

HUMAN RESOURCE COMMITMENT OF EDUCATION SERVICES SECTOR FROM COMPENSATION PERSPECTIVE IN WEST JAVA-INDONESIA

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Abstract

The purpose this research is to find out how 1) the conditions of direct compensation, indirect compensation and the commitment of workers in the education service business sector in West Java. 2) The contribution of direct and indirect compensation to work commitments in the education service business sector in West Java. These two conditions were especially important when the Covid 19 pandemic took place in Indonesia in general and West Java in particular. The research method used is descriptive and verification by taking field and library research data. Data were collected from 52 education actors by filling out questionnaires, interviews and studies from previous research. To answer the hypothesis used statistical tools, namely correlation and determination with SPSS Version 25 software and also test data in the form of validity, reliability and normality tests of data. The results of the research show that all data are valid, reliable and normally distributed with a strong employee commitment to the organization, because it is supported by direct and indirect compensation, which is also strong. Meanwhile, the contribution of direct compensation is small and indirect compensation to the commitment of workers is quite large. Overall, the contribution of compensation to work commitments in this sector is quite large and all of these contributions are significant.

Keywords: direct compensation, indirect compensation, worker commitment, pandemic covid 19.

RESEARCH BACKGROUND

Human resources in an organization have a very decisive function and role, because these resources will provide value to the existence of other resources. Without the presence of human resources, the existence of other resources will be ignored by itself. Let's say the world is currently split into two clusters, the first cluster being developed countries and the second being developing countries. Developed countries are countries that have a level of development in their country seen from aspects of technology, science, health, economy, country defends and superior human resources and are reel to use. Meanwhile, developing countries are countries whose condition factors or aspects above are still potential. To reach the potential level to the reel it takes a lot of time and capital is needed including the readiness of its human resources. Departing from that thought, it is clear that the existence of human resources in a country, as an asset, clearly determines its role. This means that the presence of other resources in a country is clearly very beneficial for that country, even that country will be attacked and targeted by other countries. However, remember to process these resources, human resources are needed, so that with all their intelligence they can turn potential natural resources into reels and the country will shift its position from developing to developed countries. With such a description, it is clear that the participation and participation of human resources in a country is related to economic aspects and so on.

The involvement of human resources in the development of a country, the aspect of involvement is very broad and can take various forms of life. As in managing a business organization in the community. This business organization is an institutional form that absorbs a lot of human resources in almost all countries. As an illustration of the contribution level of human resources in the small and medium business sector in the city of Bandung until 2016 is as follows (Deden Sutisna, 2020):

Table 1: Number of MSMEs in Bandung City 2010-2016

NO	Period/Year	Entrepreneur		
		Small (person)	Middle (person)	Great (person)
1	2010	3.649	301	271
2	2011	3.827	325	273
3	2012	3.921	337	273
4	2013	4.115	357	274
5	2014	4.301	372	276
6	2015	4.527	390	281
7	2016	4689	395	281

Source: Office of MSMEs and Industry and Trade of Bandung City 2016

The table above shows that the number of SMEs in the city of Bandung continues to increase. The average increase in MSMEs in the city of Bandung from 2010 to 2016 was 192 or as much as 4% per year. The number of additions to MSMEs based on the existing sectors under the guidance of the MSME and Trade Industry Office of Bandung City in 2017 is as follows:

Table 2: Increase in the Number of MSMEs by Business Type 2010-2017

No	Business Type	Year							Amount	
		2010	2011	2012	2013	2014	2015	2016		2017
	Culinary	38	113	42	42	68	150	126	97	676
2	Fashion	25	53	30	29	57	70	36	29	329
3	Handycraft	10	39	11	11	28	29	25	17	170
4	Trade	14	40	7	7	7	22	22	20	139
5	Services	5	15	3	3	3	37	11	30	107

Source: Department of KUMKM and Industry and Trade of Bandung City in 2017

Departing from the background of the research above, it appears that the involvement of human resources in the formation of a business in one of the cities in Indonesia appears to have a very strong and large contribution and participation. The role of HR shows dominance in determining the existence of businesses and activities in it, based on this, HR commitment and rewards from companies in the form of compensation are important to study, especially when the Covid 19 pandemic has been running for almost 2 years. The pressure of the hypothesis above is reinforced by Handaru, et.al.2013. states that job characteristics and compensation have a significant influence on employee commitment in an organization.

So the formulation of the problem in this research is 1) What is the condition of direct compensation, indirect compensation and the commitment of workers in the education service business sector in West Java. 2) How big is the contribution of direct and indirect compensation to work commitments in the education service business sector in West Java.

THEORETICAL FOUNDATION

Theoretically various references indicate what is meant by compensation are:

1. According to William B. Werther and Keith Davis, compensation is what an employee receives in return for the work he provides. Well hourly wages or periodic salaries are designed and managed by the personnel.
2. According to Andrew F. The compensatory cycle is anything that constituted or considered as a reward or equivalent.
3. According to Dessler (2002:115) employee compensation is any form of payment or reward given to employees and arising from the employment of the employee.

