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The effect of compensation, training, and competency on employee performance at PT Aneka Sinendo Yogyakarta

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Abstract

Preliminary observations at the research site indicate low performance, which is thought to be caused by inadequate compensation, training, and competence. The goal of this study is to determine whether compensation, training, and competence all affect performance in some way. This is a quantitative study. This study included 512 employees of PT Aneka Sinendo. There are 120 people in the sample. The sampling technique used was convenience sampling. A questionnaire was used to collect information. Multiple linear regression analysis was used to examine the data. The study's findings indicate that compensation, training, and competence all have a positive and significant impact on employee performance.

Keywords: Compensation, training, and competence, and employee performance

Introduction

PT Aneka Sinendo is a company that deals in Charcoal Briquette business products. This company, PT Aneka Sinendo, is located in Ploso Banguncipto Kulon Progo Yogyakarta and has been in operation since 2011. Briquette charcoal is a carbon-containing solid fuel with a high calorific value and a long burn time.

The basic salary of PT Aneka Sinendo's employees, as well as overtime pay, has been determined by management. The basic salary of all employees is evenly distributed and paid on time, whereas overtime/intensive wages for employees are typically not paid on time.

Because the training provided is frequently not relevant to the employee's field of work, some employees believe that the company's training objectives have not been met to their full potential. Employees' lack of competence at work causes them to make mistakes frequently, causing them to miss deadlines.

Employee underperformance is indicated by work that is less than optimal in quality. Many charcoal products are still rejected or do not meet the standards, so they cannot be sold.

According to the above description, employees' low performance is influenced by compensation, training, and competence. As a result, the author will conduct a study titled "The effect of compensation, training, and competence on employee performance at PT Aneka Sinendo Yogyakarta."

Literature Review

The result or level of success of a person as a whole during a specific period in carrying out a task compared to various possibilities, such as standard results, targets or goals, or criteria that have been determined in advance agreed upon ^[1, 2]. states that performance is basically what employees do or do not do. According to ^[2] there are five factors to consider when evaluating employee performance: quality, punctuality, communication, and independence.

According to ^[3], compensation is all income in the form of money or goods received directly or indirectly by employees in exchange for services provided to the company. According to ^[4] compensation can be measured using indicators such as wages and salaries, incentives, benefits, and facilities.

Training is an activity that aims to improve one's job skills in relation to economic activity. Training assists employees in comprehending and applying practical knowledge in order to improve the skills, abilities, and attitudes required by the organization to achieve its objectives. Training, according to [5], is a systematic process for changing an employee's/group of employees' work behavior in order to improve performance. According to [6] training indicators such as objectives, targets, trainers, materials, methods, and training participants can be used to measure training.

Competence is defined as the ability to carry out or perform a job or task based on skills and knowledge, which is supported by the work attitude required by the job [7]. Thus, competence demonstrates the skills or abilities that each individual possesses or requires in order to carry out their work and responsibilities effectively and to improve the professional quality of their work [8]. defines competence as having the following characteristics: motives, traits, self-concept, knowledge, and skills.

Thinking Framework

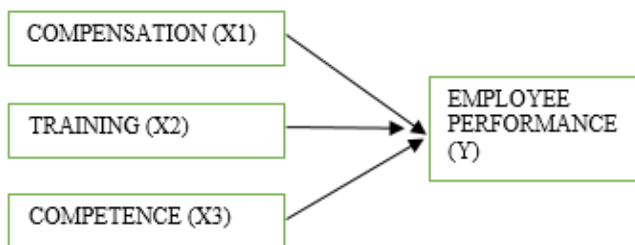


Fig 1: Thinking framework

Research Hypothesis

Based on the theoretical foundation and thinking framework, it is possible to conclude that the research hypothesis is as follows:

H1: Employee performance is influenced by compensation.

H2: Training influences employee performance.

H3: Employee performance is influenced by competence.

