

THE EFFECT OF TRAINING AND COMPENSATION FOR EMPLOYEE PERFORMANCE WITH EMPLOYEE JOB SATISFACTION AS INTERVENING VARIABLES ON MSME IN SOUTH TANGERANG

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Abstract - *Research this aim for test influence training and compensation to performance employee with satisfaction work as an intervening variable for MSME employees in South Tangerang. Study quantitative this conducted with use questionnaire through gform use scale linkert. Study using the Structural Equation Modeling model with using the Smartpls software. From the data distributed, 109 eligible respondents were collected for processed more continue. Research results show that there is influence Among training and compensation to performance employee, with satisfaction work is variable mediation which is not significant or no effect on training to performance employees, as well compensation to performance employees.*

Keywords: *Training, Compensation, Employee Performance, Satisfaction work.*

1. INTRODUCTION

Along increase time and the development of the times, now environment business the more strict in competition, fine local as well as globally. (UnairNews, 2020) . Micro, Small and Medium Enterprises (UMKM) is one of them business sector Indonesia's economy is the most strategic and an important pillar for Indonesian economy. Based on existing data at the Ministry Cooperatives and SMEs, states that the number of MSMEs in 2021 will reach 64.2 million with contribution to GDP of 61.07% or a value of 8,573.89 trillion rupiahs, with MSME contribution includes ability absorb 97% of the total existing workforce and can collect up to 60.4% of the total investment. (Limanseto, 2021) . Number of a Performance MSME organizations are also related to resources human (Aulia, 2022; Yusuf et al., 2022), because of resources man is productive person or individual work as mover organization, and own function as an internal asset something company or organization, so capabilities must trained and developed. (Susan, 2019) .

Performance can interpreted as what employees do and do n't do. Not rare decreased employee performance is likely caused from lack of internal employee training work related global transformation, method training, discomfort in work, minimum salary or wages, lack appreciation in achievement,

motivation, even dissatisfaction in work because less co-workers felt, because performance could be affected by how much factors, among others is capabilities, compensation, and training. (Sari, 2018) .

In resource management people, training programs is a necessary program noticed. In the training provided to employees, can encourage employees to work more hard again, because with training could help employees to knowing with both tasks and responsibilities answer, then the employee will attempted for reach higher level of work morale high. (Sari, 2018) .

Likewise with compensation, because compensation enough important in increase employee performance, cause big its small compensation, as well system compensation will influence employee job satisfaction as well work more good again. (Saprudin, 2018) . With gift compensation can Becomes effort organization or company in increase quality of work and satisfaction in employees, as well as reflection from success something work that has been completed by employees.

Job satisfaction is circumstances emotional either pleasant or unpleasant with which employees look profession them. (Sylvester Simanjuntak et al., 2015) . Job satisfaction can give effect to the output in a process organization. Job satisfaction can achieved when employees do productive and employee expectations can fulfilled by the company or organization.

From previous research, (Fikri et al., 2018) state that influential employee job satisfaction positive and significant so that could mediate compensation. And employee job satisfaction is able mediate training to performance employee (Setiawan et al., 2021) Some previous research about training and compensation, which is influential to employee performance, one of which is (RVbolung, S.Moniharapon, 2018) who stated that training and compensation take effect positive and significant to employee performance. However, there is also research that states that training has no effect positive to employee performance (Safitri et al., 2013) . And compensation have indirect influence to employee performance (Kusuma & Ardana, 2013) .

Based on decryption background behind the above, researchers are interested in conduct research with a number of goals, among others is for knowing is training have influence to employee performance, whether training have influence to employee job satisfaction, whether compensation have influence to employee performance, whether compensation have influence to employee job satisfaction, whether employee job satisfaction has influence to employee performance.

2. LITERATURE REVIEW

A. Work Training

According to Mangkunegara, Training (training) is an educational process period short using procedure systematic and organized where non- managerial employees learn knowledge and skills technical in destination limited. (Zulkarnaen et al., 2018) . on variables training could be represented with a number of indicator under this from Anwar King Mangkunegara (14.14):

- a. Training material
- b. Method training
- c. Qualification trainer
- d. Training time.

