



THE INFLUENCE OF TRAINING AND COMPENSATION ON EMPLOYEE PERFORMANCE WITH INDIVIDUAL CHARACTERISTICS AS MODERATING VARIABLE: A CONCEPTUAL MODEL

Yufa Yulindra¹, Dwi Sunu Kanto², Amaliyah³

^{1,2,3}Department of Management, Faculty of Economic and Business, Trilogi University, Jakarta, Indonesia

ABSTRACT

This paper is structured to develop a conceptual model to investigate the effect of training and compensation on employee performance in a private hospital. Individual characteristics are specified as moderating variables. The conceptual model uses a quantitative method. The data will be collected using questionnaire distribution to 115 non-training employees on a private hospital at Pesisir Selatan Regency, West Sumatra. The secondary data is also will used as a support that obtained from reports of the institution. The data analysis will used in this research is Partial Least Squares-Structural Equation Modeling (PLS-SEM), which consists of test validity, test reliability, and testing hypotheses. Practicing this paper instantly would provide information about the relationship states of training, compensation, individual characteristics and employee performance in the private hospital.

KeyWords

Training, Compensation, Individuals Characteristics, Employee Performance, Conceptual Model

INTRODUCTION

Manpower is one of the components that exist within the organization in which, according Notoadmodjo (2003: 2), an agency must be supported source of power humans are capable as a source of power of man very instrumental in running the business or activities in the such institution. The performance of an employee or the source of the power of human (job performance) is one of the factors that are used as a starting measure the success of an organization in achieving its objectives. Mangkunagara (2011) suggests that the term performance is derived from the word job performance or actual performance is the result of work by the quality and quantity of that achieved by an employee in carrying out their duties in accordance with sole responsibility that was given to him.

According Mangkunagara (2009), some of the factors that affect performance are:

- 1) Factor of motivation that is formed from the attitude of the workers in the face of situations of work.
- 2) Ability factor which are consists of potential ability (IQ) and reality ability (education), so workers need to be placed in jobs that are in accordance with their expertise and get education about their work.

Based on those two factors above, it can concluded that the factors that affect the performance of a person may come from the outside such as education (both before and during work) and from the self- employees. Some of the efforts that organizations can do to control external factors are by conducting job training programs and the existence of compensation for employees. However, there are some studies that show that the training and motivation does not give effect to the performance of employees (Pakpahan et al., 2014; Parerung et al., 2014; Risqon & Purwadi, 2012; Safitri, 2013).

Questions arise regarding the factors internal that exist in the self individual. One of the internal factors considered to be able to help determine the results of the performance of employees is characteristic of the individual. According to Stoner (1986: 87), the characteristics of the individual (individual character) are the interests, attitudes, and needs are taken by a person to the work situation. Every person has a difference in characteristics, thus the characteristics of individuals will influence the differences in the performance of each employee.

The previously described researches result in the author being keen to investigate more about how to influence the training and compensation to performance when both were given the moderation of the variables between which there is the self individual. Variables are assumed to be able to moderate the increase in the performance of an employee that is a characteristic of individuals that are common control you individuals to do something.

LITERATURE REVIEW

Training is a container environment for employees where they earn or learn attitudes, abilities, skills, knowledge and behaviors specifically are associated with the job (Rachmawati, 2008: 110). Rival and Sagala (2011: 212), stated that the training is the process by systematically changing the behavior behavior of employees to achieve the purpose of the organization. The purpose of the training that is done by the company is to increase productivity, improve quality, support the planning of human resources, improve morale member, provide compensation that is not straight, improving the health and safety of work, preventing expired ability and knowledge of personnel, improve development of the ability and expertise of personnel (Widodo, 2015: 84). According to Widodo (2015: 86), the types of training which is usual done in the organization is

1. Training in the workplace (on the job training)
2. Internship (apprenticeship)
3. Training in outside work (off-the-job training)
4. Training in real similar places (vestibule training)
5. Simulation work (job simulation)

Sofyandi in Noviantoro (2009: 39), states that the dimensions of the program of training which effectively granted the company to employees can be measured through the training material, training method, attitude and skills of instructor/trainer, duration of training, and training facilities.

1. Compensation

According to Hasibuan (2003: 118), the compensation is all the income in the form of money, goods directly or not directly who received employee as a reward on merit was awarded to the company. According to Tohardi (2002) in Sutrisno (2009: 182), said that compensation is calculated based on job evaluation. Calculations are intended to obtain compensation that approached the feasibility and fairness.

