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Improving Employee Achievement with Training and Compensation Empirical Study in PT. Sesawi Prima Mandiri

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A B S T R A C T

This research aims to determine the effect of training and compensation on increasing employee work performance at PT. Sesawi Prima Mandiri. This type of research is quantitative. The data source used in this research is a questionnaire by employee respondents at PT Sesawi Prima Mandiri with a sample size of 50 respondents. This research uses multiple regression analysis. Based on the research results, it is known that training and compensation partially and simultaneously have a significant positive effect on employees at PT. Sesawi Prima Mandiri. The analysis results through calculating the correlation coefficient (R) show a solid positive relationship between training and compensation factors and employee work performance variables (Y). The results of the analysis through calculating the coefficient of determination ($R2$) show that training and compensation factors have a reasonably significant contribution or contribution to the variation (up and down) of employee work performance (Y), in addition to the variation explained by other factors.

1. Introduction

The changes in the era of technology and information have changed how companies run their business and consumer behavior, preferences and demands (Friedman, 2017). The structure of the competition has changed to become very competitive and will only be won by companies with high and sustainable competitiveness (speed, innovation, and sustainability) (Kasali, 2017). An essential investment for a company is human resources, which are the key to its success so that it continues to survive and develop well. The role and challenges of human resource management continue to grow along with the size of the company; the more complexity of the tasks carried out, the more significant the environmental impact and dynamics, the broader and greater integration with the environment, and the greater the uncertainty that the company must face (Armstrong, 2017).

The importance of training programs has finally become necessary for companies that want to improve the abilities, knowledge, and experience of their employees at all levels of the organization (Bernardin, 2021).

An employee's work performance is also influenced by the compensation he receives. The primary motivation for most people to become employees of a particular organization is to earn a living. This situation means that if, on the one hand, a person uses knowledge, skills, energy, and part of his time to

work for an organization, on the other hand, he expects to receive certain rewards (Iptian, 2020).

Compensation includes direct cash payments, indirect payments in employee benefits, and incentives to motivate employees to work hard to achieve higher productivity. Compensation is all income in the form of money goods directly or indirectly received by employees as compensation for services provided to the company.

PT. Sesawi Prima Mandiri, as a company in the contracting sector, cannot be separated from this problem. The shift in the highly competitive business environment has forced companies to immediately improve their management profitably and professionally without eliminating their functions.

Training within the PT. Sesawi Prima Mandiri environment is divided into two types of training: general training, which is attended by all employees and special training, according to their respective fields, at the PT. Sesawi Prima Mandiri office, the compensation system received in addition to the monthly salary is also compensation in the form of THR, which is received every religious holiday, incentives received once a month depending on the size of the company's target achievement, year-end bonuses, and health insurance. The study examines and analyses the impact of training and compensation on increasing employee work performance at PT Sesawi Prima Mandiri.

2. Literature Review
Training

Training for employees is a process of teaching specific knowledge, skills, and attitudes so that employees become more skilled and able to carry out their responsibilities better by standards (Mondy, 2015). According to Handoko (2016), training is intended to improve mastery of various skills and techniques for carrying out specific work in detail and routinely. Training is directed at preparing employees to carry out their current jobs. Simamora (2021) states

that training systematically changes employee behavior to achieve organizational goals.

According to Sastrohadiwiryo (2012), conceptually, training is a part of education that involves the learning process to acquire and improve skills outside the current education system in a relatively short time and with methods that prioritize practice. According to Dessler (2016), training teaches new employees the skills needed to do their jobs.

Compensation

Compensation is something that employees receive in exchange for their service contribution to the company (Akter, 2016). According to Siagian, the interests of workers must receive attention in the sense that the compensation they receive for services provided to the organization must enable them to maintain their honor and dignity as respectable human beings (Milkovich, 2017).

According to Joshi (2013), compensation is compensation for services or remuneration provided by the company to its workers because these workers have contributed energy and thoughts to the progress of the company in order to achieve the goals set.

According to Panggabean (2019) states that compensation is any form of appreciation given to employees as compensation for the contributions they make to people. Compensation is also the total remuneration received by employees as a result of carrying out work organized in the form of money or other things, namely in the form of salary, bonuses, incentives, leave, office facilities, and allowances such as health benefits, working day allowances, meal allowances, vacation pay. and others.

Work achievement

According to Dewi (2020), work performance is the level of task implementation achieved by a person, unit, or division using existing capabilities and the limits set to achieve organizational or company goals. According to Hasibuan (2015), work performance is a

work result achieved by a person in carrying out the tasks assigned to him based on skills, experience, level of attendance, work discipline, skills and abilities and time.

According to Stone (2020), the work assessment principle measures the contributions of individuals in agencies made to the organization. The critical value of work appraisal is determining the level of individual contribution or performance expressed in completing the tasks for which they are responsible.

According to Rumimpunu (2018), in his research entitled "The influence of work discipline and educational training on the performance of civil servants at the Regional Planning and Development Agency (Bappeda) of North Sulawesi Province in Manado". This research shows that the two independent variables, namely the work discipline variable and the training education variable, significantly affect employee performance variables because the P value (probability) is smaller than alpha 5% or the calculated value is more significant than 0.5. It can be seen that the P value is 0.043 for the work discipline variable and the education and training variable, with a P value of 0.005. Together, the work discipline and training education variables have a strong positive relationship with the employee performance variable, as evidenced by the value of r = 0.718 or 71.80%. The work discipline and training education variables have an influence contribution of 51.5% on employee performance variables.

