THE INFLUENCE OF TRAINING ON EMPLOYEE PERFORMANCE IS MODERATE BY COMPENSATION IN MILLENIAL GENERATION EMPLOYEES IN BEKASI DISTRICT

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ABSTRACT

This research was conducted to determine the effect of training on performance which is moderated by compensation for millennial generation employees in Bekasi Regency. The millennial generation dominates in Bekasi Regency, which is a population of productive age who have the opportunity to develop the work industry, so it is important to understand how training and compensation can influence company performance. This research uses a quantitative method using SPSS Version 26 and MacroProcess version 4.3 with the Hayes 1 model for the analysis method. The population in this research is millennial generation employees who work and live in Bekasi Regency with a total sample of 96 samples. The analysis results show that training has a significant effect on employee performance and compensation as a moderating variable so that compensation significantly moderates the effect of training on employee performance.

Keywords : Training; Performance; Compensation; Millennial Generation

ABSTRAK

Penelitian ini dilakukan untuk mengetahui pengaruh pelatihan terhadap kinerja yang dimoderasi oleh kompensasi pada karyawan generasi milenial di Kabupaten Bekasi. Generasi milenial mendominasi di Kabupaten Bekasi yang merupakan penduduk dengan usia produktif yang berpeluang dalam perkembagan industri kerja, sehingga penting untuk memahami bagaimana pelatihan dan kompensasi dapat mempengaruhi kinerja di perusahaan. Penelitian ini menggunakan metode kuantitatif yang menggunakan SPSS Versi 26 dan MacroProcess versi 4.3 dengan model Hayes 1 untuk metode analisis. Populasi dalam penelitian ini yaitu karyawan generasi milenial yang bekerja dan berdomisili di Kabupaten Bekasi dengan jumlah sampel sebanyak 96 sampel. Hasil analisis menunjukkan bahwa pelatihan berpengaruh signifikan terhadap kinerja karyawan dan kompensasi sebagai variabel moderasi sehingga kompensasi signifikan memoderasi pengaruh pelatihan terhadap kinerja karyawan.

Keywords : Pelatihan; Kinerja; Kompensasi; Generasi Milenial

INTRODUCTION

Human resources are an important asset because a company without human resources will not be able to run effectively. Human resources play an important role as one of the main factors in realizing the vision, mission and goals of an organization or company. In the current technological era, companies need high quality human resources to compete in the use of technology (Fitri & Setyaningrum, 2024) . Most

members of the millennial age can understand this capacity because the millennial generation is familiar with fast-paced communication technology, such as email and social media (Ahdianita & Setyaningrum, 2024) . The results of the 2020 Bekasi Regency population census data show that the percentage of the millennial generation, namely those born in 1981-1996, was 29.35 %. Meanwhile, generation Z reached 26.48 % (Badan Pusat Statistik Kabupaten Bekasi, 2021). Based on this data, it can be said that currently Bekasi Regency is dominated by generation Z and millennial who are productive age residents who have the opportunity to develop the work industry.

The ability and quality of superior employee performance will produce a competitive advantage for the company, therefore companies need to pay good attention to employees (Eldon et al., 2024) . Companies do not only focus on giving tasks to employees, but are obliged to pay attention to employee needs so that employees feel comfortable in carrying out their work. When employee needs are met, employees will naturally provide contributions that exceed company expectations, therefore, companies must consider problems that may have an impact on employee performance. Several factors that can influence employee performance include training and compensation (Rifqi & Asytuti, 2020).

Training is designed to teach certain knowledge, skills or insights to individuals or groups with the aim of increasing competence, understanding and abilities in a particular field or job, especially in the current era of technological and knowledge development, the role of training is very large to equip employees to be creative in achieving company goals(Gunawan, 2020).

