## EMPLOYEE'S PERFORMANCE THORUGH EDUCATION AND TRAINING AS WELL AS RENUMERATION

(A Case Study at SMK-SMTI Bandar Lampung)

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#### **ABSTRACT**

Civil Servants as human resources have a very important role because the performance of the employee as a human resource would affect the agency's success in achieving its objectives. Realizing that the man is a very important determinant and the center of attention on every operational activity, each institution is required to manage the human resources that exist for the purpose that can be achieved by always being oriented to the use of human resources more effectively and efficiently.

This research is descriptive quantitative because the method used in this study is a survey method using questionnaire technique. This research will be carried out at SMK-SMTI Bandar Lampung which is a vertical institution under Industrial Education and Training Center, the Ministry of Industry of the Republic of Indonesia by using a population of 70 respondents. There are three variables in this study; they are: 2 (two) independent variables Education and Training (X1) and Performance Benefits (X2)) and 1 (one) dependent variable. By the data processing it is found the hypothesis can be answered that there is an influence of Education and Training (X1) on Employee's Performance (Y), with the total influence (R-square) as 48,4 %, it shows that the Education and Training gives an effect as 48,4% on the Employee's Performance. There is an influence of Performance Benefits (X2) on Employee's Performance (Y), with the total influence as 41,6 %, and it shows that the Performance Benefits gives an effect as 41,6% on the Employee's Performance. There is an influence of Education and Training (X1), Performance Benefits (X2) on Employee's Performance (Y), with the total influence as 56,1 %, it shows that the Education and Training and Employee's Performance gives an effect as 56,1% on the Employee's Performance.

**KEY WORDS**: Education and Training, Employees Benefits, Employee's Performance

#### 1. Introduction

Some of the components in an organization are *money*, *materials*, *methods*, and *market*. According to Notoatmodjo (2003), "an institution must be supported by capable human resources because human resource is important to run the business or activities inside the institution. Therefore, an organization needs human resource, in this case, employees with high job performance where those with high or good job performance can be taken as a basic factor used as a benchmark for the success of an enterprise in reaching the goal. At present, job performances of civil servants in Indonesia are overall considered not good, yet. It happens because lack of job performance of the employees in conducting the main duties and functions as government

personnel. Basically, the bad job performance of civil servants are caused by several factors, i.e. lack of time discipline, low work ethics, work responsibility, job, salary problem, and educational level where 75% of civil servants are senior high school (SMA) graduates as 4 million employees, 53% of them need to be trained to reach the expected job performance. From the statement above, it can be concluded that bad job performance occurs because of low increase of human resource capacity of the employees through education and training programs which are not well organized.

Besides educational and training programs, another determining factor is the amount of salary received does not fit work burden given to the employees. They will feel to have their welfare if all of their needs can be fulfilled, including economic needs (financial), in this case, realized by remuneration system. Therefore, there should be a change in remuneration system which is only based on job position and education, without considering job performance that has been done by the employees to the organization. As Mulyadi (2001) says that remuneration system or payment system is system of payment and wages over services given to the employees. The payment is usually done monthly, not depending on the number of hours or work days or the number of products produced.

As an organic work unit Sebagai under Industrial Education and Training Center, the Ministry of Industry of the Republic of Indonesia SMK-SMTI Bandar Lampung has main duty and function to give training and education to candidates of industrial human resource that supports the main duty and function from the Ministry of Industry. To support the main duty and function, SMK SMTI Bandar Lampung has 70 government employees, 47 teaching staffs/teachers and 23 staffs or educational staffs coming from different backgrounds of education. The number of staffs who come from senior high school level (SMA) as 10 staffs; from Dipoma three as 6

personnel; S1 degree as 32 personnel and from Magister degree as 22 personnel.

Based on the explanation above, it can be seen that the majority of educational level background of the employees at SMK-SMTI Bandar Lampung is S1 that is as 46%, and then followed by Magister (S2) as 31%, so 87% of the employees at SMK-SMTI Bandar Lampung have a high educational background. As a part of the Ministry of Industry of the Republic of Indonesia, the civil servants at SMK-SMTI Bandar Lampung have the rights to get remuneration which is distributed according to the suitable position that should fit the work burden owned by each employee with the lowest position level at grade 6 and the highest at grade 12. It is determined that employees with structural position, teachers, get the lowest grade 8 and the highest gets grade 12 where the average of remuneration received is the lowest as Rp.2.500.000 per month.

