



IMPACT OF COMPENSATION, CAREER DEVELOPMENT, PERFORMANCE APPRAISAL AND TRAINING ON PERFORMANCE OF EMPLOYEES IN BATAM

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ABSTRACT

Performance of employees is the result of employees' efforts and efforts to achieve work performance that fulfills their obligations to the company. The common goal of the company is to get the benefits that can be achieved with the help of high performance employees.

This research was conducted by distributing 275 questionnaires which then obtained 265 feedback from respondents regarding the performance of employees at supermarket companies in Batam. The results of data collection from respondents were tested using SPSS.

From the test results it is known that there is a significant positive relationship in all tested variables in accordance with the formulated hypothesis. The results of this study are expected to enrich research related to human resource management and be useful for company management in evaluating the factors that affect employee performance.

Keywords: compensation, career development, performance appraisal, training dan employee performance

ABSTRAK

Kinerja karyawan merupakan hasil dari upaya dan upaya karyawan untuk mencapai prestasi kerja yang memenuhi kewajibannya kepada perusahaan. Tujuan umum perusahaan adalah mendapatkan manfaat yang dapat dicapai dengan bantuan karyawan yang berkinerja tinggi.

Penelitian ini dilakukan dengan menyebarkan 275 kuesioner yang kemudian diperoleh 265 tanggapan responden mengenai kinerja karyawan pada perusahaan supermarket di Batam. Hasil pengumpulan data dari responden diuji dengan menggunakan SPSS.

Dari hasil pengujian diketahui bahwa terdapat hubungan positif yang signifikan pada semua variabel yang diuji sesuai dengan hipotesis yang dirumuskan. Hasil penelitian ini diharapkan dapat memperkaya penelitian terkait pengelolaan sumber daya manusia dan bermanfaat bagi manajemen perusahaan dalam mengevaluasi faktor-faktor yang mempengaruhi kinerja pegawai..

Kata Kunci: kompensasi, pengembangan karir, penilaian kinerja, pelatihan dan kinerja karyawan

PRELIMINARY

Employees are an important resource for organization operations. Each worker has different talents, learning, recognition and experience to achieve goals. Staff performance can be improved by well-planned training, job rotation, empowerment, coaching, mentoring, and development. Most companies give great importance to worker performance and spend money on the aforementioned factors. Employee training refers to courses that provide employees with specific knowledge, new skills, or growth prospects. Without training, workers cannot carry out their duties properly - the result of training in employee development that adds value to the human capital of the business. Job rotation means workers perform tasks in various departments of the organization at set times to broaden their understanding of all parts of the business and to assess their capacities. Empowerment is the cooperation of workers in association matters and more importantly in the necessary leadership processes. Empowerment is enabling workers to carry out activities for imaginative practice without other people (Ibrahim & Daniel 2019).

Performance of employees is heavily influenced by employee development, job rotation, empowerment, training and mentoring. The company's goal to obtain maximum profit and performance can be achieved by high employee performance. When employees' abilities increase, their performance will ultimately increase, this leads to organizational effectiveness. Organizations must find out which employees are willing to learn, and which should be provided with mentoring and training. The act of increasing skills is important for personnel. They show that organizations want their development in employee performance. Some organizations invest in their employees

for this purpose. It is said that worker growth places great emphasis on self-development and self-education. The willingness of workers to learn new things and apply them in the workplace will result in increased staff. One of the main concerns of any organization is achieving maximum performance (Hayat et al., 2019).

Hassan (2016) defines that performance appraisal is a systematic process that helps evaluate past and current performance of employees standard and identify potential growth and advancement in the organization's career path. Performance appraisal is defined as the process of determining and communicating to an employee how to do and ideally establishing a performance improvement plan. The definition shows that if the performance appraisal system can be successfully implemented in the organization, employees will know how well their performance and expectation in the future planning for performance improvement. In general, performance appraisal is a useful tool for understanding and assessing the skills and potential of employees.

Selvarasu and Sastry (2014) show that performance appraisal system measures typically include behavior (what employees do) and outcomes (outcomes of employee behavior). To achieve the objectives of performance appraisal, the organization must design an appraisal system and implement it appropriately. Various steps can be taken in the performance appraisal process. The first step in the performance appraisal process is to identify what is to be measured. At first glance this process seems quite simple, but it can also be complicated. If an important dimension is missed, then employee morale will decrease because employees who perform well on that dimension are missed, employees will not be recognized

or rewarded. If unimportant dimensions are included, employees may perceive that the performance appraisal process does not mean anything in improving performance.

