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# **Performance Improvement Through Teacher Compensation**

# Ridha Taurisma Lajaria, Imran, Lucia Evianti Patulak, Hurlan

Faculty of Economics and Business, University of Southeast Sulawesi, Indonesia

 $\textbf{Representative e-Mail:} \ ridhat aurisma.mm @gmail.com$ 

#### ----- ABSTRACT

This study aims to determine the effect of compensation on the performance of teachers in SMA Negeri 1 Wawonii Tenggara, Konawe Kepulauan Regency. The population in this study were 16 teachers at SMA Negeri 1 Wawonii Tenggara, Konawe Islands Regency. The method of determining the sample in this study used the census method, namely the sampling method with the same sample size as the total population, namely 16 teachers of SMA Negeri 1 Wawonii Tenggara, Konawe Islands Regency. The technique or method of data collection is done by circulating a list of questions (questionnaires) to respondents that have been systematically compiled according to research needs. Data obtained from 16 respondents. Data analysis using simple linear regression. The results of the analysis show that compensation has a significant effect on the performance of teachers at SMA Negeri 1 Wawonii Tenggara, Konawe Islands Regency. The bivariate regression results show the compensation variable has a t-sig value of 0.002, when compared to the 0.05 significance level, the t-sig value  $(0.002) < \alpha = 0.05$  or 5%. This shows that the greater the school provides compensation to the teacher, the teacher's performance at the school will increase.

**Keywords:** Compensation, Performance

# I. INTRODUCTION

Education is a continuous process that must continue along with human age. Quality and quality education will certainly produce human resources that can optimize the potential of other resources in the country.

Education is a tool to improve the current situation, as well as to prepare for a more prosperous tomorrow's world. For this reason, bearing in mind that education is a very complex and very important issue because it involves various sectors of life for the Indonesian government and people, it is necessary to plan and implement development steps.

In an educational institution, the teacher has a very important role and position. With regard to educational institutions, teachers are educators who have the main task and function of improving the quality of education where they work, so that they can carry out their duties and functions to the fullest, so a teacher is expected to have high performance in their work where they work. A teacher is said to have high performance when he understands the meaning or meaning of real performance and must be proven in his implementation by carrying out his duties.

The teacher as one of the elements in the teaching and learning process (PBM) has multiple roles, not limited only as a teacher who transfers knowledge, but also as a mentor who encourages potential, develops alternatives, and mobilizes students in learning. That is, teachers have complex duties and responsibilities towards achieving educational goals, where teachers are not only required to master the knowledge to be taught and have a set of knowledge and technical teaching skills, but teachers are also required to display a personality capable of being role models for students.

In this case, the teacher/instructor/educator is an internal customer who needs to be considered in order to be satisfied in conveying the learning process in class and satisfied with the results achieved by students.

The performance of a teacher can be seen from the way a teacher completes his assignments. The result of this teacher's performance is good student learning achievement. A teacher's performance can be well reflected if the teacher's performance results can be appreciated well too. One of the things that can improve teacher performance is by providing compensation or remuneration, whether in the form of money, allowances, or other facilities in accordance with existing policies. Giving compensation is one way to foster enthusiasm at work. Teachers who have a passion for teaching can easily improve their performance at work, giving compensation to teachers can also improve teacher welfare and have an impact on teacher performance.

Improving public access to education must be followed by equal opportunities to obtain education for all groups in society. The participation of teachers in the success of this educational development program is of course very much awaited and hoped for.

Giving compensation is one way to foster enthusiasm at work. Teachers who have a passion for teaching can easily improve their performance at work, giving compensation to teachers can also improve teacher welfare and have an impact on teacher performance.

It is only natural that an institution, in this case an educational institution, provides remuneration in the form of compensation to educators. Educators are also supposed to provide the best performance capabilities to the school where they work. The compensation given must be proportional to what is given by the educator because the school must be able to be fair to all teaching staff, so that educators can provide good performance for the school.

Compensation contains a wider scope than the provision of wages and salaries. The concept of wages and salaries places more emphasis on "financial" remuneration only, while compensation includes both "financial" and "non-financial" remuneration. Thus the definition of "compensation" is as follows:

Compensation is an important factor and is of concern to many organizations in maintaining and attracting quality human resources. Various organizations compete to obtain quality human resources, because the quality of the results of one job is determined by the competence of the human resources. This reason makes many organizations spend relatively large amounts of funds to develop their human resources so that they have the competencies according to their needs.

All teachers are entitled to a good income, including honorary teachers or non-PNS teachers, namely in the form of salaries and allowances. Article 14 of the Teacher and Lecturer Law states that all teachers have the right to earn a decent income above the minimum necessities of life.

