Competence as a Moderating Influence of Remuneration and Training on Employee Performance: Study at the Poltekkes Kemenkes Malang, Indonesia

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Authors' contributions

This work was carried out in collaboration among all authors. All authors read and approved the final manuscript.

Original Research Article

ABSTRACT

Employee performance problems in higher education can be influenced by several factors such as lack of motivation caused by inappropriate remuneration practices, competency mismatch, and lack of development opportunities. This study aims to find empirical evidence for the concept of competence as a moderator, providing insight for organizational leaders in designing more effective remuneration and human resource development strategies to achieve good performance for

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employees. This research method is quantitative, the sample in this study was 100 respondents who met the criteria, with a total population of 621 education personnel at Polkesma. Data analysis was carried out using the Partial Least Square (PLS) method using SmartPLS software version 3. Hypothesis testing uses the statistical value then for alpha 5% by comparing t count with t table. The results showed that there was an influence between remuneration on employee performance with at statistics value of 3.076, there was an influence between training on employee performance with at statistics value of 3.981. Then in the third hypothesis shows there is an effect of remuneration on employee performance which is strengthened by competence with a t statistics value of 2.715. And there is no significant effect on training on employee performance which is weakened by competence with at statistics value of 1.645. This study contributes significantly to the field of human resource management by demonstrating the critical role of remuneration and training in enhancing employee performance. The findings underscore the necessity for organizations to invest in appropriate remuneration strategies and effective training programs to optimize employee output. Additionally, the moderating role of competence provides valuable insights into how individual capabilities can influence the efficacy of these interventions, offering a nuanced understanding of performance improvement mechanisms in educational institutions.

1. INTRODUCTION

Employee performance problems in higher education can be influenced by several factors such as lack of motivation, competency mismatch, and lack of development opportunities [1]. In addition, unclear tasks and roles, lack of management support, and tensions within the team can also contribute to performance issues in the college environment [2,3]. Therefore, it is important for universities to implement effective management strategies and create a supportive work environment in order to improve employee performance [4].

"Higher Education is one of the organizations that operate in a highly competitive environment" [5]. "Learning organizations play an important role in improving organizational performance and are used to promote effective competitive advantage [6]. According to data from 3,115 Private Universities (PTS) there are approximately 1,600 PTS that have fewer than 500 students. The phenomenon of decreasing student numbers can be interpreted as a threat to the survival of higher education in the long term" [7].

"Higher education institutions, especially universities, should be organized to be able to create a teamwork in passing various changes in the current era of globalization" [8]. The new challenges that must be faced by universities are mainly the problem of developing a workforce that fits the criteria [9]. Therefore, workforce performance is very important, so that

it can increase efficiency and also provide increased results to the organization. In order to achieve the goals to be achieved, existing resources need to be improved. Human resources at universities, in this case employees, who are one of the assets of the organization, must be managed properly [10].

Education personnel in universities play a crucial role in supporting the overall operations and management of higher education institutions [11]. Health Polytechnic of the Ministry of Health Malang (later abbreviated as Polkesma) as one of the educational institutions in the health sector continues to strive to always improve services in the field of education, increase the quantity and quality of research and expand the scope of community service. The performance of educational staff employees at the Poltekkes Kemenkes Malang for six months has fluctuated.

In April, performance peaked with an assessment of 83%, with a basic task volume of 72, an average basic task volume of 60, and a minimum work standard of 77%. March followed with 81% performance, while January and May reached 79%. The lowest performance occurred in February and June with 78%. In terms of basic task volume and average, there were variations. However, the minimum work standard was always below 77%. This indicates fluctuations in the performance of education personnel employees of the Poltekkes Kemenkes Malang during the period [12].

A decline in the performance of education personnel employees can be caused by various factors, such as curriculum changes and internal policies that affect workload and employee assessment standards. Yousefi & Abdullah, identified these factors as curriculum changes, internal policies, training and financial incentives [13]. The focus of this study is on training and remuneration, including financial incentives and rewards. Employees who feel valued and financially recognized tend to be more motivated to improve their performance.

Training is used as a competency development tool, which helps employees improve their knowledge and skills. This increased competence enables employees to perform their duties more efficiently and effectively, positively impacting their performance. The results of interviews with lecturers revealed a research gap, namely the misalignment between remuneration and employee performance at the Poltekkes Kemenkes Malang. The current remuneration system does not reflect the true relationship between financial rewards and employee performance. In addition, there is a difference in understanding between employees' expectations and what they receive [14,15].