According to the World Bank Enterprise Survey , companies in Indonesia in providing formal training achieved figures below 10%, which means that companies in Indonesia are considered to still not fully understand the importance of developing employee competency. This data shows that the level of awareness of companies in Indonesia in terms of supporting employee competencies and abilities through training is still low compared to companies in countries such as Vietnam with a presentation of 20%, the Philippines with a presentation of 60% and China with a presentation of 60% (Andayani & Hirawati, 2021)

Another factor that influences employee performance besides training is compensation. Providing good compensation can provide encouragement or motivation

to employees to work better because compensation plays an important role in improving employee performance to achieve company goals. Compensation is given as a reward to employees in both financial and non-financial form for their role in achieving company goals so that providing appropriate compensation will further improve employee performance. The greater the rewards or compensation provided by the company, the higher the employee's motivation to improve their performance. Conversely, if the rewards given are low, employee performance tends to decline (Muzakir & Widyantoro, 2024). According to the Central Statistics Agency (BPS), in August 2023 there will be around 52.7 million workers with labor/employee/employee status in Indonesia. As many as 47.13% of them, or around 24.84 million people, receive salaries below the provincial minimum wage (UMP) (Hidayat, 2024). Based on Presidential Regulation Number 36 of 2021 in article 23 paragraph 3, it is stated that entrepreneurs are prohibited from paying wages below the minimum wage. However, the majority of employees are still paid below standard because the company's compliance with paying employee salaries according to the minimum wage is still low.

Many studies have evaluated the relationship between training and employee performance, but the role of compensation as a moderating variable in the relationship between training and performance is still rarely explored, how compensation can strengthen or weaken the effect of training on employee performance, especially in the millennial generation who are a population of productive age who have the opportunity to in the development of the work industry, it turns out that there is still not much research.

LITERATURE REVIEW AND HYPOTHESIS DEVELOPMENT

Employee performance

A worker's performance is measured by how well the employee completes his duties and obligations within a certain period of time (Kasmir, 2016) . According to Juniarti et al. (2021) performance, it is a result that is carried out to achieve company goals which is carried out legally, according to morals and does not violate the law and is responsible for the burdens given to it. Performance is the work results achieved by employees in completing assigned tasks by considering knowledge, skills and completion time. Performance is assessed based on quantity, quality and timeliness in completing the task. Performance also shows the level of employee ability in handling

the tasks given (Andayani & Hirawati, 2021) . According to Mangkunegara (2017) performance, it refers to the achievement of an employee in carrying out his duties by paying attention to both the quality and quantity of work results in accordance with the responsibilities that have been given to him. The level of success of a business is greatly influenced by employee performance. The company's business growth will be positively influenced by optimal staff performance. However, substandard employee work results will also harm a business's ability to succeed. (Gunawan et al., 2023).

Training

According to Ganyang (2018), training is an activity that takes place over a short period of time and aims to develop employee abilities related to carrying out routine work or new work so that it can be completed in accordance with company goals. According to Riniwati (2016) Training is an activity carried out before or after occupying a certain position or job to improve quality, expertise, abilities and skills. The factor that supports improving employee performance is the existence of an effective training program. This training program plays a role in increasing and improving employee performance so that employees can contribute better in achieving company goals (Amalia, 2022) . In line with research conducted by Sulistyani et al., (2024) and Setiawan et al., (2021) which shows that "Training has a significant effect on performance"

H1: "Training influence on performance"

Compensation

Compensation is income earned by employees as direct or indirect compensation, in the form of money or goods. (Sedarmayanti, 2017). According to Werther Jr & Davis, Sutrisno et al., (2022) compensation is compensation that employees receive as remuneration for the work they have done, either in the form of hourly wages or in the period set by the HRD department. Compensation is defined as something received by employees as a reward for work or contribution to achieving company goals. The aim of providing compensation is to ensure fairness and employee satisfaction in providing the best performance so that employees feel calm, comfortable and loyal to the company. Compensation and training play an important role in employee performance. Employees who have high expertise and competence in their field will receive compensation that is proportional to the employee's performance (Juniarti et al., 2021). Compensation also

plays a role in encouraging training results, namely ensuring that employees not only attend training but also that employees who have attended training are able to implement the results of the training which will ultimately improve good performance. This could be a raise or bonus based on improvement after training. If employees feel that the compensation they receive is not in line with the contribution they have made to the company, then this can result in a decrease in achievement, motivation and job satisfaction which can affect employee performance. This suggests that compensation can function as a moderating factor that can strengthen or weaken the influence of other variables on performance (Rifqi & Asytuti, 2020) . In line with research conducted by Rifqi & Asytuti (2020)   Raflinor et al., (2022) which shows that "compensation moderates the effect of training on employee performance"