Providing fair and correct compensation will increase employee productivity to complete work on time. Then consumers or endors will be happy to work with the company because the work is completed on time or it can also be completed before the specified time. In this case it is also regulated by Law no. 13 of 2013 concerning employment that: "Worker or laborer welfare is a fulfillment of needs and or needs that are physical and spiritual and both inside and outside the employment relationship and which can directly or indirectly increase work productivity in a safe and healthy work environment".

It cannot be denied that the basic motivation for most people to become educators in schools apart from teaching is to make a living. Because of that compensation is seen as one of the challenges that must be faced by the management of a school. That's why a school should pay more attention to what compensation is and all the aspects that include it. If an institution cannot develop and implement a satisfactory compensation system, then the institution will not only lose its skilled and highly capable workforce but will also be unable to compete with other institutions. That's why we as candidates for managing institutions (education) must understand what compensation is, especially in human resource management.

From the background above, it prompted the writer to conduct research on the analysis of the effect of compensation on teacher performance at SMA Negeri 1 Wawonii Tenggara, Konawe Islands Regency.

## II. LITERATURE REVIEW

#### 2.1 Definition of Compensation

According to Malayu Hasibuan (1997:133) compensation is something received by employees as remuneration for their work. According to Basu Swastha and Ibnu Sukotjo (1998:267) argue that compensation is a service fee that is given regularly and in a certain amount by the company to employees for the contribution of the energy they have given to achieve company goals. According to Mathis and H. Jackson (2001: 115) compensation is given to workers who carry out organizational work such as payment (payman) incentives and benefits (benefits), where companies must develop and always improve the salary system as well as incentive programs such as profit sharing and rewards. On higher productivity. Then Mathis and H. Jackson (2002: 119) again discussed that compensation is an important factor that influences how and why people work in an organization and not in other organizations. Employers must be competitive enough with several types of compensation to employ, retain and reward the performance of every individual in the organization.

## 2.2 Types of Compensation

According to Simamora (2001: 544) dividing compensation into (4) types, namely:

- 1. Salary. Salary generally applies to a weekly, monthly, or annual pay rate.
- 2. Incentives. Incentives are additional compensation beyond the salary or wages provided by the company. Incentive programs are tailored to provide additional payments based on productivity, sales, profits, or cost-cutting efforts. The incentive program consists of two (2) parts, namely:
- a. Individual incentive programs that provide compensation based on sales, productivity, or cost savings that can be attributed to specific employees.

- b. Group incentive programs that allocate compensation to a group of employees for exceeding predetermined standards of profitability, productivity, or cost savings.
- 3. Benefits, examples of benefits: health and life insurance, employer-paid holidays, retirement plans, and other benefits.
- 4. Facilities, examples are enjoyment or facilities such as company cars, club memberships, special parking spaces, or access to company aircraft that are obtained by employees.

## 2.3 Purpose of Compensation

According to Malayu S.P. Hasibuan (2002:37), the purpose of providing compensation (remuneration) includes:

- 1. Cooperation Bonds By providing compensation, a formal cooperative bond is established between the employer and the employee. Employees must carry out their duties properly, while employers/employers are required to pay compensation in accordance with the agreed agreement.
- 2. Job Satisfaction With remuneration, employees will be able to meet their physical, social status and egoistic needs so as to obtain job satisfaction from their position.
- 3. Effective Procurement. If the compensation program is set to be large enough, it will be easier to procure qualified employees for the company.
- 4. Motivation. If the remuneration provided is large enough, the manager will easily motivate his subordinates.
- 5. Employee Stability With a compensation program based on fair and proper principles as well as external consistency that is competitive, employee stability is guaranteed because turn-over is relatively small.
- 6. Discipline By giving a large enough remuneration, employee discipline will be better. They will be aware of and comply with the applicable regulations.
- 7. The influence of labor unions with a good compensation program, the influence of labor unions can be avoided and employees will concentrate on their work.
- 8. Government Influence If the compensation program complies with applicable labor laws (such as minimum wage limits) then government intervention can be avoided.

#### 2.4 Teachers Performance

Performance comes from the notion of performance, some also provide an understanding of performance as a result of work or work performance. However, performance actually has a broader meaning, not just the result of work, but how the work process takes place.

Performance is the result of work that has a strong relationship with the school's strategic objectives, customer satisfaction and contributes to the economy. Thus performance is about doing the job and the results achieved from the job. Performance is about what is done and how to do it.

Performance is a very complex, multi-dimensional construct, with many differences in meaning depending on who is being evaluated, how it is being evaluated and what aspects are being evaluated.

