The Influence of Salary, Training and Organizational Culture on Employee Performance in the Jababeka Industrial Area

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Abstract

Human resources are the main component for every company to achieve its goals. The strength of human resources is formed by the character or behavior of each employee and the environment within the company. This research aims to find out how salary, training and organizational culture influence employee performance among employees who work in the Jababeka industrial area. This research was conducted on employees who work in the Jababeka industrial area, while the sampling technique used a non-probability sampling method with the Accidental Sampling technique because the number of employees in the Jababeka area is unknown, so the formula needed to determine the sample size is to use the Lemeshow formula. So, the minimum sample size required in this research is 97 respondents. In this research, questionnaires were the only data collection technique used. Meanwhile, the statistical test tool used in this research is SmartPLS. From the research that has been carried out, the results obtained show that organizational culture and salary have an influence on employee performance in the Jababeka industrial area and training has no effect on employee performance in the Jababeka industrial area. The results of this research explain that organizational culture has a major role in shaping employee behavior. Meanwhile, salary is a form of company remuneration to employees for their performance. And the last one is training; training has no influence on employee performance.

How to Cite

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INTRODUCTION

Every company is required to work more efficiently and effectively to face dynamic changes in the economy and competition. The founding of the company also had a very main objective, namely maximizing profits and continuing to survive in increasingly tight business competition. Apart from that, established companies are also aimed at improving the welfare of both owners and employees (Meutia & Husada, 2019). Human resources are resources that are dynamic and have the ability to continue to develop. Companies are required to create quality employee performance so that company goals can be achieved optimally (Hindardjo & Utami, 2019).

Jababeka is a mature independent city development, of which around 60% has been developed of a total land area of 5,600 hectares. It is an industrially based independent city that hosts more than 1,650 local and multinational companies from more than 30 countries, such as the United States, Japan, France, England, the Netherlands, Australia, Korea, Singapore, Taiwan, Malaysia and many others. Jababeka City has industrial, residential and commercial developments, public transportation networks, shopping, recreation and entertainment centers, as well as a dry port, power plant, two water treatment plants, two waste water treatment plants and various other facilities (Jababeka, n.d.). The number of workers absorbed in the Bekasi Regency industrial area in the period January to August 2022 is 14,000 people. Of this number, 6,000 of them are local workers with Bekasi Regency ID cards (Diskominfosantik, 2024).

One factor that can influence employee performance is compensation, both financial and non-financial. Salary is a form of financial compensation. If a company provides salaries that are too high, it will result in high cost prices and if the salaries given are too low it will result in the company having difficulty finding workers, while compensation is non-financial such as the facilities provided, position and so on. In line with research conducted by (Pur-wati & Kurniawan, 2018) which states that salary has an influence on employee performance, this is inversely proportional to research conducted by (Fanda & Slamet, 2019) which explains that salary has no influence on employee performance. Because there were differences in the results of research conducted by previous researchers, the researcher wanted to re-examine these variables with different objects.

Apart from salary, the next thing that can affect employee performance is training. Companies need to provide training to improve their employees' skills (Marjaya & Pasaribu, 2019). If employee skills through training get better, employee performance will be better and company goals will be achieved optimally. Training is often used as a solution to organizational performance problems. The training carried out by the company is also an effort to increase employee work motivation because the company seeks to fulfill one of the employee's needs, namely the need for self-actualization. In line with research conducted by (Kosdianti & Sunardi, 2021) it is stated that training has an effect on employee performance, while (Kukuh, 2016) states that training has no effect on employee performance. This difference is what causes researchers to want to carry out research again with the same variable, namely training.

The next thing that can influence employee performance is organizational culture, each company has its own characteristics and these characteristics will become the company's identity (Dunggio, 2020). A good organizational culture can help employee performance because it can create habits that motivate employees and maintain existing values and beliefs. An organization is usually formed to achieve a goal through the performance of all human resources in the organization. However, human resource performance is largely determined by the internal and external environmental conditions of the organization, including organizational culture. Therefore, the ability to create an organization with a culture that is able to encourage performance is a

necessity (Muis et al., 2018). In line with research conducted by (wardani Kusuma et al., 2016)(Rivai, 2020)(Jufrizen & Rahmadhani, 2020) which explains that organizational culture has an influence on employee performance. This is different from research conducted by (Mewahaini & Sidharta, 2022) which states that organizational culture has no influence on employee performance.

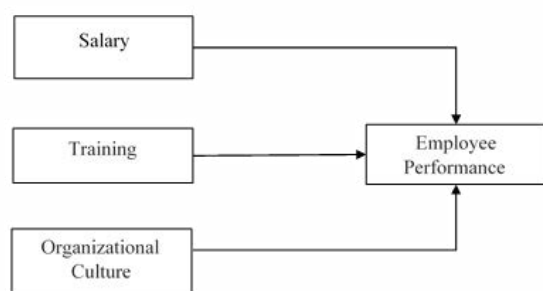Figure 2 is the framework for this research.