H2: Compensation moderates the effect of training on performance

RESEARCH METHODS

A quantitative approach was used in this research. To evaluate previously formed hypotheses, quantitative research uses statistical data analysis, research instruments, and data collection procedures to test a population or sample (Sugiyono, 2018) . This research consists of 3 variables, namely the independent variable (X), namely training, the dependent variable (Y), namely employee performance and the moderating variable (Z), namely compensation.

The population is millennial generation employees born in 1981-1996 who work and live in the Bekasi Regency area with a minimum of 1 year of work at the current workplace. The size of the population is unknown, so the sample taken in this study used the Lemeshow formula calculation and obtained 96 people.

The data used is primary data obtained through distributing questionnaires to respondents in the form of *a Google form* using a Likert scale with a value of 1 to 5. This research uses SPSS Version 26 and MacroProcess version 4.3 with the Hayes 1 model to analyze the data. Data analysis was carried out in three stages, namely: validity test, reality test and hypothesis test.

RESEARCH RESULTS AND DISCUSSION

Validity test

The validity test is an instrument for assessing the extent to which the data obtained by researchers corresponds to the data that actually occurred on the research

object (Sugiyono, 2018) . Research results are considered valid if there is a match between the data that actually occurs on the object under study and the data that has been collected. The condition for assessing the validity test is that if r count > r table, then the questionnaire item is declared valid, whereas if r count < r table, then the questionnaire item is invalid (Janna & Herianto, 2024). The r table value in this research uses the df formula *(degree of freedom)* = N-2 with a significance level of 0.05, the r table is 0.200.

Table 1 shows that the variable values for training (X), performance (Y) and compensation (Z) show that r count > r table, meaning that each statement item in the questionnaire is interconnected with all variables being declared valid.

Reliability Test

Reliability testing is a measurement that, when applied repeatedly to the same object , will produce consistent data (Sugiyono, 2018) . The criteria for assessing the reliability test is to look at the *Cronbach alpha number* , which is said to be reliable if *the Cronbach alpha value* is > 0.70. (Ghozali, 2018). The results from table 2 show that the training variable (X) shows a value of 0.957, then the data is declared reliable. The employee performance variable (Y) shows a value of 0.968, so the data is declared reliable. The compensation variable (Z) shows a value of 0.959, so the data is declared reliable.

Hypothesis testing

Hypothesis testing was carried out to determine the relationship between training variables (X), employee performance (Y) and compensation (Z) using the Process program with the Hayes 1 model and comparing the significance value with the α value of 5%. If the significance value is > 0.05, then H_o is accepted and H_{a1} is rejected, whereas if the significance value is < 0.05, then H_o is rejected and H_{a1} is accepted.

Hypothesis 1: Training influence on performance

Table 3 shows that the significance value (p) of training is 0.000 < 0.05 with a coefficient of 1.9949. Based on the test results, H_{o1} is rejected and H_{a1} is accepted. The results of this research are in line with research conducted by Finaya et al., (2024) and Sunariyo et al., (2024) that training has a significant effect on employee performance. If employees are given training according to the scope of their work, they can improve performance.

Hypothesis 2: Compensation moderates the effect of training on performance

Table 3 shows that the significance value (p) of the interaction is 0.000, which means the p value < 0.05, so it can be said that H_{o2} is rejected and H_{a2} is accepted. Based on the test results, it is proven that compensation is a moderating variable. The results of this study are consistent with previous research showing by Raflinor et al., (2022) that compensation moderates the effect of training on employee performance.

