

The Effect of Compensation and Level of Education on BPS Employees' Performance in Tanah Datar Regency, West Sumatra

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ABSTRACT

This paper's main aim was to know the effect of compensation, education level on BPS employees' performance in Tanah Datar. The purpose of this study was to determine the influence of (1) compensation on the performance of BPS employees in Tanah Datar Regency. (2) The level of education on the performance of BPS employees in Tanah Datar Regency. (3) Compensation, the level of education together with the performance of BPS employees in Tanah Datar Regency. This study uses a quantitative approach with ordinal logistic regression research. The research population comprised 17 BPS employees. The sample in this study is a saturated sampling. The data collection technique used in this study was a questionnaire. The analysis used includes data description then logistic ordinal regression test (fit model test, Wald test, simultaneous test, and determinant coefficient test). The results of the study with the ordinal logistic regression test revealed that: (1) compensation does not significantly and positively affect the performance of BPS employees in Tanah Datar with a value of $p > 0.05$, namely 0.095 or 9.5% (2) the level of education significantly and positively does not affect the performance of BPS employees in Tanah Datar with a p value > 0.05 , namely 0.073 or 7.3% (3) compensation, education level, simultaneously has a positive and significant effect on the performance of BPS employees in Tanah Datar with a likelihood value of 9.081 and significant at 0.028 or 2.8%.

Keywords: Compensation, Education Level, Employee Performance

1. INTRODUCTION

A person works because there is something he wants to achieve, and people hope that the work activities he does will bring him to a more satisfying state than the previous state. Thus, in humans, some needs form the goals to be achieved and fulfilled in time. In order to achieve these goals, people are compelled to do an activity known as work.

Performance management is all activities carried out to improve a company or organization's performance, including each individual and workgroup's performance in the company/organization (Rivai, 2014: 406). Torang (2013: 74) says that performance is the quantity and or quality of the work of an individual or group within the organization in carrying out primary tasks and functions that are guided by norms, standard operating procedures, criteria, and measures that have been set or are applicable in organization

Based on the several experts above, it shows that performance results from work produced both quality and quantity of work and can be accounted for according to its role in the organization or company and is accompanied by the capability, competence, and skills to complete the job. Allah SWT says in the Qur'an, surah Al-Jumu'ah verse 10, which reads; (62:10) But when the Prayer is ended, disperse in the land and seek Allah's Bounty, and remember Allah much so that you may prosper.

The verse above explains that a Muslim's goal to work is to seek the pleasure of Allah SWT and get the virtue (quality and wisdom) from the results obtained. If those two things have become the basis of one's work, then good performance will be created.

On the other hand, several dimensions also affect performance: (1) Individual (ability, motivation, and educational background). (2) Psychology (attitude and personality). (3) Organization (leadership, reward, and distribution role) (Torang, 2013: 75). Additionally, Gomes and Larsen in Torang (2013: 75) revealed six variables that also influence performance, namely: a) knowledge, b) skills, c) behavior, d) motivation, e) skills, and f) work.

Likewise, Gibson et al. in Torang (2013: 76), through the partner lawyer model approach, reveals that individual performance is influenced by six factors, namely: a) expectation of rewards, b) encouragement, c) ability, d) perceptions of tasks, e) external and internal environment, and f) perceptions of reward and job satisfaction.

Compensation is a contra-performance against the use of human resources or services provided by workers. An incentive system links compensation to performance, with compensation given to workers through awards based on performance and not based on seniority or the number of working hours Werther and Davis (Wibowo, 2013: 348. In simple terms, compensation is something employees

receive in return for their work. Simamora (2004: 68) asserts that compensation in finance is essential for employees because, with this compensation, they can meet their needs directly, especially their physiological needs.

According to Siagian (2007: 35), the level of education is the education stage, which is determined based on the level of development of students, the goals to be achieved, and the will to be developed. The level of education affects changes in attitudes and behavior in a healthy life. A higher education level will make it easier for a person or society to absorb information and implement it in daily behavior and lifestyle, especially in health. Formal education forms value for someone, especially in accepting new things.

Based on the analysis comparing the experts' opinions, the authors conclude and summarize the factors that influence the performance, such as; individual, organizational, internal, external, ability. Furthermore, knowledge/education, competence, level of education, motivation, skills, and organization, psychology, level of salary/compensation, experience, years of service, behaviour / attitude, work facilities, technology, social relations, organizational culture, organizational climate, discipline, initiative, and assurance.

BPS in Tanah Datar Regency is one of the BPS representative offices in the regions with a large enough role in supporting statistical activities. At this time, BPS in Tanah Datar Regency has an organizational structure as seen as follows.