Employee performance itself can be influenced by several factors. Some of them are competence [16] and remuneration [17]. The relationship between remuneration, training, competence and performance of teaching staff in educational institutions is very close. Remuneration, including financial incentives and rewards, motivates employees to improve performance. Quality training improves knowledge and skills, leading to increased competence and efficiency in performing tasks. Improved competencies contribute to better performance, helping to achieve the goals of educational institutions. Therefore, remuneration and proper training play an important role in developing competence and improving the performance of teaching staff [18].

Research from Meilinda et al. shows that effective remuneration management can have a positive impact on employee performance and the organization as a whole [19]. Based on research conducted by Adriyanto & Qodariah, the results showed that increasing education / work training, work methods, wages / salaries based on weight and work performance, environment, working conditions and motivation had a significant effect on employee productivity

levels [20]. Then, research conducted by Permatasari et al., shows that good compensation or renumeration is important to motivate employees to improve their performance and to increase organizational productivity [21].

In contrast to previous studies that have examined related variables such as remuneration, competence, training, and employee performance. No research has been found that examines the effect between the variables of remuneration and training on the performance of educational staff employees moderated by competence. So that researchers in this case will answer the problems described in this research study.

This study aims to explore the role of individual competence as a moderator in the relationship between remuneration (salary, allowances, incentives) and training on employee performance in the context of modern organizations. Competence, encompassing job-relevant knowledge, skills and attitudes, is identified as a key variable that influences employee performance. High levels of competence can modify the impact of renumeration and training, allowing employees to utilize training and respond more effectively to financial incentives [22]. This study aims to seek empirical evidence for the concept of competence as a moderator, providing insights for organizational leaders in designing more effective compensation and human resource development strategies. In conclusion, this study has the potential to make an important contribution to the human resource management literature.

Based on the description above, in increasing competence as a moderator influenced by renumeration and training on employee performance, thus, researchers are interested in conducting research with the title "Competence as a Moderator of the Effect of Renumeration and Training on Employee Performance (Study at Poltekkes Kemenkes Malang)".

2. LITERATURE REVIEW

2.1 Equity Theory Relating to Remuneration, Competence and Performance

The theory of justice (equity) was first proposed by Zalesnik in 1958 and then developed by John

Stacey Adams, an expert in behavioral and workplace psychology, who published an equity theory journal related to work motivation in 1963. Equity theory explains that a person's satisfaction depends on whether he feels there is justice (equity) or unfair (unequity) for a situation he experiences [23]. This theory is a variation of social comparison. According to [24], this equity or justice theory has three elements, namely: (1) inputs, (2) outcomes, and (3) comparison persons.

According to Kurniawan Equity Theory related to remuneration, competence, and employee performance is a theory that tries to explain the relationship between these factors in the context of human resource management in an organization or institution [25]. This theory refers to how feelings of fairness or unfairness towards these elements can affect employee performance or performance. In human resource management, it is important to understand the relationship between fairness theory, remuneration, competence, and employee performance. By creating a fair work environment, providing appropriate compensation and paying attention to competency development, organizations can improve overall employee performance.

2.2 RBT Theory Relating Training to Competence and Performance

Resource-Based Theory (RBT) is a theory in the field of management and business strategy that focuses on the role of company resources and capabilities in creating competitive advantage. This theory was first developed by economic and management researchers such as Birger Wernerfelt and Jay B. Barney in the 1980s and 1990s.

Resource-Based Theory (RBT) can have significant training-related implications for competence and performance in an organization. RBT emphasizes the importance of resources and capabilities in creating competitive advantage [26].

2.3 Resource-Based View/RBV Theory in relation to Training to Competence and Performance

Resource-Based View (RBV) theory is one of the theories in strategic management that focuses on how a company's resources and capabilities can be a source of long-term competitive advantage.

RBV emphasizes that to achieve competitive advantage, companies must have resources that are rare, valuable, not easily imitated, and difficult to replace by competitors. In the context of training for competence and performance, RBV theory can play a role in directing human resource development in organizations [27]. In the context of training for competence and performance, RBV theory is a valuable guide in directing human resource development in organizations. Training is the key to identifying unique and rare key competencies, so that organizations can create competitive advantage through employees who have skills and knowledge that are difficult for competitors to replicate.