3. Methods

This research uses a quantitative approach method. Quantitative research is used to research specific populations or samples. Data collection uses research instruments and quantitative/statistical data analysis with the aim of testing predetermined hypotheses (Cohen et al., 2018).

Population is a generalized area consisting of objects/subjects with specific characteristics and the same opportunity to be selected as sample members (Umar, 2020). Based on the number of employees, the population in this study was 73 respondents. A sample is a small part of a population or the sum of the characteristics possessed by the population (Sugiyono, 2021). The sample in this research was 50 respondents using a sampling technique taken from employees who had participated in the training program and were willing to fill out the research questionnaire.

The researcher used multiple linear regression analysis techniques to test the hypothesis about the strength of the independent variable on the dependent variable (Tabachnick and Fidell, 2018). Based on the variables above, the multiple regression model in this research is:

Formula: $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + e$

Information:

Y = Employee Work Performance

α = Constant

β1 2 = Regression Coefficient (i=1,2)

X1 = Training

X_2 = Compensation

4. Results and Discussion

PT. Sesawi Prima Mandiri is a contractor company engaged in the procurement of goods and services. In improving the quality of human resources, PT. Sesawi Prima Mandiri, like a leading company in Manado, also holds several training programs and provides compensation.

Multiple linear regression analysis is a study of the dependence of a dependent variable on one independent variable with the aim of estimating and/or predicting the population average or average value of the dependent variable based on the known value of the independent variable.

Based on Table 1, a multiple linear regression equation can be prepared as follows:

Y= 3.423 + 0.472X1 + 0.115X2

	Model	Unstandardized coefficients		Standardized coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.423	1.244		2.743	.045
	Training	.472	.152	.224	1.577	.016
	Compensation	.115	.001	.565	2.758	.000

a. Dependent Variable: Employee Achievement
Source: Processed Data (2022)

From the regression equation above it can be described as follows: 1) Constant coefficient 3.423 This is a constant value (intercept) which shows the average influence of other factors outside the training (X1) and compensation (X2) variables on the employee work performance variable (Y). 2) The value of β1 is 0.472, indicating a positive (unidirectional) relationship between training and employee performance. This value means that if the training variable increases by one score, employee work performance will increase by 0.472, assuming other variables remain unchanged. 3) The value of β2 is 0.115, indicating a positive (unidirectional) relationship between compensation and employee work performance. This finding means that if the compensation variable increases by one score, employee work performance will increase by 0.008, assuming other variables remain unchanged.

Table 2. R² coefficient of determination test results.

Model	R	R square	Adjusted R square	Std. Error of the estimate	Durbin-Watson
1	.718a	.723	.625	1.67794	1.211

Source: Processed Data (2022)

The coefficient of determination test results show that the R² result is 0.723 or 72.3%, meaning that the variability in employee work performance variables, which can be explained by variability in training and compensation, is 72.3%. In comparison, the remaining 27.7% is explained by other variables not included in the model. this regression

Based on the data processing results in Table 1, the partial test results are obtained as follows: 1) Leadership on employee performance obtained a calculated t value of 1.577 > t table value of 1.677 with a sig of 0.016 < significance level of 0.05. 2) Motivation for employee performance obtained a calculated t value of 2,758 > t table value of 1,677 with a sig of 0.000 < significance level of 0.05.

Table 3. Simultaneous test (F Test).

Model		Sum of squares	Df	Mean square	F	Sig.
1	Regression	162.855	5	35.272	17.644	.000b
	Residual	86.543	26	3.327		
	Total	248.398	31			

Source: Processed Data (2022)

The results of SPSS data processing show that Fcount is 17.644 with a significance level of 0.000 because the probability level of significance is much smaller than 0.05 or (α=5%), so the regression model can be used to predict employee work performance.

Training influences employee work performance at

PT. Sesawi Prima Mandiri. This finding can be interpreted as the better the training, the more employee work performance at PT. Sesawi Prima Mandiri will increase. The results of this research align with several previous studies from the research by Yimam (2022), which found that training variables had a positive and significant influence on employee performance.

Compensation influences employee work performance at PT. Sesawi Prima Mandiri. This finding means that the better the compensation, the employee work performance at PT. Sesawi Prima Mandiri will increase. The results of this research align with several previous studies from Rojikinnor (2022), which found that compensation had a positive and significant effect on employee performance and was also in line with the research results of Akter (2016).

In order to improve employee work performance, it is necessary to analyze the factors that influence it by paying attention to the needs of employees, including the need for achievement in the performance of employees who work in a disciplined manner and obey the agency's rules. Good employee work performance is influenced by the training attended in the organization and compensation from the company.

5. Conclusion

Based on the research results, the following conclusions can be drawn: (1) The test results show that training significantly positively affects employee work performance at PT. Sesawi Prima Mandiri; (2) The test results show that compensation has a significant positive effect on the work performance of PT. Sesawi Prima Mandiri employees; (3) The test results show that training and compensation simultaneously significantly positively affect employee work performance at PT Sesawi Prima Mandiri.

The things that can be suggested regarding the research results are as follows: (1) Even though PT. Sesawi Prima Mandiri pays good attention to improving employees' work performance. However, considering the increasingly fierce competition in the business world, companies must continue to develop training and increase employee compensation to maintain and improve the quality of their professionalism. So that in turn, it is hoped that it will help improve employee performance so that they can provide optimal contributions to efforts to achieve company goals. (2) Apart from the training and compensation programs provided by the company, employees also need to increase their awareness and enthusiasm to learn to improve their abilities and skills independently through various opportunities they encounter so that they can improve their work performance, which is beneficial for the company and themselves.

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