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# The Effect of Competence, Training, Compensation on Job Satisfaction and Employee Performance at Department of Transportation, Tasikmalaya, Indonesia

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## **Abstract**

This research was conducted at the Department of Transportation Tasikmalaya, Indonesia. The selection of the object of this research is based on the existence of several problems. The first problem relates to training, and the second problem relates to compensation, which is suspected to affect on job satisfaction and employee performance. This study aims to determine, analyze and interpret the relationship between the direct and indirect effects of competence, training, compensation on job satisfaction and employee performance at the Department of Transportation of the City of Tasikmalaya. The research method used is a descriptive-correlation method with a quantitative approach with testing on 30 respondents at the Department of Transportation of the City of Tasikmalaya. Based on the results of the study, it was found that competence, training, compensation through satisfaction simultaneously affected the Performance of the Tasikmalaya City Transportation Service Employees worth 91.3% and others 8.7% caused by other variables that were not examined.

# **Keywords:**

Competence; Training; Compensation; Job satisfaction; Employee Performance

#### **Abstrak**

Penelitian ini dilakukan di Dinas Perhubungan Tasikmalaya, Indonesia. Pemilihan objek penelitian ini didasarkan pada adanya beberapa permasalahan. Masalah pertama berkaitan dengan pelatihan, dan masalah kedua berkaitan dengan kompensasi, yang diduga berpengaruh terhadap kepuasan kerja dan kinerja karyawan. Penelitian ini bertujuan untuk mengetahui, menganalisis dan menginterpretasikan hubungan antara pengaruh langsung dan tidak langsung kompetensi, pelatihan, kompensasi terhadap kepuasan kerja dan kinerja pegawai pada Dinas Perhubungan Kota Tasikmalaya. Metode penelitian yang digunakan adalah metode deskriptif-korelasi dengan pendekatan kuantitatif dengan pengujian pada 30 responden pada Dinas Perhubungan Kota Tasikmalaya. Berdasarkan hasil penelitian diketahui bahwa kompetensi, pelatihan, kompensasi melalui kepuasan secara simultan berpengaruh terhadap Kinerja Pegawai Dinas Perhubungan

Kota Tasikmalaya sebesar 91,3% dan lain-lain 8,7% disebabkan oleh variabel lain yang tidak diteliti.

# Kata kunci: Kompetensi; Pelatihan; Kompensasi; Kepuasan kerja; Kinerja karyawan

# 1. Introduction

This study focuses on the effect of competence, training, and compensation on employee performance and job satisfaction. This is very important to research because capacity building and training are the most crucial aspects for public organizations so that employees have the insight, skills, and expertise that can complement the current and future needs of the organization (Baharuddin et al., 2013; Daly, 2015; Kalangi, 2015; Rahinnaya & Perdhana, 2016).

On the other hand, it can be explained that competence and training are crucial for the development of employee human resources. The implementation of education and training at the Tasikmalaya City Transportation Service is carried out in tandem, because the material presented can be directly applied or tested during the training process or when handling work in the

workplace. For time efficiency and have the same purpose, namely changing the behavior of relevant employees according to the wishes and needs and needs of the organization. Carry out capacity optimization and training to deal with problems that employees have in their organization. The purpose of involving an employee in the education and training stages is to equip employees so that their presence in the organization becomes effective. If employees behave well as expected as part of the organization, then in fact they will become effective employees.

With sufficient work skills, it will affect the optimization of employee performance to support effective, efficient, and professional tasks. Through capacity-building activities and training, employees can add new insights and experiences, which can improve employee performance in completing the tasks assigned to them. Relevant to the research by Ataunur (2015) which shows that ability has a significant positive effect on performance. This opinion is in line with research conducted by Kartika & Sugiarto (2014) who researched the implications of competence in the performance of office administration employees. Therefore, the output of this research supports previous research if there is a relationship between the level of ability and employee performance.

Meanwhile, there is a link between training and increasing employee performance relevant to the research that has been done by Awang et al. (2010), which explains that job training has significant implications for developing employee insights, skills, and capabilities to become more competent which makes employee performance increase.

If the employee's desire for the organization is fulfilled, employee satisfaction can increase. On the other hand, if the employee's wishes are not achieved, employee dissatisfaction is created. Employee dissatisfaction is the beginning of absenteeism, the conflict between superiors and employees, high levels of absenteeism, strikes, and employee turnover in the organization. For employees, dissatisfaction can lead to a decrease in motivation, a decrease in morale, and a decrease in the quality and quantity of work performance. Good job satisfaction can have a positive impact on employees, for example, the emergence of loyalty and work discipline, and can maximize the work of the employees themselves.