2.4 Employee Performance

Jamaludin, that employee performance is a result of the work achieved by a person in carrying out the tasks assigned to him which is based on skills, experience, and seriousness and time [28]. According to Yalitoba, there are indicators of employee performance including the following [29],

Table 1. Dimensions and indicators of Employee Performance

No	Dimensions	Indicator
1.	Quality of Work	Neatness in work
		Ability to work
		Accuracy in work
2.	Quantity of Work	Speed in work
		Satisfaction in work
3.	Responsibility	Work result
		Suggestions and Infrastructure
4.	Presence at work	Absence
5.	Cooperation	Solidarity in work
		Collaboration

Table 2. Remuneration dimensions and indicators

No	Dimensions	Indicator
1.	Financial Remuneration	Rewards given directly:
		Wages
		Performance Allowance
		Rewards given indirectly
		Health program
		Pension Program
2.	Non-Financial Remuneration	Satisfaction that employees get from the work itself:
		Interesting assignments
		Job challenges
		Responsibility
		Opportunity for recognition
		Achievement of goals
		Opportunities for promotions
		Satisfaction that employees get from work created by the organization and other employees:
		Fun co-workers
		Comfortable working environment conditions
		Division of work
		Healthy policies
		Competent supervision
		Status symbol recognition
		Flexible working hours

Table 3. Training dimensions and indicators

No	Dimensions	Indicator
1	Time for Implementation of Education and Training	Frequency of participants taking part in education and training (training).
		Suitability of the implementation of education and training (training) with the specified time
2.	Education and Training Participants	Intensity of participant attendance
		Educational background
		Passionate about participating in training
		Desire to understand
3.	Education and Training Methods	Mechanism for delivering educational and training materials (training) by instructors
		The role or active participation of participants in education and training activities (training)
		Communication between instructors and education and training participants (diklat)
4.	Education and Training Instructor	Adequate qualifications/competence
		Motivate participants
		Need for feedback
5.	Education and Training Materials	Suitability of the educational and training (training) materials provided with the participant's duties and work
		Implementation or application of educational and training materials (training) in carrying out tasks
6.	Education and Training Facilities and Infrastructure	Suitability between the place of implementation and the number of education and training (training) participants
		Availability of equipment, supplies and education and training (training) needs

Table 4. Dimensions and indicators of Competence

No	Dimensions	Indicator
1.	Knowledge	Factual Knowledge
		Conceptual Knowledge
		Procedural Knowledge
2.	Skills	Administrative skills
		Managerial Skills
		Technical Skills
		Social Skills
3.	Motive	Economic Encouragement
		Social Encouragement
		Psychological Encouragement
4.	Attitude	Attitude
5.	Self Image	Confidence
		Personal Values

2.5 Remuneration

Remuneration is a reward or reward from the organization to employees for their efforts and performance both in financial and non-financial forms whose purpose is to prosper the employee. The governing policy related to remuneration is in Law No. 43 of 1999 concerning amendments to Law No.8/1974 concerning the principles of employment. According to Susanto & Soedarto, (2022), remuneration indicators can be divided into 2 (two), namely financial remuneration and non-financial remuneration.

2.6 Training

Education and training (diklat) is an implementation of activities to develop the work ability of an employee in relation to an organization that can help in understanding a practical knowledge and can help improve the skills, skills and attitudes of a person needed by the organization in achieving goals. There are several indicators of education and training, namely according to [30].

2.7 Competence

Competence according to Wibowo, which states that Competence is an ability to carry out or perform a job or task based on skills and knowledge and supported by the work attitude required by the job [31]. According to [32] in his research, there are five indicators to measure competence (self-esteem), which are as follows:

3. METHODS

The research used in quantitative research. Quantitative research methods aim to test the hypothesis that has been set. Quantitative methods in the form of numbers obtained from measurements using a scale on the variables in the study [33]. Respondents in this study were 131 education personnel at the Malang City Polkesma who were used as samples. Data analysis was carried out using the Partial Least Square (PLS) method using SmartPLS version 3 software [34,35]. The sample in this study were 100 respondents who met the criteria, with a total population of 621 education personnel at Polkesma. The stages of data analysis in this study are described as follows.