Research Methodology

Research Variables

The variables that were used in this study are as follows:

1. Employee Performance as a dependent variable
- Compensation (X1), Training (X2), Competence (X3) are independent variables (X3)

Population and Sample

The 512 employees of PT Aneka Sinendo comprise the population of this study. The author employs the Slovin formula to select a sample from a population of 512 employees.

$$n = \frac{N}{1 + N(\alpha)^2} = \frac{512}{1 + 512(0,08)^2} = 120$$

Data Collection Method

The questionnaire was created to cover all research variables. The variable has several dimensions, with each dimension consisting of several indicators presented in

questions/statements graded on a 5-level Likert scale (1-5).

Data Analysis Techniques

The predictor variable (independent variable) on the dependent variable was measured using Multiple Linear Regression Analysis.

$$Y = \alpha + \beta_1.X_1 + \beta_2.X_2 + \beta_3.X_3 + e$$

Where:

Y = Performance
A = Constant

$\beta_1, \beta_2, \beta_3$ = regression coefficient of each independent variable

X1 = Compensation
X2 = Training

Details of the research subject's conditions

Overview of PT Aneka Sinendo

Coconut charcoal briquettes are a byproduct of coconut charcoal production, whereas coconut charcoal is made from coconut shells that are burned in a specific manner to ensure low water content and high carbon binding capacity.

Charcoal briquettes are a type of alternative fuel that is frequently used for cooking, particularly grilling foods and smoking shisha pipes.

PT Aneka Sinendo is a company in the industrial sector that produces charcoal briquettes. It was founded in 2011 and is located in Ploso, Sentolo, Kulon Progo, Yogyakarta.

Operational Activities

PT Aneka Sinendo is dedicated to using natural raw materials, specifically coconut shell charcoal, to make coconut charcoal briquettes.

The process of making briquettes, which begins with the supply of high quality raw materials that are prepared without the use of any additional chemicals and is then combined with a proven production process and a dependable workforce, enables the company to produce high quality briquette products that can be accepted in the local market as well as the local market. international.

Organizational Structure

PT Aneka Sinendo describes the authority and responsibility of each section within the company, as well as the company's organizational structure, namely:

1. Management
2. Management Assistant
3. Human Resources Development (Human Resource Development)
4. Manufacturing
5. Packing
6. Safety

Discussion of Finding

Uji Normalitas

If the significance value of the Kolmogorov-Smirnov test results is greater than 0.05, the data is said to meet the assumption of normality or to be normally distributed.

Table 1: Kolmogorov-Smirnov Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		120
Normal Parameters ^{a,b}	Mean	,0000000
	Std. Deviation	2,17444892
Most Extreme Differences	Absolute	,069
	Positive	,051
	Negative	-,069
Test Statistic		,069
Asymp. Sig. (2-tailed)		,200 ^{c,d}
A. Test distribution is Normal.		
B. Calculated from data.		
C. Lilliefors Significance Correction.		
D. This is a lower bound of the true significance.		

Source: Primary Data 2022

The Kolmogorov Smirnov test results showed a significance of $0.200 > 0.05$ (=5%), indicating that the data is normally distributed.

Multiple Linear Regression Analysis

Multiple Linear Regression Analysis was used to assess the influence of the predictor variable (independent variable) on the dependent variable.

Table 2: Results of Linear Regression Analysis

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5,189	2,787		1,862	,065
	Kompensasi	,334	,043	,512	7,693	,000
	Pelatihan	,092	,031	,199	2,999	,003
	Kompetensi	,203	,036	,362	5,558	,000

a. Dependent Variable: Kinerja Karyawan

Source: Primary Data 2022

Based on the above table, the regression equation model is as follows:

$$Y = 5,189 + 0,334X_1 + 0,092X_2 + 0,203X_3$$

1. The Impact of Compensation on Employee Performance

β_1 = compensation = 0.334 denotes that if the employee's compensation changes by one unit, his or her performance will change by 0.334. The positive sign on the regression coefficient value represents a one-way relationship between pay and performance. If the employee's pay is increased by one unit, his or her performance will improve by 0.334. The t test between compensation and employee performance yielded a significance value of $0.000 < 0.05$, t count $7.693 > t$ table 1.6581, and a regression coefficient of 0.334. Based on these findings, it is possible to conclude that compensation has a positive effect on employee performance, implying that the first hypothesis is correct.