Figure 1. Research Design

METHODS

The type of research used in this research is quantitative research. This method is a scientific method because it meets scientific principles, namely concrete or empirical, objective, measurable, rational and systematic (Sirojuddin, 2016). According to Sugiyono, quantitative research methods can be interpreted as research methods that are based on the philosophy of positivism, used to research certain populations or samples, sampling techniques are generally carried out randomly, data collection uses research instruments, quantitative or statistical data analysis with the aim of testing predetermined hypotheses (Agung & Ratnawili, 2020). Research was conducted on employees who work in the Jababeka industrial area. Meanwhile, the sampling technique uses a non-probability sampling method with the Accidental Sampling technique because the number of employees in the Jababeka industrial area is unknown, so

the formula needed to determine the sample size is to use the Lemeshow formula. So the minimum sample size required in this research is 97 respondents. The type of data used in this research is primary data, where this data is obtained from data collected directly, for example data selected from respondents through questionnaires or data from researchers' interviews. The data analysis used is descriptive analysis to provide an overview of the research variables. Apart from that, this research uses Structural Equation Modeling (SEM) analysis techniques based on Partial Least Square (PLS).

RESULTS AND DISCUSSION

The research used in this research is quantitative research. This research was conducted on employees who work in the Jababeka industrial area. The sampling technique uses a non-probability sampling method with the Accidental Sampling technique because the number of employees in the Jababeka industrial area is unknown, so the formula needed to determine the sample size is to use the Leme Performance formula. So the minimum sample size required in this research is 97 respondents. Data sources in this research used observation, literature study and questionnaires. The analysis method uses SmartPLS.

Outer Model Analysis
Convergent Validity
According to (Sarstedt et al, 2017) an Average Variance Extracted (AVE) value of 0.5 or more indicates that the construct can explain 50% or more of the item variation. From this table, the AVE value of the Salary, Training, Organizational Culture and Employee Performance variables has a value above 0.5, which indicates adequate convergent validity and means that one latent variable is able to explain more than half of the variation in the indicators on average.

Table 1. Validity Test Results

	AVE
Organizational Culture	0.602
Employee Performance	0.646
Salary	0.619
Training	0.693

Source: Processed Primary Data, 2024

From the Table 1, it can be concluded that the average variance extracted (AVE) value for each Salary variable (X1) is 0.619, the Training variable is 0.693, the Organizational Culture variable (X3) is 0.602 and the Employee Performance variable (Y) of 0.646. This means that all variables in this study have an AVE value > 0.50 and are declared valid.

Discriminant Validity

The cross loading value of each construct was tested to ensure that the correlation of the construct with the measurement items was greater than other constructs. A good cross loading value is above 0.7. Based on this table, the cross-loading value of each item variable has a value above 0.7.

Table 1. Outer Loadings

	Organizational Culture (X3)	Employee Performance (Y)	Salary (X1)	Training (X2)
X1.1	0.540	0.652	0.775	0.299
X1.10	0.618	0.579	0.714	0.551
X1.2	0.741	0.767	0.857	0.532
X1.3	0.610	0.671	0.796	0.348
X1.4	0.616	0.668	0.810	0.385
X1.5	0.578	0.676	0.799	0.392
X1.6	0.507	0.567	0.776	0.345
X1.7	0.647	0.633	0.790	0.510
X1.8	0.539	0.639	0.753	0.322
X1.9	0.665	0.663	0.786	0.181

	Organizational Culture (X3)	Employee Performance (Y)	Salary (X1)	Training (X2)
X2.1	0.428	0.441	0.234	0.783
X2.2	0.586	0.532	0.439	0.852
X2.3	0.528	0.472	0.388	0.829
X2.4	0.492	0.426	0.348	0.844
X2.5	0.569	0.483	0.434	0.841
X2.6	0.499	0.453	0.414	0.821
X2.7	0.499	0.466	0.424	0.865
X2.8	0.576	0.522	0.458	0.823
X3.1	0.771	0.584	0.515	0.527
X3.2	0.818	0.804	0.710	0.521
X3.3	0.758	0.584	0.591	0.392
X3.4	0.791	0.618	0.486	0.544
X3.5	0.736	0.545	0.562	0.449
X3.6	0.780	0.563	0.597	0.553
X3.7	0.772	0.756	0.688	0.445
Y1.1	0.783	0.861	0.639	0.492
Y1.2	0.604	0.766	0.556	0.544
Y1.3	0.598	0.722	0.562	0.497
Y1.4	0.628	0.762	0.693	0.307
Y1.5	0.758	0.877	0.761	0.608
Y1.6	0.607	0.729	0.682	0.310
Y1.7	0.719	0.878	0.703	0.465
Y1.8	0.653	0.817	0.729	0.452

Source: Processed Primary Data, 2024

Reliability Test Results

Reliability testing is used to measure the consistency of measuring instruments in measuring a concept or measure the consistency of respondents in answering statement items in questionnaires or research instruments (Fathussyakir et al., 2022). Questionnaire items are said to be reliable (feasible) if the Cronbach alpha value shows that the Cronbach alpha value for all variables is above the cut off value 0.7 (Soleha & Hidayah, 2022).