In this study, the population consists of all teaching staff at Poltekkes Kemenkes Malang. Therefore, the Slovin formula is suitable for use in this context as it provides a reasonable estimate of the sample size for a large population. The sample in this study included education personnel with a working period of more than two years (both PNS and Non-PNS) at Polkesma. The sampling method was determined using this formula [36].

$$n = \frac{N}{1 + N.e^2}$$

Dimana:

n = Jumlah Sampel
N = Ukuran Populasi
e = Tingkat Kesalahan (10%)

Dengan menggunakan tingkat kesalahan (e) sebesar 10%, maka jumlah sampel minimal yang dapat diambil sebesar:

$$n = \frac{621}{1 + 621.10\%^2}$$

= 99,99 dan dibulatkan menjadi 100

Berdasarkan hasil perhitungan, maka jumlah sampel yang akan digunakan sebanyak 99,99 responden dan dibulatkan menjadi 100 responden. Karena dasar itulah peneliti menentukan jumlah sampel dalam penelitian ini sebanyak 100 responden.

3.1 Inclusion and Exclusion Criteria

Inclusion Criteria:

a. Teaching staff at Polkesma in Malang City
b. Education personnel with more than 2 years of service
c. Education personnel with civil servant and non-civil servant status

Exclusion Criteria:

a. Educational personnel who have worked at the institution for less than 2 years.
b. Respondents who do not hold a minimum of a bachelor's degree.
c. Measurement Method/Outer Model

3.2 Validity and Reliability Test

Validity and reliability tests are carried out to ensure that the measurements used are suitable for use as measurements (valid and reliable). Validity and reliability testing can be seen from:

a. Convergent Validity is an indicator that is assessed based on the correlation between the item score / component score and the construct score, which can be seen from the standardized loading factor which describes the magnitude of the correlation between each measurement item (indicator) and its construct. The individual reflexivity measure is said to be high if the correlation is> 0.7.
b. Discriminant Validity is a measurement model with reflexive indicators which is assessed based on crossloading measurements with their constructs. discriminant validity, namely by comparing the squareroot value of average variance extracted (AVE)
c. Composite reliability is an indicator for measuring a construct that can be seen in the latent variable coefficient display. In this measurement, if the value achieved is> 0.70, it can be said that the construct has high reliability.

d. Cronbach Alpha is a reliability test conducted to strengthen the composite reliability results. A variable can be declared reliable if it has a Cronbach alpha value> 0.7.

Inner Model Analysis or commonly referred to as the Structural Model is used to predict the causal relationship between the variables tested in the model.

Table 5. Inner Model Analysis

Instrument Test	Test used
Validity test	Convergent Validity AVE
Reliability Test	Cronbach Alpha Composite Reliability

3.3 R-Square Test

The R2 test is used to measure how far the model's ability to explain variations in the dependent variable.

3.4 Structural Model or Inner Model

Inner model analysis in testing using Smart PLS is done by testing hypotheses. In hypothesis testing, it can be seen from the t-statistic value and probability value. To test the hypothesis using statistical values, for alpha 5% the t-statistic value used is 1.96, while the beta value is used to determine the direction of influence of the relationship between variables. The criteria for acceptance / rejection of the hypothesis are:
Ha = t-statistic > 1.96 with p-values <0.05.
H0 = t-statistic < 1.96 with p-values > 0,0

4. RESULTS

4.1 Characteristics of Respondents

The results of this study indicate that the education staff at the Malang City Polkesma are mostly female as many as 56% with the majority age 36-40 years as many as 51%, have a master's degree as many as 48% and S1 44%, with a length of work of 4 to 6 years as many as 50% and permanent employment status as many as 86%.

4.2 Variable Description

In the findings of this study, the most answers on the remuneration variable were a score of 5

which means "Education personnel at Polkesma get institutional rewards in the form of health insurance and pension programs" with an average value of 4.11. The training variable gets a high average value of 4.26 which means "Education personnel at Polkesma who take part in education and training (diklat) according to their needs". Furthermore, the Employee Performance variable obtained an average value of 3.96 which means "Education personnel at Polkesma feel that their abilities have increased or developed since working at the agency where they currently work". And the last variable is competence, which gets an average value of 4.26 which states that "Education personnel at Polkesma feel they have good enough knowledge and skills in their work".