The development of modern retail, such as minimarkets and supermarkets, is influenced by various factors that serve as incentives for its progress. First, the driving factors from the demand side for modern retail services, including economic growth and development. Economic growth has increased consumer welfare through an increase in per capita income. The increase in income encourages consumption and increases in services as well as a comfortable shopping experience for customers (Hassan (2016).

Customers have various alternatives for shopping, both at traditional retail, modern, and now coupled with online or online retail. The main difference between modern retail and traditional retail is the added value in the shopping experience offered by modern retail, namely convenience and entertainment. (Hayat et al., 2019). So, even though the price of similar products offered in modern retail is more expensive than in traditional retail, consumers still choose modern retail because of complete and comfortable shopping experience. However, traditional retail is still chosen because of price considerations. Products sold in traditional markets, such as fresh food, are cheaper than in the modern retail (www.validnews.id).

On the other hand, economic developments and changes in social structure, such as the opening up of opportunities for women to enter the labor market, drive the demand for efficiency in food processing or the demand for processed foods. The growth of supermarkets and the processed food manufacturing industry also resulted in a decline in processed food prices. The

retail sector is a sector that has high potential. Indonesia as a country with a large population is a potential for retail development. Based on the Euromonitor report (2014), in 2014 the number of households in the middle class category was 17.4 million households. Middle class is defined as households whose income is 75% to 125% of median income. Households in the middle class are projected to increase in number to 19.9 million households by 2030 or cover 26.3% of all households. An increase in the number of households in the middle class means an increase in consumption (www.validnews.id).

Dependent Variable

Employee performance

Organizational goals will be achieved if there is a serious effort from management and employees in the organization to do their best. Ismail et al., (2019) explains that performance is the result of the quality and quantity of work achieved by an employee in carrying out tasks in accordance with their responsibilities. Wahyuni (2016) shows that employee performance is the behavior and effort achieved by employees in accordance with their duties in the company.

Good performance is a reflection of good behavior in the organization so that good performance will result in high productivity in achieving organizational goals. Siddiqi and Tangem (2018) explain that performance is the result of work that can be achieved by a person or group of people in an organization based on their respective duties and responsibilities in achieving organizational goals. Employee performance in accordance with the standards set by the organization.

Relationship between Variables

Relationship between Compensation and Employee Performance

Compensation is the provision of wages with monetary value to employees for the work and effort done. Compensation is used to reward skilled employees, reward employee performance and encourage company loyalty. Compensation can include base salary, overtime, bonuses, benefits, stock options, medical benefits, commissions and profit sharing. A study shows that 20% of employees plan to improve their current position in the next five years. Employee retention turnover has become a serious problem for organizational life. The adoption of skills-appropriate compensation strategies has seen significant growth over the past few years.

Ibrahim and Daniel's research (2019) shows a significant positive relationship between compensation and organizational performance. The study reports that compensation strategies play an important role in recruiting and retaining skilled employees. Most companies use performance-based compensation to reward employees. Performance-based compensation has a significant positive effect on employee performance. A study from Hayat et al., (2019) showed a significant relationship between compensation and employee performance. An effective HR strategy is to integrate a compensation system that improves employee performance effectively and efficiently. Hayat et al., (2019) showed a significant relationship between compensation and employee performance. It is important for employers to pay more attention to compensation practices because good compensation practices are very important to the recruitment process and employee productivity.

Relationship between Career Development and Employee Performance

Hayat et al., (2019) say that a career is an employee's job or position in a job. Thus, career shows the development of work and employee positions that can be achieved during their tenure in the organization. Career development is an activity that helps employees in planning future careers so that employees can develop their abilities and skills to the fullest.

Career development is an activity in developing employees to realize their career plans. According to Manggis et al., (2018) career development is an increase in employee self-competence which is carried out to achieve the desired career plan. Career development is used by organizations to ensure that people with the appropriate qualifications and experience are available when needed by the company. Career planning for everyone is useful in creating a future career guide for employees. So it can be concluded that career development is an employee activity in order to improve the future so that life and work become better. If career development affects employee performance, it will be easier to attract prospective employees, retain and motivate employees to improve their performance, so that company productivity will also increase.