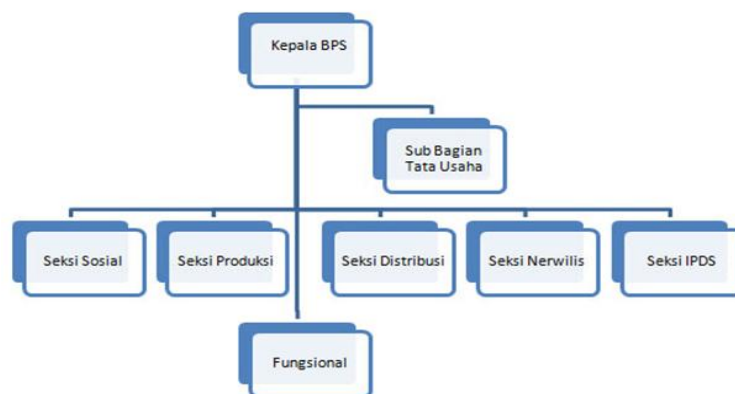


Figure 1. BPS organizational structure in Tanah Datar District, West Sumatra Province

The number of workers recorded at BPS in Tanah Datar Regency in November 2018 was recorded as 17 people with varied educational backgrounds. It can be seen in the following table.

Table 1. Education Level According to Gender of BPS Employees in Tanah Datar Regency, West Sumatra Province as of November 2018

No	Education level	Gender		Total
		Men	Women	
1	High School	2	0	2
2	Diploma	0	0	0
3	Undergraduate	4	8	12
4	Master & PhD	2	1	3
	Overall	8	9	17

From table 1, it can be seen that 17 employees at BPS in Tanah Datar Regency, the majority have high school education and above. Overall, the number of high school education employees is two persons; twelve persons are undergraduate, masters, and above are recorded as three persons.

Food allowances, transportation fees, and insurance are stipulated in Perpres number 122 of 2015 concerning employee performance benefits in the BPS environment. Every employee should be creative and innovative at work. Details of work and daily activities are outlined in a work report, which is used as the basis for direct supervisors in assessing the percentage of performance achievement. Employees who do not come to work with or without permission arrive late and come home quickly will be deducted from the performance allowance. Furthermore, employees who violate the code of ethics are subject to deduction from performance allowances provided that: (a) moral sanctions are imposed in the form of closed statements with a cut of 25% for 1 (one) month, or (b) is subject to moral sanctions in the form of public statements with a cut of 50% for 1 (one) month.

The excessive workload with all the limitations that occur in the field will undoubtedly interfere with data quality. The questionnaire examination was also taken out in a limited time. Whatever work is completed, it is always associated with regulations and propagates how employees

work on their performance. A further result of the performance is a reduction in performance allowances.

Some employees are not happy with the performance allowance deduction, who think that their performance is under existing standards. For some employees who have worked for more than ten years, even though their level of education is high school compared to new employees, it is easier to reach the target because they already know the tricks and methods of solving them.

While realizing a new project or a job is accountable to all employees is not completed according to the target. The Employee Performance Achievement will be reported to the center and accommodation in transportation and the tired money from the project is returned to the central BPS or the state treasury.

According to Arianto (2013: 28), components that affect performance allowances, namely employee performance achievement, attendance levels according to working days and hours, adherence to the code of ethics, and employee discipline. The employee has been respectively arranged in detail the grade position at each level of position, structural and functional, and the performance allowance's value.

The explanation concerning the technical implementation of employee performance allowances and the components for determining the performance allowance is regulated in Perka BPS No. 77/2012. This regulation serves as a guideline for calculating employee performance achievement with more guaranteed transparency and accountability aspects.

In addition to the central BPS's cutting system, this stipulation regarding performance deductions is also based on assessing each job performed by the direct supervisor. Since some work in the field and some are in the office as staff. Based on the level of education and years of service in specific fields.

Accordingly, it can be seen that there is an excellent performance to achieve high work productivity. Indeed, encouraging human resources in government agencies to make maximum contributions cannot be separated from government agencies' obligations. One of the primary obligations that need to be considered for human resources in government agencies is to fulfill their welfare.

Based on the description above, the problems found by the authors in the field show that the dominant essential factors affecting performance are compensation and education level from several other factors; therefore, the authors are interested in a study of "How compensation may influence education level on performance of staff in BPS Tanah Datar?". The research title is conveyed from the assumption of the phenomenon used as the research object, and the authors consider that the research title is an original concept of ideas. The authors believe the research concept may provide optimal benefits to parties interested in the results.