Table 2. Reliability Test Results

	Cronbach's Alpha
Organizational Culture	0.890
Employee Performance	0.921
Salary	0.931
Training	0.937

Source: Processed Primary Data, 2024

From the Table 2 can be concluded that the value of the Salary variable (X1) has a Cronbach alpha value of 0.931 or > 0.70, which means this variable has a high level of reliability. For the Training variable (X2) and the Organizational Culture variable (X3), each has a Cronbach alpha value of 0.937 and 0.890, where the value is > 0.70, which means these variables have a high level of reliability.

Inner Model Analysis

R-Square Test Results

Based on the Table 3, it can be concluded that the R-Square value for the Employee Performance variable is 0.797, which indicates that the model has a moderate relationship. Where 79.7% of the financial performance variables are influenced by salary, training and organizational culture, then the remaining 20.1% is influenced by other variables outside this research.

Table 3. R-Square Test Results

	R Square	Adjusted R Square
Employee Performance	0.787	0.781

Source: Processed Primary Data

Bootsrapping

Based on Figure 2, this hypothesis test is carried out to determine the effect of one variable on other variables. Where a variable can be said to have a significant influence if the P value is > 0.05 or 5%, but if the P value is < 0.05 or 5% then the variable can be said to not have a significant influence on other variables. To determine the significant value for each variable, a T test is carried out (to determine the influence of the variable partially).

Path Coefficient Test

Hypothesis testing uses full model structural equation modeling (SEM) analysis with smart PLS. In the full SEM model, apart from confirming the theory, it also explains whether or not there is a relationship between latent variables (Fathussyakir et al., 2022). The hypothesis is said to be accepted if the t-value is greater than (t-table is significant 5%) 1.96 or the p-value is smaller than 0.05 (Rahayu & Musdholifah, 2017).
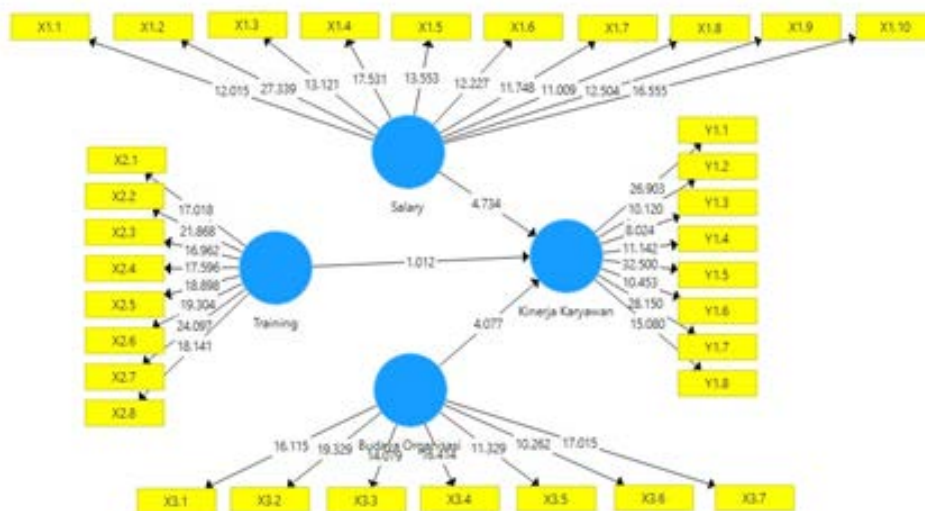

Figure 2. Bootsrapping

Table 4. Path Coefficient Test

	Original Sample (O)	Mean (M)	Std. Deviation (STDEV)	T Statistik (|O/STDEV|)	P Values
BO -> KK	0.434	0.457	0.106	4.077	0.000
S -> KK	0.460	0.443	0.097	4.734	0.000
T -> KK	0.073	0.064	0.072	1.012	0.312

Source: Processed Primary Data, 2024

Salary has an influence on Employee Performance in the Jababeka Industrial Area

It is known that the P value for the Salary variable (X2) is 0.000 which is greater than 0.05 and the t statistic value of 4.734 is greater than the t table of 1.96. Therefore, there is an influence between the Salary variable on Employee Performance in the Jababeka Industrial Area.