However, the level of higher education and big job performance remuneration, in fact, is not able to increase the discipline of the employees. Many employees are not consistent obey the regulation for attendance hour, since 75% of the total number of the employees at SMK-SMTI Bandar Lampung are teaching staffs or teachers. Thus, the teachers or teaching staffs who come late to the class will bother the teaching learning process in the class. Empirical Data in the field in 2012 showed that the average of employees attendance before 07.30 as 40% – 45 %, while the students attend the class more. Based on the above explanation, the writer conducts the research entitle, the employee's performance at SMK-SMTI Bandar Lampung through Education and training as well as remuneration giving.

#### 2. Literature Review

#### 2.1 Employee's Performance

Performance is a job achievement or work result or output of a process. According to Dharma (2008: 65) performance is something that is done or product or service produced or given to a group of people. Therefore, based on the definition it can be concluded that the performance of human resource as work result that can be reached by human resource in an government bureaucratic organization in line with respective responsibility authority. In general, performance is often meant as competence to produce a result/ product. The standard for determining how much and how high the performance level of every organization or distinctive institutions which rely on kinds of activities, *output* which is produced or who does it.

#### 2.2 Education and Training

According to Dessler (2004:217) training is a learning process and studies that reveal common things to increase the learning process. In addition, Rulianto and Nurtjahjani (1996:16) defines training as an enterprise activity intended to be able to improve and develop the attitude, behavior, skills, and knowledge of the employees suitable with the willingness of the enterprise. According to Purnomo (1982:76) education is coaching in the process of human development where the man learns to think himself and support the development of his basic competencies. Education and training is conducted by the enterprise which is benefited by the enterprise, employees, customers, or society that consume goods and service that is given by the enterprise. The aim of education and training becomes a guide in arranging educational program and training in the implementation and monitoring.

#### 2.3 Remuneration

According to Simamora (1997) perforamnce remuneration is payments and services that protect and complete basic

income/salary, and organization/ institution pay all or part of the remuneration. The main effect of performance remuneration type is to maintain the employees in an organization for long-term base.

In Indonesian Dictionary, remuneration is additional income out of the salary as support. From several opinions above, it can be concluded that performance remuneration is indirect compensation given to employees to increase their welfare.

#### 3. Research Method

It is a descriptive quantitative research because the method used in the research is survey method using questionnaire technique. The research is conducted at a senior vocational school—SMTI Bandar Lampung as a vertical institution under Industrial Education and Training Center, the Ministry of Industry of the Republic of Indonesia with the total number of populasi as 70 respondents.

In the research there are two independent variables, Education and Training(X1) and Numeration (X2), and one dependent variable, Employee's Performance (Y). The data analysis used is product moment correlation statistics and double linear partial regression, determination coefficient, partial test (t-test), and F-test.

#### 4. Result of the Research

1. Calculation on the Effects of Education and Training  $(X_1)$  on Employee's Performance (Y)

Based on the calculation, the correlation levels between variables through SPSS 22 Program is obtained the amount of the correlation variable between Education and Training  $(X_1)$  and Employee's Performance variable (Y) at SMK-SMTI Bandar Lampung as 0,696. If consulted with the Interpretation table of correlation coefficient, the correlation level Education and

Training (X1) and Employee's Performance variable (Y) at SMK-SMTI Bandar Lampung is included into "strong" correlation category, at 0,600-0,799.

Determination coefficient (KD) is  $R^2 = 0.696^2 = 0.484 = 0.484 \times 100\% = 48,4\%$ . It can be concluded that Education and Training variable ( $X_1$ ) indicates that the change variable of Employee's Performance variable (Y) at SMK-SMTI Bandar Lampung as 48,4%, while the rest is explained by other factors which are not examined in the research.

Based on t-test it is obtained the value of  $t_{count} = 7,994$ . If compared to  $t_{table}$  at a significant level that is 0,05, so  $t_{count} = 7,994 > t_{table} = 1,667$ . Therefore, it can be concluded that Ha is accepted because there is an effect between Education and Training variable  $(X_1)$  on Employee's Performance (Y). In short, Education and Training variable  $(X_1)$  affects Employee's Performance variable Kinerja Pegawai (Y).

The regression equation between Education and Training variable  $(X_1)$  and Employee's Performance variable (Y) is  $Y = 5,607 + 0,789X_1$ , which means that every increase as one point to X1 will be followed by the increase of X1 as 0,789 point.

## 2. Calculation of Effects of Remuneration (X2) on Employee's Performance (Y)

Based on the result of calculation of the correlation level between variables using SPSS 22 program, it is obtained that the amount of correlation level between X2 and Y as 0,645. If it is consulted to the interpretation table of

correlation coefficient, the correlation level of Remuneration ( $X_2$ ) and Employee's Performance (Y) is included in "strong" correlation category positioned at 0,600-0,799.