This is relevant to the opinion of Al-Ahmadi (2009), that job satisfaction affects employee performance. Each employee has a different nature and character, which makes it an inseparable challenge for the organizers therfore that most employees in the institution are satisfied with their work thus that employees are comfortable working in the institution and produce optimal performance.

Conceptually, Hasibuan (2001) said that work performance is the work output obtained by a relevant employee based on his expertise, experience, sincerity and time to complete the tasks given by his coach. To maximize employee performance, it is also necessary to provide compensation to employees based on their performance. A decent salary can bring a sense of satisfaction and increased work spirit, which raises the productivity of employees and public organizations of the Tasikmalaya City Transportation Service. Therefore, another aspect that will be studied in this research is salary, which is a must for organizations to encourage employees to contribute to achieve the expected work targets.

While the concept of compensation is all receipts in the form of money, objects directly or indirectly obtained by employees who become remuneration for services performed at the institution (Hasibuan, 2008). The distribution of appropriate compensation can have positive implications for job satisfaction and employee work results. The existence of compensation such as bonuses, rewards or others can also have a positive effect on employees. Employees can feel energy and enthusiasm when completing assigned tasks and employee motivation will arise to achieve achievements. There are several purposes for distributing compensation, including being a cooperative relationship between institutions and employees, becoming a medium to increase employee enthusiasm and encouragement, becoming an institutional strategy to retain qualified employees or employees, as well as being an institutional reward for employees.

Based on previous research and the description of the concept above, the researchers tried to bring up the novelty in this study, namely trying to test the direct and indirect effects of several variables of Competence, Training, Compensation on Job Satisfaction and Employee Performance.

This research was conducted at the Department of Transportation of the City of Tasikmalaya. The selection of the Tasikmalaya City Transportation Service as the object of research is based on the existence of several problems.

The first problem relates to training. There has been an incident if until now the training activities carried out at the Transportation Service were not carried out continuously and were disturbed by the absence of a systematic training program, especially during the current corona/Covid 19 pandemic. This has an impact on the skills of employees who are still considered less than their performance this year.

The second problem relates to the compensation distributed. Employees want additional relevant compensation for the position they hold. Employees consider that until now the increase in compensation that has been carried out is general with no prominent differences between employees. Employees want the increase in compensation to be distributed in stages in the relevant period. What has been implemented so far, the increase in compensation is very rarely done. Therefore, it can be noted that employees do not feel satisfied with what they get from the institution. In the end, result in employee performance that is not optimal.

This study aims in general to find out, analyze and interpret the relationship between the direct and indirect effects of competence, training, compensation on job satisfaction and employee performance at the Department of Transportation of the City of Tasikmalaya. Specifically, this research aims to:

- 1) Finding out the direct implications of competence on job satisfaction at the Tasikmalaya City Transportation Service;
- 2) Finding out the direct implications of training on job satisfaction at the Department of Transportation of the City of Tasikmalaya;
- 3) Finding out the direct implications of compensation on job satisfaction at the Transportation Department of Tasikmalaya City;
- 4) Finding out the direct implications of satisfaction on employee performance at the Department of Transportation of the City of Tasikmalaya;
- 5) Finding out the direct implications of competence on the performance of employees at the Department of Transportation of the City of Tasikmalaya;
- 6) Finding out the direct implications of training on employee performance at the Department of Transportation of the City of Tasikmalaya;
- 7) Finding out the direct implications of compensation on the performance of employees at the Department of Transportation of the City of Tasikmalaya;
- 8) Finding out the indirect implications of competence on employee performance through job satisfaction at the Department of Transportation of the City of Tasikmalaya;
- 9) Finding out the indirect implications of training on employee performance through job satisfaction at the Department of Transportation of the City of Tasikmalaya;
- 10) Finding out the indirect implications of compensation on employee performance through job satisfaction at the Department of Transportation of the City of Tasikmalaya.

#### 2. Literature Review

Wibowo (2013) explains that competence is a skill to carry out or do a task that is based on competence and insight and is supported by the work ethic required of the related work. While Spencer and Spencer in Moehariono (2009), competence is defined as the nature / character that underlies an individual relating to the effectiveness of one's work in his duties as well as the fundamental nature of a person who has interrelationships over specifications that are guidelines, effective, efficient and effective. great on the job site as well as in related conditions. Judging from the two definitions, it can be concluded that competence is the basic skill possessed by each person to carry out his work which is related to the conditions that occur.

Training is part of an effort to maximize the quality of human resources in the work environment. Employees, both new and those who have worked for a long time, must undergo training because of job expectations that can change from changing work environments, strategies, and others (Dessler, 2010).