2. LITERATURE REVIEW

Performance

According to Mangkunegara (2016: 67), the term performance originates from job performance or actual performance (actual work performance or achievement by someone). Performance is the quality and quantity of work achieved by an employee in bringing out his duties following his responsibilities.

According to (As'sad 2002: 47), performance or work performance is the success in taking out the work or the results achieved by a person according to the size applicable to the job concerned. Rivai (2005: 309) states that performance is a real behavior displayed by each person as a work achievement produced by employees under their company's role. Performance outcomes from work and a strong relationship with organizational strategic goals and customer satisfaction may

contribute to the economy (Armstrong and Baron, 1998: 15 in Wibowo, 2013: 7).

Performance is the willingness of a person or group to move out of an activity and improve it according to the responsibilities with expected results (Sinambela, 2017: 483). Performance is the organization's work to realize strategic goals, customer satisfaction, and contribution to the strategic environment (Akdon, 2011: 166). Performance is the quantity and or quality of the work of an individual or group within the organization in carrying out the foremost tasks and functions that are guided by norms, standard operating procedures, criteria, and measures that have been set or are applicable in the organization (Torang, 2013: 74)

Ravianto (in Torang, 2013: 74) states that performance is individual competence about work, ability to plan and schedule work, personal knowledge of work quality standards, individual productivity (quality and quantity of performance), technical competence for work, dependence on people. Other, communication skills, cooperation skills, discipline, and the ability to convey ideas in meetings, management skills, and leadership. Performance is the quantity and quality of work completed by individuals, and performance is the output of the task's implementation. Performance has a close relationship with productivity because it is an indicator of achieving high productivity levels in an organization (Jasmani & Mustofa, 2013: 160).

Wibowo (2013: 7) states performance is about doing work and the results achieved from that work. Performance is about what to do and how to do it. Meanwhile, Rivai (2013: 548) states that performance is a real behavior displayed by each person as a work achievement produced by employees under their company's role. Performance is significant in the company's efforts to achieve its goals. Furthermore, according to Mangkunegara (2013: 67), performance can be defined as the quality and quantity of work that an employee can achieve in

carrying out tasks under the responsibilities given to him.

Allah SWT said in Al-Qur'an surah Al-Ahqaf verse 19, which reads. (46:19) And for all there are degrees [of reward and punishment] for what they have done, and [it is] so that He may fully compensate them for their deeds, and they will not be wronged.

From this verse, Allah will definitely reward every human deed based on what they have done. This case means that if a person does their job well and shows good performance for their organization, they will also get good results from their work and benefit their organization.

Based on the analysis comparing experts' opinions, the authors conclude and summarize that performance is the quality and quantity of an individual or group work output in a particular activity caused by natural abilities obtained from the learning process and the desire to achievers.

Performance Indicators

McDonald and Lawton in Ratminto and Winarsih (2005: 174) suggest performance indicators, including output-oriented measures throughput, efficiency, effectiveness. Furthermore, these indicators are explained as follows. (a) Efficiency is a condition that shows the best comparison between input and output in public services provision. (b) Effectiveness is the achievement of predetermined goals, either in the form of targets, long-term goals, or organizational missions.

Salim and Woodward in Ratminto and Atik Septi Winarsih (2005: 174) suggest performance indicators include: economy, efficiency, effectiveness, equity. The indicators are further described as follows: (a) Economic uses as few resources as possible to provide public services. (b) Efficiency is a condition that shows the best comparison between input and output in the delivery of public services. (c) Effectiveness is the achievement of predetermined goals, both in targets, long-term goals, and organizational missions. (d) Equity or

justice is a public service organized concerning aspects- evenness aspect.

Lenvinne in Ratminto and Atik Septi Winarsih (2005: 175) suggests that performance indicators consist of responsiveness, responsibility, and accountability. (a) Responsiveness measures the provider's responsiveness to customers' expectations, desires, aspirations, and demands. (b) Responsibility is a measure that shows to what extent the process of providing public services is carried out without violating predetermined provisions. (c) Accountability is a measure that shows the level of conformity between service delivery and external measures that exist in society and are owned by stakeholders, such as values and norms that develop in society.