4.3 Outer Model Analysis Results

Validity test: "Validity test is used to measure whether a questionnaire is valid or not. In this study, validity testing was carried out using convergent validity and AVE. Validity uses convergent validity where the measurement model with indicator reflection is assessed based on the correlation between item score / component score calculated by PLS. The individual reflection measure is said to be high if it correlates more than 0.7 with the construction

being measured". Dahri [33] However, according to, "for early stage research from the development of a loading scale of 0.5 to 0.6 is considered sufficient" [35]. The results of the outer model analysis are presented in the following figures and tables:

Reliability test: This study uses 2 types of reliability tests, namely the Cronbach Alpha test and the Composite Reliability test. Cronbach Alpha measures the lowest value (lowerbound) reliability. The data is declared reliable if the data has a Cronbach alpha value> 0.7. Composite reliability measures the true reliability value of a variable. Data is declared to have high reliability if it has a composite reliability score> 0.7.

The test results show that all instruments are declared reliable with Cronbach Alpha and Composite reliability scores> 0.7.

Cronbach's Alpha:: Berdasarkan pada tabel 8, dapat diketahui bahwa nilai cronbach alpha dari masing – masing variabel penelitian > 0,7. Dengan demikian hasil ini dapat menunjukkan bahwa masing – masing variabel penelitian telah memenuhi persyaratan nilai cronbach alpha, sehingga dapat disimpulkan bahwa keseluruhan variabel memiliki tingkat reliabilitas yang tinggi.
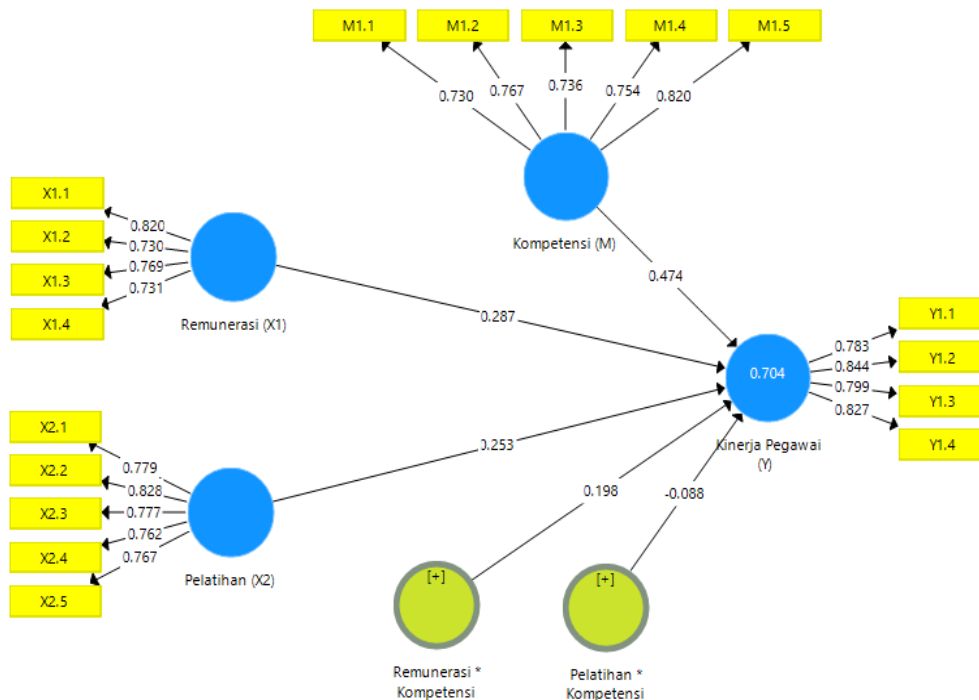

Fig. 1. Outer model analysis

Table 6. Validity test results

Variable		Outer Loading	AVE	Information
Remuneration (X1)	X1.1	0.838	0.622	Valid
	X1.2	0.790		Valid
	X1.3	0.725		Valid
	X1.4	0.798		Valid
Training (X2)	X2.1	0.750	0.606	Valid
	X2.2	0.817		Valid
	X2.3	0.754		Valid
	X2.4	0.773		Valid
	X2.5	0.797		Valid
	X2.6	0.778		Valid
Employee Performance (Y)	Y1.1	0.809	0.640	Valid
	Y1.2	0.843		Valid
	Y1.3	0.777		Valid
	Y1.4	0.798		Valid
	Y1.5	0.772		Valid
Competency (M)	M1.1	0.738	0.583	Valid
	M1.2	0.764		Valid
	M1.3	0.732		Valid
	M1.4	0.770		Valid
	M1.5	0.812		Valid