According to Sutrisno (2009: 184), there are two forms of compensation in between:

- a. Direct compensation ; for example salary, wages, bonuses, and incentives.
- b. Indirect compensation; for example, allowances and promotion

According to Jahrie and Hariyoto (1999: 116-118), there are several requirements that must be met in providing compensation to employees. Compensation requirements must be:

- a. Can meet the minimum physical needs
- b. Can ensure employee's loyalty
- c. Can cause enthusiasm and excitement of work
- d. Be fair and proper
- e. Always be reviewed back
- f. Reach the desired target
- g. Lifting the dignity of humanity
- h. Based on regulatory legislation which applies

2. Performance

Performance when associated with performance as the word object, then the notion of performance or the performance is the result of work that can be achieved by one or a group of people in a company in accordance with the authority and responsibility in charge of each in efforts to achieving the objectives the company is illegal, does not violate legal and not contrary to morals and ethics (Harsuko, 2011; Rivai & Basri, 2006)

According Benandin and Russell (2001) in Riani (2011), the criteria are used to assess the performance of employees of a Quantity of, Quality of Work, Job Knowledge, Creativity, cooperation, Dependability, initiative, personal qualities, concerning personality, leadership, hospitality and integrity of the personal.

According McCormick and Tiffin in Suharto and Cahyono (2005), explains that there are two variables that affect performance, including:

- a. Individual Variable. Consisting of experience, education, type of sex, age, motivation, state of physical, personality
- b. Situational Variables. This variable involves two factors:
 - Social and organizational factor, covering policy types of exercise and experience, the system of wages, as well as the environment social
 - Physical and jobs related factor, includes methods of work, arrangements and conditions of supplies of work, setting space work, noise, lighting and temperature.

Performance assessment is how to measure the contributions of individuals in the installation were carried out against the organization. Rated important of assessment of performance is concerned the level of contribution of an individual or the performance of which is expressed in the completion of tasks which become their responsibility. Assessment of performance at its core is to determine how productive an employee and whether he could be more effective in the future so that employees, organizations and communities can derive benefit.

The purpose and importance of assessment of performance based on a study that conducted lately have identified two twenty kinds of destination information about the performance of the different are grouped dala four categories, namely

- a. Evaluation that emphasizes comparisons between people.
- b. The development that emphasizes the changes in myself a person in the passage of time.
- c. Maintenance of the system.
- d. Documentation of decisions manpower.

3. Individual Characteristics

According Panggabean in Prasetyo (2008: 29), the characteristics of the individual is the character of an individual who has a trait typical in accordance with the disposition of certain. Robbins in Prasetyo (2008: 29) states that individual characteristics are a way of looking at certain objects and try to interpret what they see. Meanwhile, according to Rahman (2013: 77) the characteristics of the individual is a characteristic typical of that show differences in someone about motivation, initiative, ability to remain steadfast face the task to complete or solve the problem or how to adjust the changes are linked closely to the environment that affect the performance of the individual.

According to Robbins (2006), there are several factors that affect the characteristics of the individual such as u worth, sex, marital status, and experiences.

According to Nimran in Kurniawati (2007: 17-18), individual characteristics include

1. Personality

Personality can be defined as the whole way of how people react and interact with others. According to Robbins and Judge (2008: 127), personality is interacting with other individuals. While for Sofyandi and Garniwa (2007: 74) states that the personality of a person is set karakterostik were relatively steady, inclination and temperament that most large shaped by factors heredity and factors of social, cultural, and environmental.

According to John Donahue and Kentle in Purnomo and Lestari (2010: 146-147), dividing personality dimensions into five namely

- a. Openness to experience or openness to life experiences. Personality is filled with the idea of a new, imagination are active, intelligent and profound, like the reflection of self, curious with many things, innovative and artistic.
- b. Conscientiousness or openness to the eyes and ears. Among them likes to work hard, to work in accordance with the plan, be dependable, organized, doing work with meticulous and detailed, and tend to be diligent.

- c. Extraversion or openness to others. Personality like this actively talking, filled with energy, enthusiasm, personality that is firmly and surely, friendly and likes to hang out.
- d. Agreeableness or openness to agreement. Personality is like working together, can be trusted, full attention and kind to others, like to help, not concerned himself alone, forgiving, and not like at odds with others.
- e. Neuroticism or openness to pressure. This personality often feels depressed, full of tension and worries, easily moody and sad and easily agitated.

2. Perception

Toha (2012: 141-142), stated that the perception of the essence is the process of cognitive that experienced by each person in the understanding of information about the environment, either through visual, auditory, appreciation, feeling and smelling. Toha outlines that there are several sub-processes in perception and can be used as evidence that the nature of perception it is a matter that is complex and interactive of them are the stimulus or situation is present, Registration and Interpretation, Feed back, and Attitude.

3. Attitude

According to Sigit in Kurniawati (2007: 18), the attitude is a response which contains the components of cognitive, affective and koaktif were performed by someone against something object or stimulation from the environment. According to Robbins and Judge (2008: 92), attitude is a statement evaluatif both are fun and that is not about an object, person, or event further. Robbins and Judge (2008: 93) also states that there are three components of an attitude that is

- a. Affective components
- b. Cognitive components
- c. Psychomotor components

Attitude in terms of this is a sense of importance in the behavior of the organization as members of that attitude positive towards the task / work tends to result in the achievement of work that much better, while attitudes that tend to negatively will lead to the accomplishment of work that is not in accordance with the purpose of the organization.