Simamora (2004) defines compensation as compensation in the form of financial and intangible services and benefits obtained by employees who are part of the employment relationship. Compensation is what employees get for their contributions to the institution. Remuneration for the implementation of work or employee contributions in institutions can be distributed systematically or conditionally.

Hasibuan (2008) explains that job satisfaction is an emotional act that is joyful and loves one's duties and work. This attitude is described from work morale, discipline and work achievement. Performance is a work output that is obtained by a person to carry out various tasks assigned to him based on skills, experience and seriousness and time (Hasibuan, 2001). Based on the theoretical study above, the researchers describe the framework of thinking along with the research hypothesis as shown on Figure 1 below:

Figure 1.
Research Framework

Based on the framework model, the research hypotheses are as follows:

H<sub>1</sub>: X<sub>1</sub> has a direct affect on Y<sub>1</sub>

H<sub>2</sub>: X<sub>2</sub> has a direct affect on Y<sub>1</sub>

H<sub>3</sub>: X<sub>3</sub> has a direct affect on Y<sub>1</sub>

H<sub>4</sub>: X<sub>1</sub> has a direct affect on Y<sub>2</sub>

H<sub>5</sub>: X<sub>2</sub> has a direct affect on Y<sub>2</sub>

H<sub>6</sub>: X<sub>3</sub> has a direct affect on Y<sub>2</sub>

H<sub>7</sub>: Y<sub>1</sub> has a direct affect on Y<sub>2</sub>

H<sub>8</sub>: X<sub>1</sub> has an affect on Y<sub>2</sub> through Y<sub>1</sub>

H<sub>9</sub>: X<sub>2</sub> has an impact on Y<sub>2</sub> through Y<sub>1</sub>

H<sub>10</sub>: X<sub>3</sub> has an impact on Y<sub>2</sub> through Y<sub>1</sub>

# 3. Methodology of Research

The research method used in this study is a descriptive-correlation method with a quantitative approach. The descriptive research method intends to explain or describe the characteristics or nature of a phenomenon, an event that is currently taking place. Descriptive research focuses on the latest problems and the author tries to explain the events and phenomena that have become much discussed by not giving another emphasis to the phenomenon (Noor, 2014).

The population in this study were all employees of the Department of Transportation as many as 100 people. The sampling method used was to take an expert formula from Gay and Diehl in Indrawan & Poppy (2017) who explained that: "if the research is descriptive, the minimum sample is 25% of the population".

Based on the number of population who were given research questionnaires, namely 100 employees, the authors carried out a minimum sampling technique of 30% of the entire population so that the research sample was obtained as follows:  $30 / 100 \times 100 = 0.30 \times 100 = 30$  further research samples will be used as research respondents based on research questionnaire data.

The instrument used to obtain data in this study is a questionnaire that contains various statements or questions related to research variables, and the scale used is the Likert Scale. Instrument testing is used to see that the instruments used have criteria that can be continued as instruments in this research. In order to be used in research, research instruments need to complete valid and reliable requirements.

In Ghozali (2013), classical assumption testing includes Normality, multicollinearity, and heteroscedasticity tests. Furthermore, the multiple linear test is the coefficient of determination, F test; T test.

In order to test the impact of intervening variables, data analysis techniques with path analysis methods were used. path analysis is the use of regression analysis to assess the interrelationships between variables that have been determined based on existing theories. What is meant by path analysis is to determine the format of the relationship between 3 or more variables and cannot be used in answering whether or not the description hypothesis agrees (Ghozali, 2013).

# 4. Result and Discussion

From the test output in the regression equation model 1 (Table 1), it was found that  $F_{calc} = 15.717 > F_{table} = 3.37$ . The number of  $F_{calc}$  in Regression Model 2 also obtained  $F_{calc} = 65.585 > F_{table} = 3.37$ . Through the level of significance (p-value) 0.000 < 0.05, therefore it can be concluded that  $H_0$  is rejected or  $H_0$  is accepted, the hypothesis are:

 $H_1$ :  $X_1$ ,  $X_2$ , and  $X_3$  simultaneously have a significant affect on  $Y_1$  at the Tasikmalaya Transportation Service.

 $H_2$ :  $X_1$ ,  $X_2$ ,  $X_3$ , and  $Y_1$  simultaneously have a significant affect on  $Y_2$  in the Service Tasikmalaya Transportation.