Source: Processed Primary Data (2023)
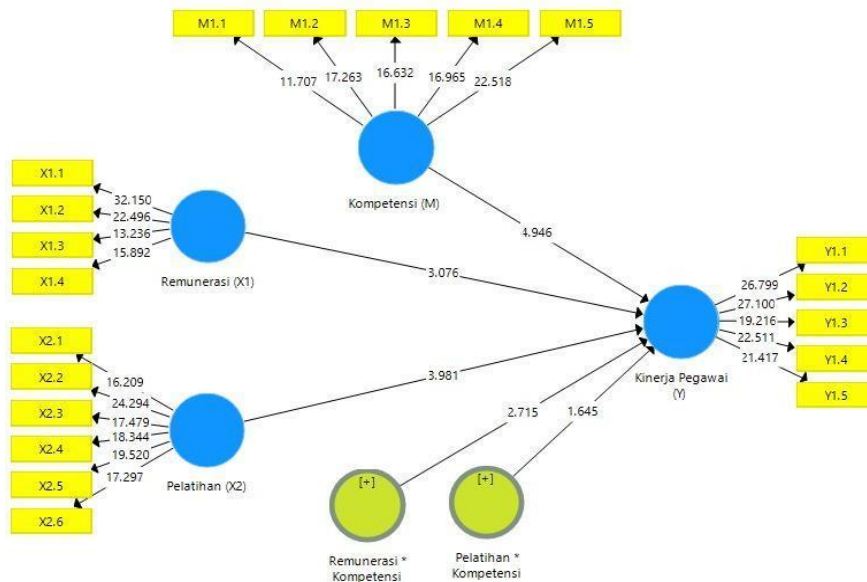
Fig. 2. *Inner Model*
Sumber: Data Primer Diolah (2023)

Table 7. Reliability test results

	Cronbach's Alpha	Composite Reliability
Remuneration (X1)	0.796	0.868
Training (X2)	0.871	0.902
Employee Performance (Y)	0.860	0.899
Competency (M)	0.821	0.875

Source: Primary Data Processed (2023)

Table 8. Cronbach's Alpha

Variabel	Cronbach's Alpha
Remunerasi (X1)	0.796
Pelatihann (X2)	0.871
Kinerja Pegawai (Y)	0.860
Kompetensi (M)	0.821

Source: Primary Data Processed (2023)

Table 9. R-Square Value

Variable	R-Sqaure	R-Square Adjusted
Employee Performance (Y)	0.600	0.584

Source: Primary Data Processed (2023)

Table 10. Hypothesis Test Results (Direct Influence)

Hypothesis	Influence	T Statistics	P Value
H1	Remuneration (X1)☐ Employee Performance (Y)	3,076	0,000
H2	Training (X2)☐ Employee Performance (Y)	3,981	0,000
H3	Remuneration (X1)☐ Employee Performance (Y) moderated by Competency (M)	2,715	0.00 2
H4	Training (X2)☐ Employee Performance (Y) moderated by Competency (M)	1,645	**0.101**

4.4 Inner Model Analysis Results

Coefficient determination test: The R-Square Coefficient determination (R-Square) test is used to measure how much endogenous variables are influenced by other variables. Based on data analysis conducted through the use of the smartPLS program, the R-Square value is obtained as shown in the following Table 9:

Based on the Table 9 above, it can be seen that the R-Sqaure value for the Employee Performance variable (Y) is 0.600. The acquisition of this value explains that the percentage of the amount of Remuneration (X1) and Training (X2) moderated by the Competency variable (M) is 60%.

Hypothesis test: "Testing the hypothesis can be seen through the t-statistic value and probability value. For hypothesis testing using statistical values, for alpha 5% by comparing t count with t table. So that the criteria for acceptance or rejection of the hypothesis is H0 rejected if t-statistic> t count. To reject / accept the hypothesis using probability, Ha is accepted if the p value is <0.05" [36]. The following are the

results of hypothesis testing obtained in this study through the inner model.