Zeithaml, Parasuraman, and Berry in Ratminto and Atik Septi Winarsih (2005: 175) describe the indicators used to assess organizational performance, which consist of the following factors: (a) Tangibles or physical appearance means the building's physical appearance, equipment, employees, and other facilities owned by the providers. (b) Reliability is the ability to deliver the promised services accurately. (c) Responsiveness is the willingness to accommodate customers and provide services sincerely. (d) Assurance is the knowledge and courtesy of the workers and their capability to trust customers. (e) Empathy is the personal treatment or attention given by providers to customers

Compensation

Marwansyah (2014: 259) states that compensation is an award or reward, direct or indirect, financial or non-financial, that is fair and proper to employees, as a reward for their contribution/services to the achievement of organizational goals. Compensation is a form of reward or remuneration provided by the company to its employees, both in the form of financial and goods and services so that employees feel valued at work. Compensation is one of the implementations of personnel management functions associated with

individual awards to carry out organizational tasks (Nurzarnan, 2014: 182).

According to Hasibuan (2013: 118), compensation is all income in the form of money, direct or indirect goods received by employees as compensation for services provided to the company. Rivai (2006: 54) states that compensation is everything that employees receive as a substitute for service contributions. Compensation is a contra-performance on the use of the workforce or services provided by workers. Compensation is the number of packages that the organization offers to workers in return for using its labor (Wibowo, 2009: 157).

Compensation is the total of all awards given to employees in return for their services provided to the organization. The overall objective provides compensation to attract, retain and motivate employees. Direct financial compensation consists of payments received by people in wages, salaries, commissions, and bonuses; indirect financial compensation consists of all financial rewards that are not covered by direct compensation (Sinambela, 2017: 220). According to Mangkunegara (2016: 83), compensation is also called the wage or salary administration process involving consideration or a balance of calculations. Compensation is something that is considered equivalent. In employment, gifts in the form of money are compensation given to employees as a reward for their service.

Compensation is all forms of payment provided to employees in the form of direct payments (in the form of money) or indirectly (in the form of benefits and incentives) (Riani, 2013: 113). Compensation is anything that an employee receives in return for his contribution to the company or organization (Ardana, Mujiati & Utama, 2012: 153). Compensation is all types of rewards in the form of money or non-money, given to employees properly and fairly for their services in achieving organizational goals (Sutrisno, 2009: 187).

Compensation Indicator

Samsudin (in Muflih, 2015: 17) asserted that there are two indicators to measure the compensation variable, namely: 1) Compensation is material, consisting of (a) Salary, which is remuneration in the form of money received by employees due to their status as an employee who contributes to achieving company goals. Salaries generally apply to weekly, monthly, or yearly rates (regardless of the hours worked). (b) Incentives are a form of direct payment based on employee performance and are intended to share employees' benefits due to increased productivity. (c) Bonus is a lump sum payment because it meets predetermined performance targets—work targets completed according to the target and time set. 2) Non-material compensation, which consists of (a) Training and development programs, are activities designed to increase the knowledge, abilities, attitudes, and performance of individuals, groups, and the entire organization. This program teaches new skills, refines existing skills, and influences employee attitudes. (b) Praise is a form of non-material appreciation. Superiors usually give praise to employees who have work performance to increase the employee's work enthusiasm. (c) Paid leave, companies give employees days off for specific reasons.

The indicators of compensation, according to Husein Umar (2007: 16), are (1) Salary, which is a reward given by an employer to an employee whose receipt is routine and regular every month. Even though he does not come to work, the salary will still be received in full. (2) Incentives are rewards or rewards given to motivate workers so that their work productivity is high; they are not fixed or at any time. To relate employees' desire for additional financial income with the organization's need to improve work quality and quantity. (3) Bonus is a lump sum payment given for meeting performance goals. Giving bonuses to employees is intended to increase work

productivity and employee morale. (4) Insurance is a measure of the risk of loss, loss of benefits, and legal liability to third parties that arise from uncertain events. (5) The allowance is all indirect financial payments received by employees to continue working with the company. Hence, the compensation indicator that the author means in this study is to measure the indicators of salaries, bonuses, incentives, and benefits of Tanah Datar BPS employees.

Level of education

According to Law No. 20 of 2003, the experts' limitations on education are manifold, and their content is different from one another. These differences may be due to the orientation, the basic concepts used, the stressed aspects, or the underlying philosophy.

Here are some limitations regarding education, namely (Umar, 2005: 64): (a) Education as a process of cultural transformation education is defined as an activity of cultural heritage from one generation to another. These cultural values undergo a process of transformation from the older generation to the younger generation. There are three forms of transformation, namely values that are still suitable to be continued, such as honesty and a sense of responsibility. (b) Education as a personal formation process education is a systematic and systemic activity directed at forming student personalities. The process of personal formation through two goals, namely personal formation for those who are not yet mature by those who are adults and for those who are adults on their efforts. (c) Education is a process of preparing citizens; education is defined as a planned activity to equip students to become good citizens. (d) Education as a workforce preparation process education is defined as an activity to guide students to have introductory provisions for work. The primary provision in the form of attitude formation, knowledge, and job skills on prospective external. This case is an

essential mission of education because work is a basic necessity in human life.