Based on the definition above, this compensation is actually divided into two groups, namely:

1. Immediate compensation
2. Indirect compensation

Employee commitment is one of the keys that determines success whether or not an organization achieves its goals.

Mathis and Jackson in Sasono (2004) define organizational commitment as:

the degree to which employees believe and are willing to accept the goals of the organization and will remain or will not leave the organization.

Allen and Meyer (1997) stated that organizational commitment is an employee identification of approval to achieve the unit's mission or mission.

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2. Cronbach's alpha total is 0.85 so all data are reliable, because it is more than 0.70

3. Corrected item total correlation average is above 0.30, thus all data obtained are valid.

Indirect Compensation

Indirect compensation data used in this research after data testing shows the following results:

1. All data is valid and nothing is excluded with a total data of 52 respondents.
2. Cronbach's alpha total is 0.89 so all data are reliable, because it is more than 0.70
3. Corrected item total correlation average is above 0.30, thus all data obtained are valid.

Direct Compensation Condition

Direct Compensation is all rewards received by the respondent from the company or employer periodically. This reward shows and illustrates how strong the cash financial receipt aspect by workers or educators at any time in encouraging their daily activities. Of course, the greater this aspect, the stronger the effect on the effort of workers.

The conditions of Direct Compensation for workers in the Education sector in West Java, especially during the Covid 19 pandemic, are as follows:

Table 7: Statistics Descriptive X₁

		VAR00001	VAR00002	VAR00003	VAR00004	VAR00005	VAR00006
N	Valid	52	52	52	52	52	52
	Missing	0	0	0	0	0	0
Mean		4.0962	4.0000	3.9423	4.0000	3.8846	3.6538
Median		4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
Sum		213.00	208.00	205.00	208.00	202.00	190.00

The average of respondents' responses as workers in the education sector is 3.90, thus the condition of Direct Compensation of workers in the education sector in West Java when conducting research is adequate, because it is in the interval 3.0 - 4.0.

Indirect Compensation Condition

Indirect compensation is all rewards received by the respondent from the company or employer periodically in the form of not direct cash but in the form of benefits. This reward shows and illustrates how strong the aspect of receiving benefits by workers or educators at any time in encouraging their daily activities. Of course, the greater this aspect, the stronger the effect on the effort of workers.

Indirect compensation conditions for workers in the education sector in West Java, especially during the Covid 19 pandemic, are as follows:

Table 8: Statistics Descriptive X₂

		VAR00001	VAR00002	VAR00003	VAR00004	VAR00005	VAR00006	VAR00007	VAR00008
N	Valid	52	52	52	52	52	52	52	52
	Missing	0	0	0	0	0	0	0	0
Mean		3.8462	3.8654	3.7692	3.9038	3.2308	3.2500	3.5577	3.4808
Median		4.0000	4.0000	4.0000	4.0000	3.0000	3.0000	4.0000	4.0000
Sum		200.00	201.00	196.00	203.00	168.00	169.00	185.00	181.00

The average of respondents' responses as workers in the education sector is 3.60, thus the indirect compensation condition of workers in the education sector in West Java when research is carried out is adequate, because it is in the 3.0 - 4.0 interval.

Conditions of Worker Commitment

Worker commitment is the willingness of every worker to remain committed in carrying out their main tasks and functions in accordance with their job descriptions. This commitment is important for the company because it will relate to the achievement of performance. The conditions of commitment from workers in the education sector in West Java, especially during the Covid 19 pandemic, are as follows:

Table 9: Statistics Descriptive Y

		VAR00001	VAR00002	VAR00003	VAR00004	VAR00005	VAR00006
N	Valid	52	52	52	52	52	52
	Missing	0	0	0	0	0	0
Mean		3.8269	3.7885	3.7308	3.9231	3.8846	3.8654
Median		4.0000	4.0000	4.0000	4.0000	4.0000	4.0000
Sum		199.00	197.00	194.00	204.00	202.00	201.00

The average commitment of workers to organizations in this sector is 3.70, meaning that the condition of workers' commitment to the organizations where they work is strong during the COVID-19 pandemic.

Direct Compensation Contribution to Employee Commitment

The results of this analysis will show how much influence direct compensation has on employee commitment to the organization. SPSS 25 output results show the following:

Table 10: Coefficients^a Regresion

Model		Unstandardized		Standardized		Correlations			
		Coefficients	Std. Error	Coefficients	t	Sig.	Zero-order	Partial	Part
1	(Constant)	13.372	4.530		2.952	.005			
	Direct Com	.409	.190	.291	2.153	.036	.291	.291	.291

a. Dependent Variable: OC

The direction of the relationship between direct compensation and organizational commitment is unidirectional, meaning that every change in direct compensation of one unit will result in a change of one unit also in the commitment of workers to the organization. The equations obtained are:

$$Y = 13.37 + 0.41X$$

The effect given by direct compensation partially on the commitment of workers in this sector is 8.50%, the remaining 91.50% is determined by other variables not examined, such as education, work environment, leadership style, organizational policies and so on. The above effect is significant because sign Value < 0.05 or 0.00 < 0.05.