The word performance is a translation of the word performance which is defined as the result or level of success of a person as a whole during a certain period in carrying out tasks compared to various possibilities, such as work standards, targets or goals or predetermined criteria that have been mutually agreed upon. The definition of performance as the level of task implementation that can be achieved by someone using existing abilities and the limits that have been set to achieve organizational goals.

From the several definitions put forward above, it can be concluded that the understanding or definition of performance can be concluded, namely the work results that can be achieved by a person or group of people within the organization both quantitatively and qualitatively, in accordance with the authority and duties of each responsibility in an effort to achieve the objectives of the relevant organization legally, do not violate the law and in accordance with morals and ethics.

## 2.5 Aspect of Teachers Performance

Assessing teacher performance can be seen in the following aspects: mastery of content knowledge, behavioral skills, and human relations skills. According to Michael, quoted by Supardi in his book Teacher Performance, the aspects seen in individual (including the teacher) performance are quality of work, promptness, initiative, capability, and communication.

Aspects that can be assessed from the performance of a teacher in school, namely:

- a. Technical ability, namely the ability to use knowledge, methods, techniques, and equipment used to carry out tasks as well as the experience and training that has been obtained.
- b. Conceptual ability, namely the ability to understand organizational complexity and adjustment of the plane of motion of operational units.
- c. Interpersonal relationship skills, namely the ability to work with others, and bring the teacher to negotiate.

#### 2.6 Framework of Thinking

Analysis of the effect of compensation on teacher performance at SMAN 1 Wawonii Tenggara uses two variables consisting of independent variables, namely compensation and teacher performance. Compensation is analyzed based on indicators of Salary, Incentives, Allowances, and Facilities. Teacher performance is analyzed based on the indicators of Opportunity, Skills, Quality, and Motivation.

#### III. RESEARCH METHODS

The population in this study were 16 teachers at SMAN 1 Wawonii Tenggara. In this study the researcher wanted to examine all the elements in the research area. Referring to Sugiyono's statement, the population in this study were all teachers at SMAN 1 Wawonii Tenggara.

The type of research used is quantitative research, and the data source used is primary data which includes data related to respondents' statements regarding the research variable, namely compensation for teacher performance at SMAN 1 Wawonii Tenggara. This primary data was obtained or sourced from respondents (teachers) by distributing questionnaires directly and in-depth interviews. In addition, it is supported by secondary data, namely data collection through documents relevant to this research study sourced from teachers at SMAN 1 Wawonii Tenggara based on Salary, Incentives, Allowances, Facilities, Opportunities, Skills, Quality, Motivation and other relevant documentation data. The data collection method uses the survey method:

- 1. The questionnaire was conducted by distributing questions to teachers at SMAN 1 Wawonii Tenggara. The questionnaire is closed; questions are made in such a way that respondents are limited in providing answers to only a few alternatives or one solution. Questionnaires were distributed by visiting employees, explaining the questionnaires, and waiting for the questionnaires to be taken back.
- 2. Interviews were conducted by contacting several respondents who had good knowledge and the ability to explain this research in order to obtain complete information for data analysis. Researchers prioritize data collection in the form of interviews with respondents to determine the effect of compensation on teacher performance at SMAN 1 Wawonii Tenggara.
- 3. Documentation is carried out to obtain written data regarding Salary, Incentives, Allowances, Facilities, Opportunities, Skills, Quality, Motivation, and other written data related to this research.

## 3.1. Instrument Validity Test

Validity is a measure that indicates the level of validity or validity of an instrument (Arikunto, 2006). An instrument is said to be valid if it can measure what is desired and can reveal data from the variables studied correctly. The level of instrument validity indicates the extent to which the data collected does not deviate from the intended validity description. The validity test of the instrument was carried out using the product moment correlation coefficient with the test criteria for an instrument being said to be valid if the value of  $r \ge 0.30$  (cut of the point) or at a significance level of 95%. or  $\alpha = 0.05$ . (Sugiyono, 2010). Summary of the results of the research instrument validity test.

## 3.2. Instrument Reliability Test

The reliability test aims to determine the consistency of a measuring instrument if it is used to measure the same object more than once. In other words, the reliability test can be interpreted as the level of confidence in the measurement results. The reliability test was carried out on the statement items used in this study using the Alpha Cronbach method. The cut point accepted for Cronbach's Alpha level is  $\geq 0.60$ , although this is not an absolute standard according to Uma Sekaran (2003). The instrument is considered to have an acceptable level of reliability if the reliability coefficient measured is  $\geq 0.60$ . An instrument is said to be reliable if it can be used to measure variables repeatedly which will produce the same or only slightly different data Cooper and Schindler (2003)

## 3.3 Data analysis method

The data analysis technique used in this study is descriptive statistical data analysis and inferential statistics, namely linear regression analysis using SPSS Version 20 software.