The results of testing the first hypothesis show the effect of Remuneration (X1) on Employee Performance (Y) has a T statistics value of 3.076 and a P value of 0.000. The T statistic value> T table (3.076> 1.954) and the P value of 0.000 < 5% alpha standard (0.000 < 0.05) indicate that there is a significant effect of Remuneration (X1) on Employee Performance (Y). So it can be concluded that there is a positive and significant influence by Remuneration (X1) on Employee Performance (Y). In other words, providing better and more appropriate remuneration will be able to improve employee performance or the first hypothesis (H1) is accepted.

Testing the second hypothesis shows the effect of Training (X2) on Employee Performance (Y) has a T statistics value of 3.981 and a P value of 0.000. The T statistic value> T table (3.981> 1.954) and the P value of 0.000 < 5% alpha standard (0.000 < 0.05) indicate that there is a significant effect of Training (X2) on Employee Performance (Y). Thus, the better the training provided is able to improve Employee

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Performance (Y) or the second hypothesis (H2) is accepted.

Testing the third hypothesis shows the effect of Remuneration (X1) on Employee Performance (Y) with Competence (M) as moderation, has a T statistics value of 2.715 and a P value of 0.002. The T statistic value> T table (2.715> 1.954) and the P value of 0.002 < 5% alpha standard (0.002 < 0.05) indicate that this value has a significant positive effect because the t-statistic value> t-table of 1.954. This means that the presence of competence (moderating variable) can strengthen the relationship between remuneration and employee performance or the third hypothesis (H3) is accepted. Also, the results of testing the fourth hypothesis show the effect of Training (X2) on Employee Performance (Y) with Competence (M) as moderation, has a T statistics value of 1.645 and a P value of 0.002. The T statistic value> T table (1.645 < 1.954) and the P value of 0.101 < 5% alpha standard (0.101 > 0.05) indicate that the value is negatively insignificant because the t-statistic value < t-table. In other words, training is unable to improve employee performance and is weakened by poor competence or the fourth hypothesis (H4) is rejected.

5. DISCUSSION

5.1 Effect of Remuneration on Employee Performance

Based on the study findings, better and more appropriate remuneration will be able to improve employee performance or the first hypothesis (H1) is accepted. The findings of this study are in line with research from Alfiyah & Riyanto, which in their study states that remuneration has a significant positive effect on employee performance at the Medan State Attorney's Office [37]. As well as in line with research [38,39,40,41,42] show that there is a positive and significant effect of remuneration on employee performance. Providing remuneration is basically the responsibility of the organization or agency to individuals who have contributed to the organization, thus providing appropriate remuneration to individuals can motivate them to improve their performance.

Remuneration is considered as everything that is a payment for the contribution that has been made to the organization or agency. The provision of remuneration is intended to motivate

employees to carry out their obligations in a performance-oriented manner, understanding what their respective duties and responsibilities are and how to achieve performance targets [43]. Providing remuneration is part of bureaucratic reform which has been determined by the government, where the reason for providing remuneration is because of the relationship between work and the interests of the organization, employees and the government. Based on the results of research conducted on civil servants, remuneration is determined by level / grade and in accordance with the potential possessed by employees. And also employees stated that providing appropriate remuneration to employees motivates employees to work well and feel comfortable in the organization.

Based on research by Purnama et al. it is explained that improving employee performance needs to consider the salaries and rewards provided by the organization [39]. Similar research conducted by Agus Salim et al. explains that providing positive things about remuneration can provide enthusiasm and motivation to employees. So that in testing this hypothesis it can be concluded that the higher the remuneration provided by the organization, the performance of employees in the organization will increase [44].

5.2 Effect of Training on Employee Performance

Based on the study findings, the better the training activities carried out, the better it will be able to improve employee performance or the second hypothesis (H2) is accepted. The findings of this study are in line with research from Elizar & Tanjung which in their study states that this test statistically proves that training has a positive effect on employee performance [45]. This means that there is an influence between the training variable on employee performance. It can be explained if training will get a satisfactory return on investment in human resources which is an important part of the organization's strategy for the future. In addition, training factors consist of instructors, participants, materials, methods, training objectives and a supportive environment that will affect employee performance. Which includes 3 (three) important factors, namely: the quality of trainers, training methods and learning experiences.