B. Work Compensation

According to Wibowo, compensation is counter performance to use labor or services that have provided by the workforce. Whereas according to Sincere in Bahrur Yaman, compensate or reply jada could interpreted as gift direct reward or indirectly, financially and non - financial fair and proper to top employees donation they in achievement destination organization. (Nursam, 2017) . So, compensation

could interpreted as awarding _ to employees or workers who have achieved in his job. With so, indicator for compensating variables among them is (Afrida, 2016) :

- a. Direct (financial) compensation, eg salaries, wages, bonuses and commissions.
- b. Indirect compensation (non- financial), such as benefits and services.

C. Performance

According to Mathis and Jackson, performance is what employees do or do not do. In addition, performance is also influenced by 3 factors main, that is individual ability to do the job, level effort expended, and support organization (Performance = Capability x Effort x Support). (Supatmi et al., 2012) . In employee performance, according to Mathis and Jackson a number of indicators, among others is Quantity of work, Quality of work, Utilization time, attendance rate, and cooperation. (Chairunnisah et al., 2021) .

D. Job Satisfaction

According to Kotler, job satisfaction is level feeling somebody after compare performance (outcome) that he feel with he hoped. (Mahyuddin, 2012) . Robin & Judge defines about job satisfaction, is feeling positive results from evaluation to characteristics job. (Sunarta, 2019) In Employee job satisfaction, there is a number of indicator including :

- a. Satisfaction to payment salary and wages.
- b. Satisfaction to the job itself.
- c. Satisfaction to coworker.
- d. Satisfaction to promotion
- e. Satisfaction to work supervision

This research conducted to do an assessment about influence training and compensation to employee performance, with employee job satisfaction as the mediation. This research study carried out on several MSME employees in South Tangerang, with a number of possible factor take effect to performance, among others is regarding the training program, the compensation provided, and perceived job satisfaction.

E. Conceptual Models and Hypothesis

a. Connection Among training with performance

According to research conducted by (Sari, 2018) state that exists influence Among training with employee performance, too with research conducted by (RVbolung, S. Moniharapon, 2018) who also has research results are the same, ie exists connection Among training with employee performance

Hypothesis 1: Training matters to employee performance.

b. Connection Among training with job satisfaction

Based on the research that has been conducted by (Setiawan et al., 2021) , shows that exists influence from training with employee job satisfaction, and also the results of research from

Hypothesis 2: Training matters to employee job satisfaction.

c. Connection Among compensation with performance

According to (Novita et al., 2016) , compensation financial nor nonfinancial have influence to employee performance. According to (Goldman et al., 1981) stated also that exists influence from gift compensation to employees with employee performance.

Hypothesis 3: Compensation matters to employee performance

d. Connection Among compensation with job satisfaction

From the results of previous research namely by (Kusuma & Ardana, 2013) , states that exists influence from compensation to employee job satisfaction, as well according to research from (Parimita et al., 2018) which states that there is influence Among compensation with employee job satisfaction.

Hypothesis 4: Compensation matters to employee job satisfaction.

e. Connection between job satisfaction with performance

According to (Novita et al., 2016) in his research state that job satisfaction have influence to employee performance. Whereas according to (Sugiono et al., 2020) state that exists influence from employee job satisfaction on employee performance. And according

Hypothesis 5: Employee job satisfaction has an effect to employee performance as mediation.

3. RESEARCH METHODE

In this study, the method used is approach quantitative. Method quantitative according to Sugiyono (2018) is based research methods with philosophy positivism used for researching population or sample certain. The population in this study were MSME employees in South Tangerang, with a sample of 120. Data collection techniques were used in this study is with filling out the questionnaire online using GForm. This study uses the Structural Equation Modeling (SEM) model, and for data processing through SMARTPLS 4.0 software.

4. RESULT

a. Validity Test

Based on results data processing, as follows is validity test results in research this.