Relationship between Performance Appraisal and Employee Performance

Performance appraisal is a systematic evaluation of employee performance that is adjusted to the work standards set by the company. The main purpose of performance appraisal activities is to increase employee motivation and achievement. Ismail et al., (2019) stated that performance evaluation increases employee productivity which in turn will

also improve organizational performance. Performance appraisal will encourage organizational effectiveness in increasingly tough business competition. Performance appraisals that are carried out transparently will motivate employees to work better and harder to achieve organizational goals. Hassan (2016) says that achievement-based performance appraisal will increase work motivation and employee commitment which has a significant effect on overall organizational performance. According to Selvarasu and Sastry (2014), the key to the success of an organization relates to the willingness of employees to put more effort into improving organizational performance. Employees who perform well will encourage the effectiveness of the company's operations.

Relationship between Training and Employee Performance

Hayat et al., (2019) said that employee training is a systematic learning that allows employees to gain knowledge and skills to complete their tasks effectively and efficiently. Training and development that is in accordance with the company's needs will make a positive contribution to the development of the organization. Training programs are used to develop employee skills needed to do a job. Most organizations consider training and development as an important factor in human resource development. Training is used to improve employee performance by developing their knowledge and skills.

Training is an effort to develop the competencies needed now or in the future in order to increase the level of employee performance. According to Hassan (2016), training is used to increase the efficiency and effectiveness of employees in improving organizational performance. Training programs play an important role in achieving organizational goals and can

be achieved by providing appropriate training.

RESEARCH METHOD

This study took supermarket employees in Batam as the population, while the samples were taken from the 5 largest supermarkets with a total of 275 employees, namely Top 100, Jodoh Center Supermarkets (JCS), Carefour, Hypermart and Ramayana supermarkets. Based on Hair et al., (2019) the minimum number of samples as research respondents is 10 questionnaires for each question in the questionnaire. Because there are 23 questions, the minimum number of respondents is 230, but to anticipate the questionnaires not returning, 275 questionnaires were distributed to employees from the supermarket above. The questionnaires were distributed online using a google form and the results were then processed by using SPSS statistic software.

This study uses primary and secondary data to identify relationship among variables. Primary data is obtained from the object of research directly through questionnaires distributed to respondents, while secondary data is data obtained from other sources, such as from the internet, journals and bulletins.

RESULTS AND DISCUSSION

From the test results above, it can be concluded that in hypothesis 1, the t test value is 0.026 and the Beta value is 0.201 which indicates significant positive effect between variables. These results prove that the compensation given to employees has positive influence on performance of supermarket employees in Batam. These findings are consistent with research from Alfiyah and Riyanto (2019), Ahmad et al., (2019), Sangkay et al., (2016), Ismail et al., (2019), Hassan (2016), Akter and

Husain (2016), Girma et al., (2016), Siddiqi and Tangem (2018), Hayat et al., (2019), Ibrahim and Daniel (2019).

This study concludes that the results of H2 test obtained a t test value of 0.000 and a Beta value of 0.339 and this means that there is a significant positive effect of the career development variable on performance of employees. The results of this study prove that employees who are given the opportunity for career development so that they get clarity about career opportunities in the company will further improve their performance. These findings are consistent with research from Charity (2015), Ismail et al., (2019), Hassan (2016), Triandani and Anggriani (2015), Manggis et al., (2018), Hayat et al., (2019), Wahyuni (2016).

This study concludes that the results of the H3 test obtained a t-test value of 0.031 and a Beta value of 0.237, which means that performance appraisal has a significant effect on performance of employees. These results prove that performance appraisals that are carried out regularly will have a positive effect on employee performance. These results are consistent with research from Ahmad et al., (2019), Ismail et al., (2019), Hassan (2016), Selvarasu and Sastry (2014), Hayat et al., (2019), Khan et al., (2017).

This study concludes that the results of the H4 test obtained a t-test value of 0.000 and a Beta value of 0.312, which means that training has a significant effect on performance of employees. The results of this study prove that training as needed to improve employee competence has an influence on employee performance. These results are consistent with research from Alfiah and Riyanto (2019), Charity (2015), Sangkay et al., (2016), Ismail et al., (2019), Hassan (2016), Wahyuni (2016).

CONCLUSION

These results prove that the compensation given to employees has a positive influence on the performance of supermarket employees in Batam. So the company is advised to pay attention to the appropriate level of compensation for employees. The results of this study prove that employees who are given the opportunity for career development so that they get clarity about career opportunities in the company will further improve their performance. The results of this study prove that training as needed to improve employee competence has an influence on employee performance. These results prove that performance appraisals that are carried out regularly will have a positive effect on employee performance.

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