According to Law no. 20 of 2003 concerning the National Education System, education is a conscious and planned effort to create an atmosphere of learning and the learning process so that students actively develop their potential to have religious, spiritual strength, self-control, personality, intelligence, noble character, and the skills they need, society, nation, and state.

Education is a conscious effort made by the family, community, and government through guidance, teaching, or training activities that take place at school and outside of school throughout life to prepare students to play roles in various living environments appropriately in the future (Tri, 2009: 3), the patterns of thought and behavior by the education they are received.

According to Republic of Indonesia Law Number 2 of 1989, education is carried out in two ways, namely; 1) Formal education, a structured and tiered education pathway consisting of primary education, secondary education, and higher education. (a) Primary education is in elementary school or Madrasah Ibtidaiyah, junior high school, Madrasah Tsanawiyah, or other equivalent forms. (b) Secondary education, which consists of general secondary education and vocational secondary education. Secondary education is in senior high school, Madrasah Aliyah, Vocational High School, and Vocational Middle School or other equivalent forms. (c) Higher Education is a level of education after secondary education, including Diploma, Bachelor, Master, Specialist, and Doctoral education programs organized by higher education. 2) Informal education is a lifelong process so that everyone obtains values, attitudes, skills, and knowledge from daily life experiences, environmental influences, family life influences, relationships with neighbors, work environment, markets, libraries, and mass media. Families carry out informal educational activities, and the environment takes the form of independent learning

activities. (a) Early childhood education (PAUD) is held before the basic education level. This early childhood education can be organized through formal, non-formal, and/or informal education channels. Early childhood education takes the form of kindergarten and Raudatul Athfal. Kindergarten is an early childhood education service mainly provided for children aged 4 to 6 years. Likewise, Raudatul Athfal emphasized the teaching of Islam. (b) Playgroup (KB) provides education for children aged 2 to 6 years. However, in urban areas, the playgroup tends to be for the junior class, namely for children aged two years and four years, while for 4 to 6 years in kindergarten or RA, the emphasis is on playing activities. For areas where there are no TK or RA, playgroups are simply the name of the half-day education service for children 2 to 6 years old. (c) Child Care Park provides education for children aged three months to 6 years while their parents (especially mothers) are working. A daycare park is built near where parents work. However, in urban areas, it gradually becomes an educational and caring activity for working mothers with high income, while in rural areas, the family function of children is still dominant. (d) Integrated Healthcare Center is an integrated service post, a community health center where pregnant and nursing mothers receive health care such as additional nutrition, immunization, and others for themselves and themselves. 3) Non-formal education, an educational pathway outside formal education, can be implemented in a structured and tiered manner. While the types of education included in the school education path include: (a) General Education, which is held at the basic education level and the secondary education level. For example, high school, junior high school. (b) Vocational education prepares students to work in specific fields and is held at the secondary education level. For example, STM prepares students to learn in engineering (mechanical, civil, electrical,

and so on). (c) Special education is carried out at the primary and secondary education levels. For example, special schools for the deaf, blind, mentally disabled, etc. (d) Official Education was held at the secondary education level and the higher education level. It can be taken, for example, the Foreign Service school from DEPLU. (e) Religious education, for example, Islamic boarding schools, madrasahs, seminar schools, and so on. (f) Academic Education, organized at the higher education level, for example, universities, institutes, colleges, academies, etc. (g) Professional Education, held at the higher education level, especially in the readiness to apply individual skills such as doctors, specialists, notaries. (h) Non-formal education included in this type are courses; an influential study group is family education. (i) Packages A, B, C (courses, PKBM, training), religious education, and official education.

Thus this type of education will make it easier for an agency to accept new employees because it can place employee positions according to professionalism. According to the National Education System Law no. 20 of 2003, education level indicators consist of education level and department suitability.

Logistic regression

Logistic regression, along with discriminant analysis, is a suitable statistical technique when the dependent variable is categorical (nominal or non-metric), and the independent variable is a metric or non-metric variable (Hair, Black, Babin, and Anderson, 2014: 315).

Compared with discriminant analysis, logistic regression is limited in its basic form to the two groups for the dependent variable, although other formulations can handle more groups. However, it does have the advantage of easily including nonmetal variables as independent variables, as in multiple regression. In a practical sense, logistic regression may be preferred for two reasons.

