained an R square value of 0.804, which had the effect of Training (X1) on Employee Performance (Y) of 80.4%, while the remaining 19.6% was influenced by other factors.

Table 4
Regression Coefficient (X1 to Y)

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	Q	Sig.
	B	std. Error	Betas		
1 (Constant)	-.043	1.045		-.041	,967
Training(X1)	,359	,022	,896	16,459	,000

a. Dependent Variable: Performance(Y)

~~SPSS Output 22~~

To prove whether the training regression coefficient (X1) is significant enough or not, a significance test is carried out via the t test at the 5% level. If the value > then there is a significant effect, and if < , then there is no significant effect. The value at

the significance level $df = 69$ is 1.667 . $t_{hitung} > t_{tabel}$, $t_{hitung} > t_{tabel}$. Based on the regression coefficient above, it is equal to 16.459 . Furthermore, this value is compared with the value that is greater than $(16.459 > 1.667)$. This means that H_0 is rejected and H_a is accepted. Thus the value of the training regression coefficient (X_1) has a significant effect on employee performance. $t_{hitung} > t_{hitung}$, $t_{hitung} > t_{tabel}$, $t_{hitung} > t_{tabel}$.

2. Influence of Compensation (X_2) on Employee Performance (Y) partially.

Table 5
Determination Coefficient Results

Summary models

Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	,576a	,334	,322	1.61860

a. Predictors: (Constant), Compensation(X_2)

SPSS Output 2

Based on table 5 above, the SPSS calculation results in the Summary Model obtained an R square value of 0.332 , which means that there is a partial effect of Compensation (X_2) on Employee Performance (Y) of 33.4% , while the remaining 66.6% is influenced by other factors .

Table 6
Regression Coefficient (X_2 to Y)

Coefficientsa

Model	Unstandardized Coefficients		Standardized Coefficients	Q	Sig.
	B	std. Error	Betas		
1 (Constant)	7,729	1,632		4,735	,000

Compensation(X2)	,214	,037	,576	5,766	,000
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a. Dependent Variable: Performance(Y)

SPSS Output 22

To prove whether the regression coefficient of compensation (X2) is significant enough or not, a significance test is carried out through the t test at the 5% level. If the value $>$ then there is a significant effect, and if $<$, then there is no significant effect. The value at the significance level $db = 69$ is 1.667 . $t_{hitung} > t_{tabel}$, $t_{hitung} > t_{tabel}$

Based on the regression coefficient above, it is equal to 5.766 . Furthermore, this value is compared with the value that is greater than $(5.766 > 1.667)$. This means that H_0 is rejected and H_a is accepted. Thus the value of the regression coefficient of compensation (X2) has a significant effect on employee performance. $t_{hitung} > t_{hitung}$, $t_{hitung} > t_{tabel}$

3. Effect of Training (X1) and Compensation (X2) on Employee Performance (Y) simultaneously.

Table 7
Determination Coefficient Results

Summary models

Model	R	R Square	Adjusted R Square	std. Error of the Estimate
1	,905a	,819	,819	,84858

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

SPSS Output 22

Based on the results table above, the SPSS calculation in the Summary Model obtained an Adjusted R Square value of

0.819, which means that there is an effect of Training (X1) and Compensation (X2) on Employee Performance (Y) of 81.1% while the remaining 18.% is influenced by another factor.

Table 8
Regression Coefficient (X1, X2, with respect to Y)

Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	std. Error	Betas		
1 (Constant)	-1.017	1,078		-,943	,349
Training(X1)	,327	.025	,816	13,333	,000
Compensation(X2)	,057	.023	,154	2,513	,014

a. Dependent Variable: Performance(Y)

~~SPSS Output 22~~

To prove whether the Training (X1) and Compensation (X2) are significant or not, a significance test is carried out through the t test at the 5% level. If the value $t_{hitung} > t_{tabel}$ then there is a significant effect, and if the value $t_{hitung} < t_{tabel}$, then there is no significant effect. The value at a significant level of 5% with df = 66 is 1.668.

Based on the regression coefficient table above, it is 13.333 for Training (X1) and 2.513 for Compensation (X2). Furthermore, when this value is compared with the value, it turns out to be greater than the values ($13.333 > 1.668$) and ($2.513 > 1.668$), meaning that H_0 is rejected and H_a is accepted. Thus the regression coefficient values of Training (X1) and Compensation (X2) have a significant effect on Employee Performance.

To find out whether the effect is significant or not, a hypothesis test (significance test) is carried out through the F

test at the 5% level with the condition that if the value is $>$, then H_0 is rejected and H_a is accepted, conversely if the value is $<$, then H_0 is accepted and H_a is rejected. Values can be seen in the statistical table for sig 0.05 with $df_1 = (k-1)$ and $df_2 = (nk)$. where k = the number of variables (independent + dependent) and n = the number of observations / samples forming the regression. So $df_1 = (3-1) = 2$ and $df_2 = (69-3) = 66$.

$$F_{hitung} > F_{tabel} \quad F_{hitung} < F_{tabel} \quad F_{hitung} = F_{tabel}$$

CONCLUSIONS AND RECOMMENDATIONS

A. Conclusion

It can be concluded that, from the results of the regression test performed on the hypothesis, it can be concluded that training has a positive and significant effect on employee performance. This means that the better the training, the higher the performance, conversely, the lower the training, the lower the employee's performance. From the results of the regression test performed on the hypothesis, it can be concluded that compensation has a positive and significant effect on employee performance. This means that the more satisfied with the compensation given, the better the performance that is owned and will increase the performance of employees of PT. Commitment of Indotrade Friends.

B. Suggestion

1. Regarding job training, the company has provided job training to employees, but this is still a concern because the training has not been carried out regularly and continuously. Based on the research results, training has a significant effect on employee performance, therefore it is better for companies to pay more attention to providing job training to employees in order to provide skills, knowledge, knowledge in their fields on a regular and continuous basis with the aim of improving employee performance.
2. It is suggested for future researchers to develop this research by

involving variables and indicators that have not been covered in this study.

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