Determination coefficient (KD) is  $R^2 = 0.645^2 = 0.416 = 0.416$  x 100% = 41.6%. It can be concluded that Remuneration ( $X_2$ ) shows the change variation of Y as 41.6%, while the rest is explained by another factor which is not examined in the research.

Based on t-test it can be obtained the value of  $t_{count}$  as 6,954. If compared to  $t_{table}$  at the significant level that is 0,05, so  $t_{coun} = 6,954 > t_{table} = 1,667$ . Therefore, it can be concluded that hypothesis that states there is an effect of Remuneration ( $X_2$ ) on Employee's Performance (Y) or Ha is accepted.

The regression equation between  $X_2$  and Y is that  $Y = 10,705 + 0,588X_2$ , which means that every increase one point to working motivation will be followed by Employee's Performance variable as 0,588 point.

# 3. Calculation of Effects of Education and Training $(X_1)$ and Remuneration $(X_2)$ on Employee's Performance (Y)

The correlation between Education and Training and Remuneration and Employee's Performance is as 0,749, it means that the three variables have a tight and positive effect. In other words, the better Education and Training and Remuneration, the higher Employee's Performance.

 $KD = R = 0.749^2 = 0.561 = 0.561 \text{ x } 100\%$  is 56,1%. It can be concluded that the amount of the effect of Education and Training and

Remuneration on Employee's Performance is as 56,1%, and the rest is explained by another factor which is not examined in the research. Based on t-test, it is obtained  $t_{count}$  for Education and Training variable  $(X_1)$  as 4,721 and  $t_{count}$  for Remuneration variable  $(X_2)$  as 3,430. If compared to  $t_{tabel}$  at the significant level as 1,667, so  $t_{count}$  is bigger than  $t_{tabel}$  ( $t_{count} > t_{tabel}$ ). Therefore, it can be concluded that Education and Training and Remuneration affects the Employee's Performance.

Based on the above table, then it is obtained as follows:

 $Y = 3,564 + 0,546X_1 + 0,319X_2$ .

- Every increase of the value on Education and Training variable as one point, the value of Employee's Performance variable will increase 0,546 point.
- Every increase of the value on Working Motivation as one point, the value of Employee's Performance variable will increase 0,319 point.

Based on the above explanation, it can be concluded that the value of regression coefficient  $X_1$  as 0,546 is bigger than regression coefficient  $X_2$  as 0,319. It indicates that the effect of Education and Training variable is higher and more dominant compared to Remuneration in improving Employee's Performance at SMK-SMTI Bandar Lampung.

#### 4. Simultaneous Hypothesis Test

From ANOVA's test or F-test it is obtained F-count is 42,892 with the significant level as 0,00. Because the probability is much less than 0,05, education and training  $(X_1)$  and remuneration  $(X_2)$  simultaneously affect Employee's Performance (Y). Therefore, the hypothesis

proposed states that there is Education and Training  $(X_1)$  and Remuneration  $(X_2)$  simultaneously affects Employee's Performance (Y), it is proved that Ha is accepted.

#### 5. Conclusion

Based on the data analysis and discussion previously, it can be concluded:

- 1. There is an effect of Education and Training on Employee's Performance at SMK-SMTI Bandar Lampung, it is proved by the amount of Determination Coefficient between Education and Training and Employee's Performance is 48,4%. Hypothesis test using t-test (partial test) it is obtained the value of  $t_{count}$  between Remuneration and Employee's Performance as 7,994, and the result of  $t_{count}$  =7,994>  $t_{table}$  = 1,667. This result indicates that there is an effect of Education and Training on Employee's Performance at SMK-SMTI Bandar Lampung.
- 2. There is an effect between Remuneration variable on Employee's Performance at SMK-SMTI Bandar Lampung, it is proved that the amount of Determination Coefficient between Remuneration ( $X_2$ ) and Employee's Performance ( $Y_1$ ) is 41,6%. Hypothesis Test using t-test is obtained that the value of  $t_{count}$  between Remuneration and Employee's Performance is 6,954 and tcount >  $t_{table}$  is 1,667. The result indicates that there is an effect of Remuneration on Employee's Performance.
- 3. The result of simultaneous hypothesis test and working motivation toward Employee's Performance is proved by the calculation result of  $F_{count}$  as 42,892 which bigger than  $F_{table}$  as 3,130 at the significant level 5% with Dk=70. So,  $F_{count}$  is bigger than  $F_{table}$  as 3,130. The amount of Determination Coefficient between  $X_1$  and  $X_2$  on Y is 56,1%. The result indicates that there is an effect of Education and

Training and Remuneration on Employee's Performance at SMK-SMTI Bandar Lampung.

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