The discriminant analysis relies on strictly fulfilling multivariate normality assumptions and the same variance-covariance matrix across groups - assumptions that are not met in many situations (Hair, Black, Babin, and Anderson, 2014: 315).

Logistic regression does not deal with these stringent assumptions and is much stronger when these assumptions are not met, making their application appropriate in many situations. Second, even if the assumptions are met, many researchers prefer logistic regression because it is similar to multiple regression. It has direct statistical tests, a similar approach for including metric and non-metric variables and nonlinear effects, and a wide range of diagnoses. Thus, for these and more technical reasons, logistic regression is equivalent to two-group discriminant analysis and may be more suitable in many situations (Hair, Black, Babin, and Anderson, 2014: 316).

Conceptual framework

The effect of compensation on employee performance

A person works because there is something he/she wants to achieve, and people hope that the work activities he does will bring him to a more satisfying state than the previous state. Thus it can be said that humans have needs which in time, will be achieved and fulfilled. In order to achieve that goal, people are motivated to do an activity known as work and try to improve their performance at work.

The effect of education level on employee performance

Education is defined as a learning process for individuals to achieve higher knowledge and understanding of particular objects. Education provides knowledge directly with the implementation of tasks and the flexibility to develop oneself and utilize all available facilities to smooth execute tasks. The higher a person's education, the higher the work productivity.

The effect of compensation, level of education on employee performance

Each agency has its characteristics, both in terms of objectives, vision, and mission and the variety of resources (employees) it has. Nevertheless, every agency wants the best performance from all its employees. For each employee's performance to increase, a driver or factor is needed to make the agency's performance as expected. The factors that affect it are relatively complex, and they can be intrinsic factors (level of education, knowledge, skills, motivation, years of service, health, and experience) and extrinsic factors (compensation, work climate, leadership, work facilities, and social relations). The quality and ability of employees will be influenced by these factors, which will affect employee performance.

From the description above, a research framework can be set as in Figure 2 below.

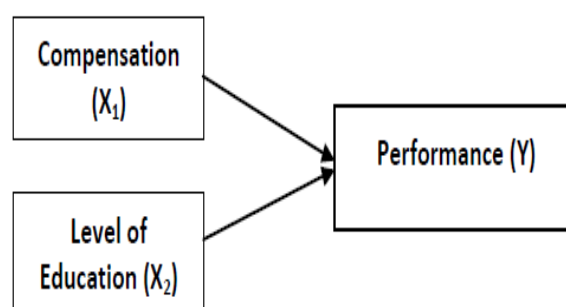


Figure 2. Research Framework

Hypothesis

Based on the problem, operational definitions, theoretical and conceptual framework, the following hypotheses are established.

H1: There is a positive and significant effect of compensation on the performance of employees of BPS in Tanah Datar

H2: There is a positive and significant influence on the level of education on the performance of employees of BPS in Tanah Datar

H3: There is a significant and positive effect of compensation, education level, simultaneously on the performance of employees of BPS in Tanah Datar

3. RESEARCH METHODS

Population and Sample

The population in this study were all employees registered at BPS Tanah Datar Regency. Based on data from the Administration Subdivision as of December 2018, the number of employees was recorded as 17 people spread across all fields. In this study, the authors used a saturated sampling technique called a census, where all population members were sampled. In this study, the number of samples the authors took was 17 people, where the population was the same as the number of samples.

Research Instrument

The tests carried out in this study are:

Validity test

According to Azwar (1986: 56), validity comes from the word validity, which means the extent to which a measuring instrument's accuracy and accuracy perform its measuring function. A scale or measuring instrument can have high validity if the instrument performs its measuring function or provides measuring results according to its purpose. Meanwhile, tests with low validity will produce data that is not relevant to the objectives to be achieved. This case was also stated by Sugiyono (2009: 177).

The method of testing validity consists of three tests, namely:

Construct validity, which is to test the construct's validity, can use experts' opinions (expert judgment).

Content Validity can be done by comparing the instrument's contents with the material to be provided. Technically, testing the validity of the construct and the validity of the content can be assisted by using an instrument grid or instrument development material.

Validity testing to determine the validity of psychological scale items using the product-moment formula, namely:

Information:

r = correlation coefficient of questionnaire items

N = number of samples

X = Total score scale

Y = Total score (Sugiyono, 2014: 286)

The suitability of the r_{xy} value obtained through calculations using the formula is then consulted with the r table of Product Moment criticism with the following decision principles. If r -count \geq r -table, then the instrument is categorized as valid. On the contrary, when r count $<$ r -table, the instrument is categorized as invalid and unfit for data collection.