Table 1.
Anova Model

ANOVA <sup>a</sup>							
Sum of							
Model		Squares	df	Mean Square	F	Sig.	
1	Regression	827.111	3	275.704	15.717	.000b	
	Residual	456.089	26	17.542			
	Total	1283.200	29				

a. Dependent Variable: Y<sub>1</sub>

b. Predictors: (Constant), X<sub>3</sub>, X<sub>2</sub>, X<sub>1</sub>

## Table Anova Model II:

# **ANOVA**<sup>a</sup>

		Sum of				
Model		Squares	df	Mean Square	F	Sig.
1	Regression	1276.976	4	319.244	65.585	.000b
	Residual	121.691	25	4.868		
	Total	1398.667	29			

a. Dependent Variable: Y2

b. Predictors: (Constant), Y<sub>1</sub>, X<sub>2</sub>, X<sub>3</sub>, X<sub>1</sub>

Based on the outputs in Tables 2 and Table 3 in equations 1 and 2, the output coefficients of  $R^2$  are 0.645 and 0.913 in the  $2^{nd}$  Regression Model. So in regression 1 it can be concluded that the effect of all independent variables  $X_1$ ,  $X_2$ , and  $X_3$  on the dependent variable  $Y_1$  is worth 64.5% and others worth 35.5% are influenced by others who are not examined. The exact thing in regression 2 can be concluded that the influence of all the independent variables  $X_1$ ,  $X_2$ ,  $X_3$  and  $Y_1$  in the dependent variable is  $Y_2$  which is worth 91.3% and others worth 8.7% are influenced by others not examined. This proves that there are other variables that affect the  $Y_2$  variable that is not examined.

Table 2. R Regression Analysis I

**Model Summary** 

			Adjusted R	Std. Error of
Model	R	R Square	Square	the Estimate
1	.803ª	.645	.604	4.188

a. Predictors: (Constant), X<sub>3</sub>, X<sub>2</sub>, X<sub>1</sub>

Table 3. R Regression Analysis II

	5	D. C.		Std. Error of
Model	ĸ	R Square	Square	the Estimate
1	.956ª	.913	.899	2.206

a. Predictors: (Constant), Y<sub>1</sub>, X<sub>2</sub>, X<sub>3</sub>, X<sub>1</sub>

Based on the calculation results, the total score of 976 is in the interval line between 918-1.134 and is included in the high classification. What makes it can be concluded that based on all respondents' answers overall, that the Competence at the Tasikmalaya City Transportation Service has a high category with the skill indicator being the highest average indicator.

Based on the calculation results, the total score of 1840 is in the interval line between 1632 - 2016 which is classified as high. What makes it can be concluded that according to all respondents' answers, the training at the Tasikmalaya City Transportation Service has a high category with the indicator of the training method having the highest average.

Based on the calculation results, the total score of 494 is in the interval line between 390 - 510, which is classified as moderate. What concludes be drawn if according to the overall basis of all respondents' answers, that Compensation at the Tasikmalaya City Transportation Service has a medium category with direct compensation indicators having the highest average.

Based on the calculation results, the total score of 1.572 is in the interval line between 1.326 – 1.638, which is classified as high. According to all respondents' answers, job satisfaction at the Tasikmalaya Transportation Service has a high category with indicators of the satisfaction of colleagues and superiors having the highest average

Based on the calculation results, the total score of 1.360 is in the interval line between 1.224 – 1.512, which is classified as high. What makes it can be concluded that according to all respondents' answers, the performance of employees at the Tasikmalaya Transportation Service has a high category with the quantity indicator having the highest average.

# 5. Conclusion

Based on the results and discussion of the research above, the authors conclude as follows: Based on the outputs, the output coefficient  $R^2$  is 0.645 and 0.913 in the  $2^{nd}$  Regression Model. the independent variables  $X_1$ ,  $X_2$ , and  $X_3$  in the dependent variable  $Y_1$  are worth 64.5% and the others are worth 35.5% influenced by others not examined. The exact thing in regression 2 can be concluded that the influence of all the independent variables  $X_1$ ,  $X_2$ ,  $X_3$  and  $Y_1$  in the dependent variable is  $Y_2$  which is worth 91.3% and others worth 8.7% are influenced by others not examined. This proves that other variables that affect the  $Y_2$  variable that are not examined.

Based on the conclusions above, some suggestions are presented below:

- 1) The existence of a positive and meaningful influence between X<sub>1</sub> and Y<sub>2</sub> of the Tasikmalaya Transportation Service, can be a basis for leaders and their teams to retain or maximize the competencies possessed by employees both in terms of insight, expertise and good character deepening so that each employee can achieve maximum performance and ability to advance his career either in the same section or in another.
- 2) For further researchers, it may be expected to research on employee performance through several other types of independent variables (besides these three variables) as well as the presence of other intervening variables using similar data processing methods using path analysis or other methods.
- 3) The output of this research can be used as a comparison material to develop human resource management knowledge, especially in these three variables and their implications for the performance and job satisfaction of the Tasikmalaya Transportation Service employees.

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