Salary has a significant influence on employee performance in the Jababeka industrial area. The first hypothesis in this research states that salary has an influence on employee performance in the Jababeka industrial area. The results of the analysis carried out support the hypothesis. From this research, salary has a significant influence on employee performance in the Jababeka industrial area, meaning that the amount of salary given must be in accordance with the job description given to employees so that employees do not think that if they do a lot or a little work they will still get the same salary. Salary can be used as a tool to motivate employees in order to improve their performance and stimulate employees to play an active role in achieving company goals. Apart from that, salary is one of the factors that influences employee performance. In theory, salary is an acceptance as a reward and giving work to employees for work or services that have been and will be performed, functioning as a guarantee for the continuity of a decent life for humanity (Subianto, 2016). This is in line with research conducted by (Rini Astuti & Suhendri, 2020)(Subianto, 2016) which shows that salary has an influence on employee performance and is contrary to research conducted by (Kosdianti & Sunardi, 2021)(Haeruddin, 2017) which states that

salary has no influence on employee performance.

Training has no influence on Employee Performance in the Jababeka Industrial Area

It is known that the P value for the Training variable (X2) is 0.312 which is greater than 0.05 and the t statistic value of 1.012 is smaller than the t table of 1.96. Therefore, the training variable has no influence on Employee Performance in the Jababeka Industrial Area.

Training has a significant influence on employee performance in the Jababeka industrial area. The second hypothesis in this research states that training has an influence on employee performance in the Jababeka industrial area. The results of the analysis carried out rejected the hypothesis. From the research conducted, training does not have a significant influence on employee performance in the Jababeka industrial area so that the training provided by the company will not have an impact on employee performance if the training provided is not optimal, the training methods are not in accordance with employee competencies. Basically, employees really need special potential that supports their job descriptions, so competency is considered more important than training. The theory presented by (Prastyo & Sudiro, 2019) training is a systematic process of changing employee behavior in a direction to increase efforts to achieve organizational goals. This research is in line with research conducted by (Meutia & Husada, 2019) and contradicts research conducted by (Purwati & Kurniawan, 2018) which states that training has an effect on employee performance.

Organizational Culture has an influence on Employee Performance in the Jababeka Industrial Area

It is known that the P Values for the Organizational Culture (X3) variable are 0.000, which is smaller than 0.05 and the t statistic value of 4.077 is greater than the t table of 1.96. Therefore, there is an influence between the Organizational Culture variable on Employee Performance in the Jababeka Industrial Area.

Organizational culture has a significant influence on employee performance in the Jababeka industrial area. The third hypothesis in this research states that organizational culture has an influence on employee performance in the Jababeka industrial area. The results of the analysis carried out support the hypothesis. From the research conducted, organizational culture has a significant influence on employee performance in the Jababeka industrial area so it can be explained that an organization needs to take into account a strong organizational culture that is in line with the boundaries set by the company, where organizational culture is a shared culture that is adhered to by all members of the company, organizational culture is also considered the basis of management systems and activities and organizational culture also includes shared beliefs, life values that are adhered to, and norms that must be accepted by all employees in the company (Fanda & Slamet, 2019). One theory of organizational culture suggests that employees in companies with a strong culture are more committed to their company than employees in companies with a weak culture. Companies with strong cultures will also use their recruiting efforts and outreach practices to foster employee commitment. And increasing evidence suggests that a strong culture is linked to high organizational performance. The existence of a relationship between organizational culture and the performance of employees or organizational members can be reflected in the behavior of the organization (wardani Kusuma et al., 2016). This is also in line with research conducted by (Dunggio, 2020) which states that organizational culture has an influence on employee performance.

CONCLUSION

Based on the research that has been carried out and the discussion outlined, it can be concluded that the first variable, namely Salary, has an influence on employee performance in the Jababeka industrial area; the second variable, namely training, has no influence on employee performance in the Jababeka industrial area; Furthermore, the third variable, namely organizational culture, has a significant influence on employee performance in the Jababeka industrial area. This research is expected to provide implications for companies that culture within the organization must be created and formed in order to create a safe, comfortable and conducive working atmosphere so that employee performance will increase, every job carried out needs to have standards so that they can measure their own or subordinate performance, compare performance. with standards in accordance with existing provisions where the results of activities must continue to be evaluated to determine the need for corrective action in future activities (Nasution, 2017) Employees should obey all work rules and standards set by the company. And what is no less important is training, companies should be able to provide training for employees and employees should be able to take part in the training provided with the same goal, namely improving employee performance because if employee performance increases, the profits generated will also increase. Researchers realize that there are still many shortcomings in this research. Researchers also understand that organizational culture does not only influence improving employee performance. However, there are still many things that can be influenced by organizational cultural factors. For future researchers, it is recommended to add other independent variables such as work motivation, work discipline, leadership, communication which are still related to employee performance variables in order to add variation to the variables studied.

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