Reliability Test

The technique used to determine the reliability of the instrument is the Alpha formula. Researchers used this formula because the instrument used was a questionnaire with a graded scale score, for questionnaires with a stratified scale tested using the Alpha formula (Arikunto, 2010: 190).

Alpha Cronbach formula:

$$r_i = \left[\frac{k}{k-1} \right] \left[1 - \frac{\sum \sigma_b^2}{\sigma_t^2} \right]$$

Information

r = instrument reliability

k = many items or many questions

$\sum ab^2$ = total item variance

σt^2 = total variance

With the test criteria if r -count $>$ r -table with a significance level of 0.05, the measuring instrument is reliable. Vice versa, if r -count $<$ r -table, then the measuring instrument is not reliable.

Data analysis method

The method of analysis used in this research is logistic regression analysis. The reason for choosing this method is that the data used in this study is non-metric in the dependent variable, while the independent variable is a mixture of continuous (metric data) and categorical (non-metric data)

variables. Because of the mixed scale on these variables, the multivariate normal distribution assumption cannot be fulfilled. This case causes a change in function to become logistical and does not require assumptions for data normality on the independent variable. Logit analysis analyzes quantitative data that reflects two choices or what is commonly called binary logistic regression. Logistic regression aims to test whether the independent variable can predict the dependent variable.

Descriptive Analysis

The following is a descriptive analysis used in this study (Riduwan, 2005: 28):

1. Determining the Mean

$$Y = \sum Y / n$$

2. Determining the Median

$$Mdn = \frac{b+p [1/2 N-F]}{f}$$

3. Determine the data mode that has the most frequency for the existing variables.
4. Determining Standard Deviation

$$SD = \sqrt{\frac{\sum Y^2 n - (Y)^2 / n}{n-1}}$$

Hypothesis testing

Hypothesis testing, this study uses logistic regression. In the logistic regression test statistics, it is used to predict an event's probability by matching the data to the logistic curve's logit function. This method is a general linear model used for binomial regression. Like regression analysis in general, this method uses several predictor variables, both numerical and categorical.

The conditions for rejection or acceptance of a hypothesis are as follows.

- a. If the significance value < 0.05 , the hypothesis is accepted (significant regression coefficient). This means that the independent variable has a significant effect on the dependent variable.
- b. If the significance value ≥ 0.05 , the hypothesis is rejected (the regression coefficient is not significant). This case

means that the independent variable does not have a significant effect on the dependent variable.

Significance testing on logistic regression can be divided into two, namely simultaneous testing and partial testing. Testing individually or partially can be done with the Wald Test. While simultaneous or simultaneous testing is carried out using the Overall Model Fit / Omnibus Test.

1) Wald Test / Partial Test

According to Widarjono (2010: 123), in logistic regression, the Wald test is used to test the independent variables that influence the dependent variable partially by comparing the Wald statistical value with the chi-square comparison value at degrees of freedom (Df) = one at 5% alpha. The p-value, which is smaller than alpha, indicates that the hypothesis is accepted or a significant effect of the independent variable on the dependent variable.

2) Assessing the Overall Model (Overall Model Fit) / Simultaneous Test

This statistical test determines whether all independent variables in the logistic regression simultaneously affect the dependent variable as the F test in linear regression. The Overall Model Fit test is based on the -2LL value or the LR value. A simultaneous test of logistic model regression coefficients is calculated from the difference in -2LL between models consisting only of constants and the estimated model consisting of constants and independent variables (Widarjono, 2010: 141).

The test is done by comparing the difference in the value of -2 log-likelihood (called the calculated chi-square) more significant than the chi-square table. The significance value is smaller than alpha because there is a simultaneous influence on the independent variable on the dependent variable.

3) Coefficient of Determination (Nagelkerke R Square)

Cox and Snell's R Square is a measure that tries to mimic the R measure of multiple regression, which is based on a likelihood estimation technique with a maximum value of less than 1, so it is difficult to interpret. To get a coefficient of determination that can be interpreted as the value of R² in multiple regression, Nagelkerke R Square is used.

Nagelkerke R Square is a modification of Cox and Snell's R Square

coefficient to ensure that the value varies from 0 to 1. This case is done by dividing the value of Cox and Snell's R Square by its maximum value (Ghozali, 2009: 79). A small value means that the ability of the independent variables to explain the dependent variable is minimal. A value close to one means that the independent variables provide almost all the information needed to predict the independent variable's variation.