Descriptive statistics are statistics that are used to analyze data by describing or describing data that has been collected as it is without intending to make general conclusions or generalizations (Sugiyono, 2010). Presentation of data in the form of tables, graphs, pie charts, pictograms, calculation of mode, median, mean (measurement of central tendency), calculation of deciles, percentiles, analysis of data distribution by calculating the average and standard deviation, calculating the percentage referred to in descriptive statistics (Sugiyono, 2010).

The inferential statistic used in this study is linear regression analysis which aims to test and explain the relationship of each variable. With this method it can be seen to what extent the independent variable is related, namely compensation to the dependent variable, namely teacher performance at SMAN 1 Wawonii Tenggara.

The data analysis method used is the method of inferential statistical analysis with a bivariate model using a simple linear regression method, with the population regression formula (Supranto 2001: 236) as follows:

$$Y = a + bX + e$$

Where:

Y= dependent Variable

X= Independent Variable

b = Coefficient of regression

a = constanta

e = disturbing Factor

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From the equation above, the research model is:

Yi = a + bX + e

where:

Y= Work Performance

X= Compensation

b= Regression Coefficient

e= error factor (asumption= 0)

## IV. RESEARCH RESULTS AND DISCUSSION

## 4.1 General Description of the Research Object

SMA Negeri 1 Wawonii Tenggara is one of the educational institutions in Southeast Sulawesi Province, Kab. Konawe Islands and more precisely in Teporoko Village, Southeast Wawonii District, is a school with State status and is accredited A for high school level in Konawe Islands Regency. The following is a table of teaching and educational staff at SMA Negeri 1 Wawonii Tenggara.

#### 4.2 Discussion

Based on the results of research conducted at SMA Negeri 1 Wawonii Tenggara with a total of 16 respondents, the results of the regression coefficient showed that the effect of compensation on teacher performance at SMA Negeri 1 Wawonii Tenggara had a very positive effect. This shows that an increase in compensation will be able to improve the quality of teacher performance so that it can produce quality students.

The results of this study support the theory which states that providing proper compensation can improve work quality (Hadari Nawawi, 1996: 315 in Anidawati, 2018: 55). The basic reason for proper compensation is the passion and work discipline of teachers who can produce quality, dignified and noble students in order to increase school accreditation even though they are located in rural areas. Simamora, (2001: 449) states that salary is an important factor for employees because it has an impact on work choices, job satisfaction, job dissatisfaction, absenteeism, employee turnover (labor turnover), productivity, and employee effectiveness. Provision of proper and fair compensation is one of the strategic factors that can improve performance.

Mathis and H. Jackson (2002: 129) explain that in providing compensation, people (employees) want to be treated fairly in all aspects including salary, incentives, benefits and facilities. Is a concept of equality of justice that is prepared in a relationship between what individuals do with the results received. Then in previous research (2001: 203) argued that employees must receive the same salary in accordance with the Law on equal salary in 1963, requiring companies to pay workers regardless of gender but at the level of seniority, differences in performance, differences in quality and/or quantity, as well as skills, effort and working conditions are one of the factors in providing compensation. The results of this study also support the results of previous research which concluded that compensation has a positive and significant effect on performance (Firman Haristyanti, 2015).

Rewards received by employees in accordance with the results of work, position, length of service and level of education will lead to enthusiasm and passion for work. On the other hand, the rewards received from the results of work are not appropriate, it will cause a feeling of dissatisfaction at work so that it will have a significant effect on work effectiveness. The results of testing the hypothesis and supported by several previous studies, obtained results showing that compensation has a significant effect on teacher performance in SMA Negeri 1 Wawonii Tenggara. This is because each element is an indicator used to measure compensation which includes salary, incentives, allowances, facilities, opportunities, skills, quality and motivation which are factors that can determine teacher performance. So that if SMA Negeri 1 Wawonii Tenggara has a good compensation system given to teachers, then teacher performance will increase where this is the school's strategy in achieving goals.

#### V. CONCLUSIONS AND RECOMMENDATIONS

Based on the results of the analysis in this study, it can be concluded that there is a significant influence between the compensation variable (X) on the performance variable (Y) at SMA Negeri 1 Wawonii Tenggara. This is indicated by a significance value of 0.002 or less than the value a=0.05. This shows that the greater the school provides compensation to teachers, the quality of teacher performance at that school will increase. Based on the results of the analysis and conclusions, it is suggested that the school seeks to increase salaries, incentives, allowances, and educational facilities in order to improve the quality of teacher performance at SMA Negeri 1 Wawonii Tenggara, in order to produce quality students who are able to compete with other schools. For future researchers, it is hoped that they can develop this research with larger objects and samples.

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