This is also in line with research from Kalyanamitra et al. Kuruppu et al. which states that training variables have a positive effect on employee performance [46,47]. Training is an activity to improve and develop the attitudes, behavior, skills and knowledge of employees in accordance with what is desired by the agency concerned. Any training as an effort to achieve increased work productivity of a company / agency is inseparable from influences, both internal and external influences on the agency. This influence requires every agency organization to improve services so that it can meet the increasing needs of the community.

To achieve a high level of productivity, the company / agency must improve the ability, both knowledge and skills of its employees in order to adapt to changes in the agency, where this can be achieved through incentive training. In addition, Fatmawala et al. [48] also stated that the quality of employees / employees who continue to increase is an important aspect that must be maintained and maintained by the agency in connection with the agency's desire not to experience a decline.

Therefore, in the process of recruiting new employees / employees must choose a workforce with adequate quality, in addition to trying to improve the ability of the old ones. By conducting training for employees in an agency, including education, various benefits can be obtained for the leadership and employees in decision making. Thus efforts to increase employee productivity and performance can be achieved without increasing the number of employees but simply by coaching, developing and training human resources.

5.3 The Effect of Remuneration on Employee Performance Moderated by Competence

Based on the study findings, the presence of competence (moderating variable) can strengthen the relationship between remuneration and employee performance. The results of this study are in line with Muazza's research which states that competence, remuneration, can affect teacher performance [49]. Adequate remuneration can provide a positive incentive for employee performance. However, performance improvement is not only determined by the level of remuneration alone, but also by internal individual factors, such as the level of competence.

Employee competence, which includes skills, knowledge and abilities, can act as a significant moderating variable. Individuals with high levels of competence may be better able to optimize the benefits of a given remuneration system. Such competencies can strengthen the relationship between remuneration and performance by providing a solid foundation for employees to produce better work results. By having relevant skills, employees can respond more effectively to financial incentives and produce higher performance [50].

Research by Tumundo & Sondakh also shows that competence can act as a catalyst that strengthens the positive impact of remuneration on employee performance [51]. Therefore, human resource managers and organizational decision makers need to understand that the design of a successful remuneration system not only requires consideration of the amount of compensation, but also needs to take into account the influence of moderating variables, such as competencies, to ensure an optimal relationship between remuneration and employee performance.

5.4 Effect of Remuneration on Employee Performance moderated by Competence

Based on the study findings, the presence of competence (moderating variable) will weaken the relationship between training and employee performance or the fourth hypothesis (H4) is rejected. In human resource management, an understanding of moderating variables, such as competence, is important in examining the relationship between training and employee performance.

Although training is considered a strategy that can improve performance, competence can act as a potential moderating variable to weaken the positive impact of training on employee performance. A relevant study by Tannady et al. suggests that employees with high levels of competence may be less responsive to training as they already have sufficient skills and knowledge [52]. In this context, it can be assumed that the competencies already possessed by employees prior to training may make training less effective in improving their performance.

Employees who already have sufficient competencies may feel less motivated to fully

engage in the training or even perceive the training material as something they have already mastered. Therefore, human resource managers and training practitioners need to consider individual competency levels as a potential moderating factor to weaken the relationship between training and employee performance [52].

6. CONCLUSION

Based on the results of the research conducted on Remuneration and Training on Employee Performance with Competence as a Moderating Variable (Study at Poltekkes Kemenkes Malang), the conclusions are as follows: Remuneration has a positive and significant effect on employee performance, indicating that providing better and appropriate remuneration can improve employee performance, thus supporting the first hypothesis. Training also has a positive and significant effect on employee performance, meaning that high-quality training can improve employee performance, thus supporting the second hypothesis. Additionally, remuneration has a positive and significant effect on employee performance with competence as a moderating variable, implying that competence strengthens the relationship between remuneration and employee performance, thus supporting the third hypothesis. However, training does not significantly improve employee performance when moderated by competence, as poor competence weakens the impact of training on performance, thus rejecting the fourth hypothesis.

DISCLAIMER (ARTIFICIAL INTELLIGENCE)

Author(s) hereby declare that NO generative AI technologies such as Large Language Models (ChatGPT, COPILOT, etc) and text-to-image generators have been used during writing or editing of manuscripts.

COMPETING INTERESTS

Authors have declared that no competing interests exist.

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