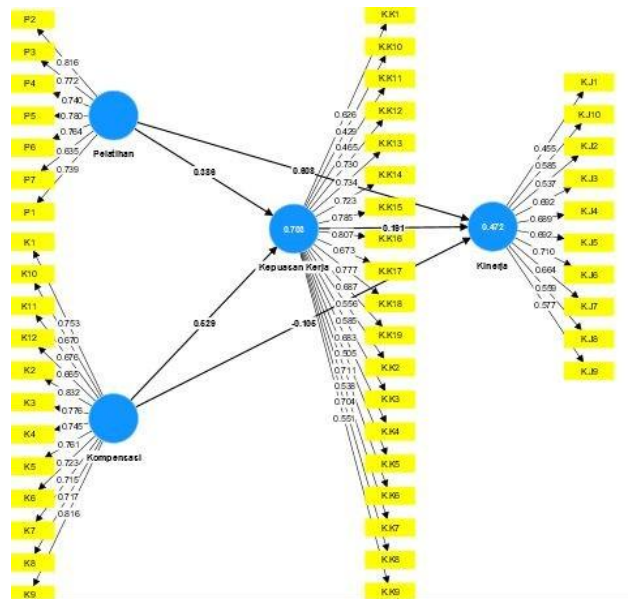


Figure 1. Validity Test Stage 1

Based on picture 1, still fallen a number of the construct on the research model is not yet valid, so next to validity test stage 2.

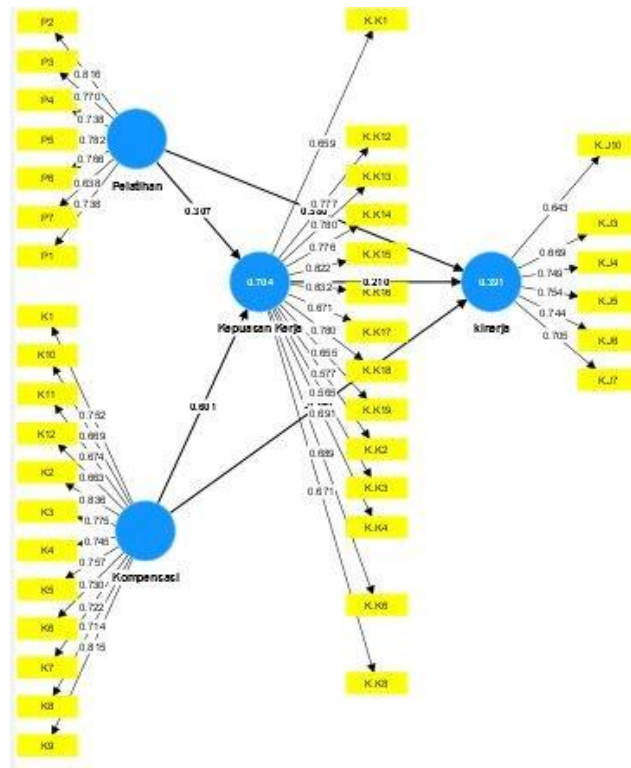


Figure 2. Validity Test Stage 2

After validity test is carried out stage 2, got seen that all construct in valid research.

b. Reliability Test

To see the reliability results, it can be seen that the Average Variance Extract (AVE) value must be above 0.5 and the Composite Reliability must be above 0.7 (Ghozali, 2014).

Table 1. Reliability Test

	Cronbach's alpha	Composite reliability	Average variance extracted (AVE)
Job Satisfaction	0.925	0.935	0.511
Compensation	0.924	0.935	0.547
Training	0.871	0.900	0.565
performance	0.806	0.860	0.507

Based on table 1, it is known that the AVE is above 0.5 and the Composite Reliability value is above 0.7, then all variables fulfill requirements reliability (Ghazali, 2014).

c. Evaluation of the Measurement Model (Outer Model)

Table 2. Outer Models

	Job Satisfaction	Compensation	Training	performance
K.J10	0.352	0.208	0.441	0.643
K.J3	0.472	0.456	0.539	0.669
K. J4	0.366	0.259	0.431	0.749
K.J5	0.199	0.173	0.310	0.754
K. J6	0.299	0.249	0.406	0.744
K. J7	0.282	0.228	0.411	0.705
K.K1	0.659	0.551	0.381	0.298
K.K12	0.777	0.646	0.478	0.204
K.K13	0.780	0.660	0.514	0.280
K.K14	0.776	0.686	0.506	0.239
K.K15	0.822	0.672	0.514	0.302
K.K16	0.832	0.645	0.623	0.388
K.K17	0.671	0.603	0.637	0.354
K.K18	0.780	0.540	0.648	0.333
K.K19	0.655	0.431	0.527	0.485
K.K2	0.577	0.532	0.433	0.348
K.K3	0.565	0.466	0.432	0.323
K.K4	0.691	0.529	0.480	0.485
K.K6	0.689	0.493	0.470	0.415
K.K8	0.671	0.584	0.407	0.373
K1	0.547	0.752	0.421	0.260
K10	0.617	0.669	0.596	0.302
K11	0.650	0.674	0.566	0.328
K12	0.608	0.663	0.479	0.455
K2	0.618	0.836	0.448	0.233
K3	0.569	0.775	0.441	0.200
K4	0.540	0.745	0.428	0.117
K5	0.595	0.757	0.512	0.290
K6	0.563	0.730	0.478	0.181
K7	0.550	0.722	0.470	0.166
K8	0.542	0.714	0.476	0.358
K9	0.689	0.815	0.571	0.413
P2	0.644	0.539	0.816	0.573