CONCLUSION

Based on the analysis and data obtained, the conclusions of this research are:

1. Training has a significant effect on the performance of millennial generation employees in Bekasi Regency.

2. Compensation as a moderating variable in training relationships and the performance of millennial generation employees in Bekasi Regency. The relationship with these results is in accordance with the initial hypothesis, namely that compensation moderates the effect of training on employee performance.

3. It is important for companies to provide training to employees to improve their abilities and competencies so that performance can improve and company goals can be achieved as well as providing fair compensation in line with the contributions that employees make. This can help improve employee capabilities, increase productivity and the long-term success of the company.

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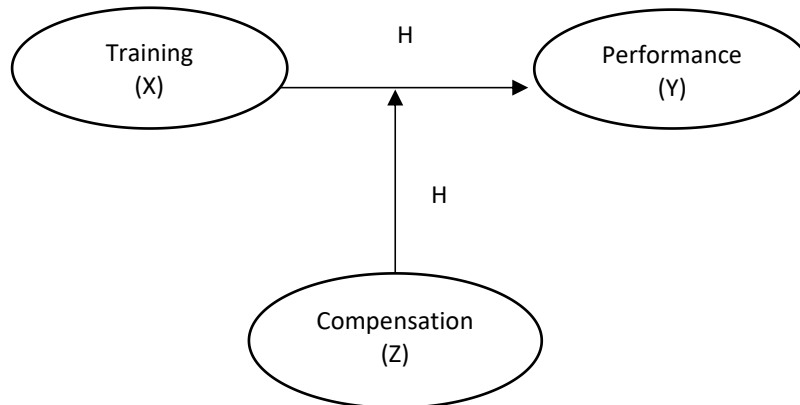
FIGURE AND TABLE

Figure 1. Research Model

Table 1. Training variable validity test results, employee performance and compensation

Variable	Statement	r table	r count	Conclusion
Training (X)	X1	0.200	0.894	Valid
	X2	0.200	0.881	Valid
	X3	0.200	0.872	Valid
	X4	0.200	0.906	Valid
	X5	0.200	0.873	Valid
	X6	0.200	0.914	Valid
	X7	0.200	0.793	Valid
	X8	0.200	0.818	Valid
Employee Performance (Y)	Y1	0.200	0.875	Valid
	Y2	0.200	0.865	Valid
	Y3	0.200	0.894	Valid
	Y4	0.200	0.884	Valid
	Y5	0.200	0.831	Valid
	Y6	0.200	0.815	Valid
	Y7	0.200	0.855	Valid
	Y8	0.200	0.847	Valid
	Y9	0.200	0.884	Valid
	Y10	0.200	0.887	Valid
	Y11	0.200	0.829	Valid
	Y12	0.200	0.859	Valid
Compensation (Z)	Z1	0.200	0.861	Valid
	Z2	0.200	0.868	Valid
	Z3	0.200	0.889	Valid
	Z4	0.200	0.891	Valid
	Z5	0.200	0.916	Valid
	Z6	0.200	0.905	Valid
	Z7	0.200	0.866	Valid
	Z8	0.200	0.853	Valid

Source. Processed primary data, 2024

Table 2. Reliability Test Results Variable training, employee performance and compensation

Variable	Cronbach Alpha	N of Items	Reliable Standard Figures	Conclusion
Training (X)	0.957	8	0.70	Reliable
Employee Performance (Y)	0.968	12	0.70	Reliable
Compensation (Z)	0.959	8	0.70	Reliable

Source. Processed primary data, 2024

Table 3. Hypothesis Test Results

Model	Coeff	se	t	p	LLCI	ULCI
constant	-10.3675	4.7389	-3.8823	.0002	-15.6712	-5.0638
Mop	1.9949	.2345	8.5071	,0000	1.5291	2.4606
Comp	1.3052	.1449	9.0048	,0000	1.0173	1.5931
Int_1	-.0416	.0080	-5.2130	,0000	-.0574	-.0257

Source. Processed primary data, 2024