CONCEPTUAL MODEL

This paper aims to examine the effect of training and compensation on employee performance with individual characteristics as moderating variables. There are four objectives that want to be achieved from the formulation conceptual the model is, among other things: (1) to determine the effect of training on the performance of employees, (2) to determine the effect of compensation to the performance of employees, (3) to determine the effect of training on the performance of employees if it is moderated by individual characteristics, and (4) to determine the effect of compensation on the performance of public hospital staff if it is moderated by individual characteristics. Here is the conceptual model that is arranged:

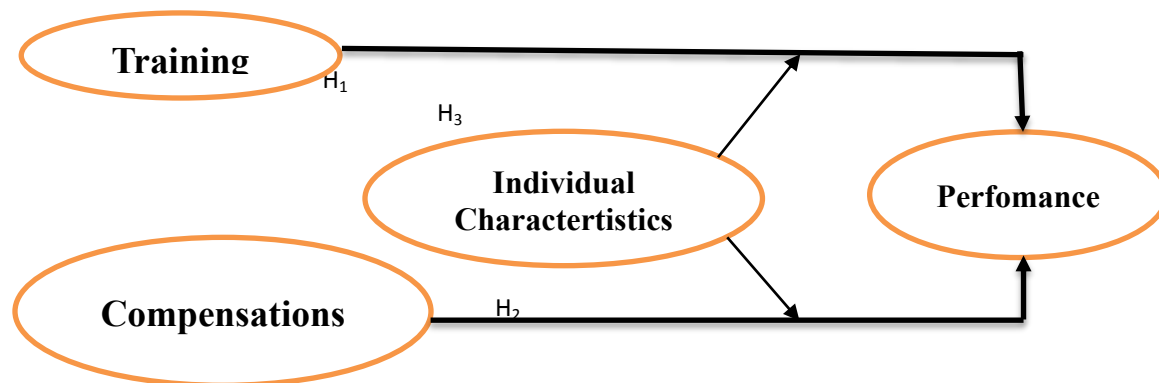


Figure 1: The Conceptual Model

Description :

H 1 = Training has a positive effect on Employee Performance

H 2 = Compensation has a positive effect on Employee Performance

H 3 = Training has a positive effect on Employee Performance by moderation of Individual Characteristics

H 4 = Compensation has a positive effect on Employee Performance by being moderated by Individual Characteristics

HYPOTHESES DEVELOPMENT

1. Relationship between training and employee performance

According to Manullang (2008), training is able to help the stability of employees and encourage them to work longer hours at the company. Handoko (2009), Mathis and Jackson (2009) propose a training role in giving satisfaction of work so that employees have a pedestal late to want to work much longer in the company. Therefore the hypothesis is:

H1: Training has a positive effect on employee performance

2. Relationship between compensation and employee performance

Research that is done by Haryono (2009), Reddy and Karim (2013) showed that the compensation effect positive significant to the performance of the employee. Demokrat (2011) and Amelia (2016), in their research also revealed that compensation has a significant effect on employee performance. Therefore the hypothesis is:

H2: Compensation has a positive effect on employee performance

3. The relationship of training to employee performance through individual characteristics

H3: Training has a positive effect on employee performance by modifying individual characteristics

4. The relationship of compensation to employee performance through individual characteristics

H4: Compensation has a positive effect on Employee Performance by being moderated by Individual Characteristics

METHODOLOGY

This study is using a quantitative method with the sampling technique is random sampling. A total sample of 115 peoples out of a population of 160 peoples was employees of non-training on a private hospital in Pesisir Selatan District, Sumatera Barat. The primary data will collect using questionnaires distribution. Data secondary is also used as a support that obtained from reports of the institution.

The study is using three types of variables are independent variables, namely training and compensation; dependent variable, namely performance; and moderating variabel, which is characteristic of the individual. The analysis that is used in this research is a method of Partial Least Squares- Structural Equation Modeling (PLS-SEM); which consists of test validity, test reliability, and hypotheses testing.

The moderating effects show the interaction between moderating variables with independent variable in influencing variable dependent. Testing the effect of moderation by using the method of PLS-SEM. Evaluation of the interaction model can be detected from the R-square. If the value that produced from the effect is weak then it is not going to impact on the effect of moderation (Abdillah & Jogiyanto, 2014).

CONCLUSION

This paper is put forward the idea in the form of the conceptual model to examine the effect of training and compensation to the performance of an employee in a private hospital hospital in Pesisir Selatan District, Sumatera Barat, Indonesia. The variable characteristics of individuals are also taken into account as a variable moderation between variables independent to variable dependent variables. This paper also describes the background behind the research, literature review, the research methodology, and the development of hypotheses. Practicing this paper instantly would provide information about the relationship states among training, compensation, individual characteristics and employee performance in the private hospital.

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