	Job Satisfaction	Compensation	Training	performance
P3	0.518	0.510	0.770	0.390
P4	0.526	0.607	0.738	0.397
P5	0.552	0.528	0.782	0.491
P6	0.499	0.503	0.766	0.379
P7	0.490	0.446	0.638	0.340
P1	0.490	0.410	0.738	0.595

Based on table 2, can concluded that every latent variable is capable of predict size every block over good compared size block other, so evaluation of the measurement model (outer model) with discriminant validity is valid.

d. Evaluation of the Structural Model (Inner Model)

Table 3. Inner Model

R Square

	R-square	R-square adjusted
Job Satisfaction	0.704	0.699
Performance	0.391	0.374

F Square

	Job Satisfaction	Compensation	Training	Performance
Job Satisfaction				0.021
Compensation	0.671			0.016
Training	0.175			0.258
performance				

Based on results of R Square Adjusted can concluded that satisfaction work could described in this model by 69.9%.

e. Hypothesis Test

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Satisfaction -> performance	0.210	0.202	0.159	1,317	0.188
Compensation -> Job Satisfaction	0.601	0.600	0.071	8,501	0.000
Compensation -> performance	-0.172	-0.176	0.162	1,062	0.288
Training -> Job Satisfaction	0.307	0.312	0.071	4,331	0.000
Training -> performance	0.580	0.600	0.105	5,503	0.0

Based on statistical test results in table 4, can outlined as following

1. H1 or the first hypothesis can not be accepted, because have score significant at T statistic 1.317 < 1.96 and with the P value is 0.188 < 0.5.
2. H2 or the second hypothesis acceptable, because have score significant at T statistic 8.501 > 1.96 and with P values of 0.000 < 0.5.
3. H3 or the third hypothesis can not be accepted, because score significant with a T statistic of 1.062 < 1.96 and with P values of 0.288 < 0.5.
4. H4 or fourth hypothesis acceptable, because have score significant with a T statistic of 4.331 > 1.96 and with P values of 0.000 < 0.5.
5. H5 or the fifth hypothesis can be accepted, because have score significant with a T statistic of 5.503 > 1.96 and with P values of 0.000 < 0.5.

Specific Indirect Effect is used for show strength indirect influence or influence from the independent variable to the dependent variable through intervening variables.

Table 5. Measuring the Mediation Effect

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (O/STDEV)	P values
Compensation -> performance	0.126	0.121	0.098	1,286	0.198
Training -> performance	0.065	0.062	0.053	1220	0.222

Based on score indirect effects calculation, job satisfaction is not significant mediate between variables Compensation against performance and training variables against performance.

5. DISCUSSION

Training and compensation is one Thing important in achievements performance employee, then in accordance with study Febriyanti on research (Rudhaliawan et al., 2017) that there is significant influence training to employee performance at PT. Telkom Indonesia, Tbk Kandatel Malang and research by (Paramitadewi, 2017) that there is significant influence between Compensation against employee performance.

So, it 's important for company for provide training for workers or employees, in order to get produce performance as expected, and good compensation in a manner financial and non- financial also have role in increase employee performance, because will motivating employees in doing work.

6. CONCLUSION

This research conclude that Training and compensation is enough thing important in achievements performance MSME employees, based on study earlier that training could take effect to performance employee. And deep study this compensation also has influence to performance employee in MSMEs in South Tangerang, with job satisfaction is a mediating variable that is not significant take effect between Training against performance and Compensation against employee performance at SMEs in South Tangerang.

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