RESULT & DISCUSSION

Hypothesis Testing

Table 2. Partial Test / Wald Test

		Estimate	Std. Error	Wald	df	Sig.	95% Confidence Interval	
							Lower Bound	Upper Bound
Threshold	[Y = 1,00]	-1.575	2.276	.479	1	.489	-6.036	2.885
	[Y = 2,00]	-.409	2.261	.033	1	.856	-4.840	4.022
	[Y = 3,00]	.105	2.260	.002	1	.963	-4.324	4.533
	[Y = 4,00]	1.667	2.282	.534	1	.465	-2.805	6.140
Location	X1	.508	.366	1.923	1	.165	-.210	1.225
	X2	-.703	.597	1.386	1	.239	-1.874	.468

Link function: Logit.

Table 3. Simultaneous Test

Model	-2 Log Likelihood	Chi-Square	Df	Sig.
Intercept Only	35.192			
Final	30.782	4.409	2	.110

Link function: Logit.

The Fitting Information model table shows that the initial -2LL (intercept only) value is 35,192, while the -2LL Likelihood value in the final model is 30,782. This value decreases the value of -2LL Likelihood of 4.409 and is significant at 0.110, which means that models with independent variables are better than models with intercept only. So, a model with compensation variables, education level, and tenure is better in determining the effect on employee performance than with an intercept alone. In other words, the model is said to be a fit model.

Goodness-of-Fit

Goodness-of-Fit is to test the suitability of the data with the model used so that the model is said to be fit with the data. Here is a table showing Goodness-of-Fit.

Table 4. Goodness-of-Fit

	Chi-Square	df	Sig.
Pearson	24.433	22	.325
Deviance	18.142	22	.698

Link function: Logit.

The table above shows that the Chi-Square statistical value is 24,433 (Pearson) with a significance of 0.325 and 18.142 (Deviance) with a significance of 0.698 so that the results of the Goodness-of-Fit are relevant.

Pseudo R-Square / Determinant

The influence of the independent variable on the dependent variable, the Pseudo R-Square table, is used. In the logit ordinal model, the value of R² is estimated by using the McFadden value (Ghozali, 2012: 98). Here are the SPSS results for the Pseudo R-Square model:

Table 5. Pseudo R-Square

Cox and Snell	.228
Nagelkerke	.239
McFadden	.084

Link function: Logit.

The pseudo-R-Square explains that the variation in employees' performance level can be explained by the variation of the independent variables X1 to X2 of .084%, while other variables outside the model explain the rest.

Parallel Line Test

Parallel Line Test assesses whether the assumption that all categories have the same parameters or not. The desired value is not significant, namely $p > 0.05$. The parallel line test results show a p value > 0.05 , so the model is appropriate.

Table 6. Parallel Line Test

Model	-2 Log Likelihood	Chi-Square	df	Sig.
Null Hypothesis	30.782			
General	26.103 ^b	4.680 ^c	6	.586

Results

Compensation on employee performance

Based on testing with Ordinal Logistic Regression between Compensation and Employee Performance in the Wald test table, the variable coefficient value is 0.508. The compensation variable's coefficient value has a positive sign, indicating that the compensation directly relates to employee performance, while the significance of compensation has a value of 0.165 ($p > 0.05$). This case shows that compensation does not have a significant effect on employee performance.

Educational level on employee performance

Based on testing with Ordinal Logistic Regression between Education Level and Employee Performance in the Wald test table, the variable coefficient value is -0.703. The coefficient value of the education level variable, which is harmful, indicates that education has an opposite relationship with employee performance, whereas seen from the significance of education, it has a value of 0.239 ($p > 0.05$). This case shows that the level of education does not have a significant effect on employee performance.

In summary, the coefficient and significant values of each variable can be summarized in the following table:

Table 7. Summary of the coefficient and significance values

No	Variable	Coefficient Value	Significant Value
1	Compensation	0,508	0,165
2	Level of Education	-0,703	0,239

CONCLUSION

Based on the author's results regarding the effect of compensation, the level of education on the performance of BPS employees in Tanah Datar is as follows. Compensation has no significant and positive effect on BPS employees' performance in Tanah Datar with a p value > 0.05 , namely 0.165 or 16.5%. The level of education does not positively and significantly affect BPS employees' performance in Tanah Datar with a p value > 0.05 , namely 0.239 or 23.9%. Compensation, education level simultaneously does not have a positive and significant effect on BPS employees' performance in Tanah Datar with a likelihood value of 4.409 and significant at 0.110 or 11%.

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