Table 11. Coefficient Detrmination X1

Model	R	Adjusted R Square	Std. Error of the Estimate	Change Statistics			Sig. F Change	
				R Square	F Change	df1		df2
1	.291 ^a	.085	4.75828	.085	4.634	1	50	.036

a. Predictors: (Constant), Direct Com

Indirect Compensation Contribution to Employee Commitment The results of this analysis will show how much influence indirect compensation has on employee commitment to the organization. SPSS 25 output results show the following:

Table 12: Coeficient Regretion X2

Model		Unstandardized		Standardized		Correlations			
		Coefficients	Std. Error	Coefficients	t	Sig.	Zero-order	Partial	Part
1	(Constant)	9.418	3.278		2.873	.006			
	Indirect Com	.471	.112	.512	4.219	.000	.512	.512	.512

a. Dependent Variable: OC

The direction of the relationship between indirect compensation and organizational commitment is unidirectional, meaning that every change in indirect compensation by one unit will result in a change of one unit also in employee commitment to the organization. The equations obtained are:

$$Y = 9.42 + 0.47X$$

The influence given by indirect compensation partially on the commitment of workers in this sector is 26.30%, the remaining 73.70% is determined by other variables not examined, such as education, work environment, leadership style, organizational policies and so on. The above effect is significant because sign value < 0.05 or 0.00 < 0.05.

Table 13: Coefficient Determination Y

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	.512 ^a	.263	.248	4.27140	.263	17.799	1	50	.000

a. Predictors: (Constant), Indirect Com

Total Compensation Contribution to Employee Commitment

This contribution shows how the simultaneous influence of direct and indirect compensation on the commitment of workers in the education sector in West Java. The results or outputs show SPSS that as a whole are as follows:

Table 14: Total Coefficient Regression

Model		Unstandardized Coefficients		Standardized Coefficients		t	Sig.	Correlations	
		B	Std. Error	Beta				Zero-order	Partial
1	(Constant)	7.246	4.439			1.632	.109		
	Indirect Com	.434	.123	.472		3.531	.001	.512	.450
	Direct Com	.137	.188	.098		.730	.469	.291	.104

a. Dependent Variable: OC

Seen from the table above, it appears that the compensation and commitment of workers in the education sector in West Java are in the same direction. This means that changes in compensation will also be followed by changes in employee commitment. The regression equation obtained from the analysis can be formulated as follows:

$$Y = 7.25 + 0.43X_1 + 0.14X_2$$

The effect given by the total compensation on the commitment of workers in this sector is 27%, the remaining 73% is determined by other variables not examined, such as education, work environment, leadership style, organizational policies and so on. The above effect is significant because $t_{count} > t_{table}$ or $0.00 < 0.05$.

Table 15: Total Coefficient Determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	R Square Change	Change Statistics			Sig. F Change
						F Change	df1	df2	
1	.520 ^a	.270	.241	4.29149	.270	9.083	2	49	.000

a. Predictors: (Constant), Direct Com, Indirect Com

CONCLUSION

Based on the research results, the following conclusions can be drawn:

1. The condition of direct compensation, indirect compensation and the commitment of workers in the education service business sector in West Java can be explained as follows.
 - a. Direct compensation from workers in the education sector in West Java when the research was conducted was adequate, because it was in the 3.0 – 4.0 interval.
 - b. Indirect compensation from workers in the education sector in West Java when the research was conducted was adequate, because it was in the 3.0 – 4.0 interval.
 - c. The commitment of workers to organizations in this sector is 3.70, meaning that the condition of workers' commitment to the organizations where they work is strong during the COVID-19 pandemic.

2. The contribution of direct and indirect compensation to work commitments in the education service business sector in West Java.
- The effect of direct compensation on the commitment of workers in this sector was small during the Covid-19 pandemic and the effect was significant.
 - The effect of indirect compensation on the commitment of workers in this sector is quite large during the Covid 19 outbreak in West Java and the above influence is significant.
 - The effect of total compensation on the commitment of workers in this sector is quite large during the Covid 19 outbreak in West Java and the above influence is significant.

SUGGESTION

For the establishment of the education service sector in West Java, especially when Covid is running, there must be a strengthening of direct compensation from the education provider.

RECOMMENDATION

The education services sector currently still has strong support from workers in this sector in the form of work commitments, however, stakeholders in this sector must think about appropriate regulations, especially in terms of direct compensation, such as basic salaries and allowances.

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