2. The Impact of Training on Employee Performance

β_2 = Training = 0.092 indicates that if the training changes one unit, the employee's performance will change by 0.092. The positive sign on the regression coefficient value represents a one-way relationship between training and employee performance. If training is increased by one unit, the employee's performance will improve by 0.092. The t test between training and employee performance yielded a significance value of $0.003 < 0.05$ and t count $2.999 > t$ table 1.6581 with a regression coefficient of 0.092. Based on these findings, it is possible to conclude that training has a positive

effect on employee performance, and thus the second hypothesis is accepted.

3. The Impact of Competence on Employee Performance

β_3 = competence = 0.203 denotes that if the employee's competence changes by one unit, his or her performance will change by 0.203. The presence of a positive sign on the regression coefficient value denotes a one-way relationship between competence and employee performance. If the employee's competency is increased by one unit, his or her performance will improve by 0.203. The significance value for the t test between competence and employee performance was $0.000 < 0.05$, and t arithmetic $5.558 > t$ table 1.6581 with a regression coefficient of 0.203. Based on these findings, the third hypothesis is accepted: competence has a positive effect on employee performance.

Conclusion

The following conclusions can be drawn from the description of the research findings and discussion:

1. Compensation influences employee performance positively.
2. Employee performance improves as a result of training.
3. Competence influences employee performance positively.

Outside of the study, the limited number of variables and samples, such as leadership style, work stress, work climate, and testing the effect of compensation, training, and competence on employee performance, resulted in a R Square

of 0.512. This means that compensation, training, and competence variables explain 51.2% of employee performance, while other variables outside of the study explain 48.8%.

Recommendation

The following are recommendations for improving compensation, training, and competence:

1. Respondents did not provide a maximum answer score for wage and salary indicators. It is suggested that salaries and wages be commensurate with the respondents' hard work. It is also necessary to provide a salary that is adequate for the respondent's daily needs. Overtime pay must be adequate.
2. Respondents did not give incentive indicators their full attention. Companies must provide bonuses based on work results so that employees can feel that the incentives provided are commensurate.
3. The allowance indicator did not receive a maximum rating from the respondents. Companies must provide allowances that can boost respondents' morale.
4. The facility indicator did not receive a perfect rating from the respondents. Companies must provide adequate inventory of work equipment facilities to respondents in order for them to work optimally.
5. Training objective indicators did not receive the highest rating from respondents. Companies must evaluate training in order to meet training objectives.
6. Training target indicators did not receive the maximum number of responses from respondents. Companies must provide employees with different types of training based on their job descriptions in order to provide more targeted training.
7. The trainer indicator did not receive the highest possible score from the respondents. To avoid incompetent trainers, companies should hire credible trainers with high competence.
8. The indicator of the training material did not receive the maximum score from the respondents. The company must organize the training so that the material delivered by the trainer meets the needs of the company.
9. Training method indicators did not receive the maximum number of responses. Companies must discuss the methods used with the training provider in order for the training methods to be effective and efficient.
10. Training participants' indicators did not receive the maximum number of responses from respondents. Companies must decide who will become trainees. Training participants should not be chosen haphazardly.
11. The motive indicator did not receive the maximum response score from the respondents. Companies must inspire employees to be enthusiastic about their jobs.
12. The trait indicator did not receive the maximum score from the respondents. Companies must recruit employees with high potential abilities to avoid having many employees who are unable to work professionally.
13. The self-concept indicator did not receive the maximum score from the respondents. Companies must teach respondents to cooperate with one another, as well as teach employees to obey regulations in an orderly manner.
14. Knowledge indicators receive unoptimized responses from respondents. Companies must provide training that is tailored to the knowledge needs of respondents in

order for them to be employable.

15. Skill indicators receive low-scoring responses. Companies must recruit skilled employees by administering position-specific job skills tests. With this skill test, it is hoped that the number of employees will decrease in the future.

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