
Factors Employee Performance with Compensation as Moderating Variables

Sugeng Eko Yuli Waluyo, Mohamad Johan Efendi, Khasbulloh Huda, Rachmad Sholeh

Department of Management, Mayjen Sungkono University, Mojokerto

Corresponding Author*: sugeng.windurejo@gmail.com, mohamadjohanefendi@gmail.com,
hudakhasbulloh2@gmail.com, rachmadsholeh85@gmail.com

ABSTRACT

Purpose: The purpose of this study is to investigate the relationship between employee performance and human resource development as well as views of organizational support, with remuneration serving as a moderating factor in the assessment of this relationship.

Design/methodology/approach: The investigation will be carried out at PT. International Chemical Industry for the purpose of conducting a case study. Two models are generated by the PLS analysis, which are referred to as the outer model and the inner model. A bootstrapping scenario was used to test the hypothesis, and the results of the t test (t-statistics) were used to interpret the data. PT. International Chemical Industry, which is based in Surabaya, was the location where the research was carried out.

Findings: Based on these data, it can be concluded that improvement in human resource management has a favorable and significant impact on employee performance. Based on these data, it can be concluded that the perception of organizational support does not have a positive or statistically significant impact on the performance of employees. Based on these findings, it appears that the provision of money does not have a positive or statistically significant impact on the performance of any employees. According to the findings of this study, human resource development has a considerable detrimental influence on employee performance, which is compensated by increases in wage. The data presented here demonstrates that when salary is taken into consideration, perceived organizational support does not have a statistically significant positive impact on the performance of employees.

Practical implications: The findings of this study underline the significance of aligning compensation with the capabilities of employees in order to increase both level of productivity and motivation. It underlines the necessity for organizations to prioritize fair compensation and give sufficient managerial assistance for employee happiness and performance improvement.

Keyword: Human Resources Development, Perception of Organizational Support, Employee Performance and Compensation

Received : January 10th

Revised : April 18th

Published : May 31th

I. INTRODUCTION

The main role of a company's human resources department is to motivate employees to achieve company goals. To manage, coordinate and use people in an organization successfully, human resources are essential (Astuti et al., 2022). In this way, employees can make efficient steps towards achieving company goals. However, Stuti et al. (2022) noted that increasing work efficiency is not an easy thing. To achieve company goals, it is very important to have strong leadership and personnel who are ready to follow task patterns and be supervised. An organization's total output correlates most strongly with the efficiency and effectiveness of its workforce (Aida, 2022). If Agustini (2023) is to be believed, this company relies on the fact that its workers will improve their performance and contribute to the achievement of predetermined goals. The relationship between employee performance and a company's capacity to achieve its goals is clear to see. In high performing employees,

individuals help the organization achieve its goals; for low-performing employees, these individuals hinder the company's progress (Aida, 2022).

According to Jamaludin, Sihabudin, Wanta, Firmansyah, and Mudzakir (2021), work motivation, leadership style, knowledge, job design, personality, as well as skills and experience are several factors that may influence performance. Some of the topics covered in this course include leadership, organizational culture, feeling supported by superiors, job happiness, work environment, loyalty, devotion, and work ethic. Increasing employee motivation can be done by providing incentives in the form of money as a form of appreciation for the extraordinary contribution they have made to the company. According to Astuti et al. (2022), workers receive overall compensation when they are paid for the tasks they have performed. Providing compensation to workers can be done in monetary and non-monetary form. Salaries, bonuses, salaries, and commission payments are part of what is known as "financial compensation" for workers. This kind of compensation mainly deals with direct monetary compensation. Any monetary benefits that are not given directly to employees are referred to as non-financial compensation by Adam, Suryani, and Tarigan (2021). This kind of compensation is sometimes also called allowances. Compensation for PT employees. International Chemical Industry in the form of cash bonuses paid individually. This award is given in addition to their regular salary and is given in recognition of the work they have done. An employee's salary is based on various criteria, such as their position, level of recognition, and the extent to which there and their families' needs are met. Paying workers more will allow them to take on more responsibilities, move up the ranks, and meet their needs to a greater degree. There are many main purposes of enterprise payment systems. This includes rewarding employees for their efforts, ensuring all staff feel fair, increasing employee retention, attracting the best talent, and creating systems that motivate people to do their best.

Human resource development has the potential to impact performance. The aim of developing human resources in the company environment is to grow employees who have good characteristics, are tough, intelligent, skilled, independent and have a sense of unity. The individual must also be diligent, productive, creative, innovative, disciplined and future-oriented, with the ultimate goal of improving the quality of his life (Mus Aidah, 2022). Improving the quality of human resources is carried out in accordance with the competencies, knowledge and professional prerequisites required in each area of growth. Resource development in a company includes many variables, including education and training, career planning and management, improving work quality and productivity, as well as improving occupational health and safety (Simamora, 2014: 411). This is in line with the scenario at PT. International Chemical Industry, where all workers consistently improve their skills, resulting in competency development and increased proficiency. By using this approach, organizations can improve staff performance thereby enabling the achievement of the company's vision and goals. This finding is in line with research by Agustini (2023) which states that human resource development has a positive and substantial impact on staff performance in the company environment. Selayar Islands DPRD Secretariat Office

Employees will be happier and more productive at work as a result of this situation. Specifically regarding compensation, Astuti et al. (2022) stated that the extent to which each employee is satisfied with their work has a major influence on achieving organizational goals and performance assessment. This is supported by the results of Aida's research (2022) because it shows that compensation has the potential to increase employee productivity. An organization's capacity to achieve its goals may be hampered by inadequate compensation. Therefore, in this particular case, it is important to think about matters related to human resource growth (Agustini, 2023). To ensure that people are able to fulfill their role as workers or members of a company, human resource development programs aim to provide them with the necessary information, training and mindset. Adam, Suryani, and Tarigan (2021) stated that this route is more suitable for people to face and overcome obstacles related to their workplace. The relevance of human resource development is greatly influenced by both the results of labor productivity and the quality of the work performed.

Compensation, if used as a moderating variable, has the capacity to increase the correlation between Human Resources Development, organizational support and employee performance. Organizations can effectively encourage workers to be actively involved in Human Resources Development programs by offering appropriate incentives and fair remuneration. Human resource development has the ability to influence performance. The aim of developing human resources in the company environment is to grow employees who have good characteristics, are tough, intelligent, skilled, independent and have a sense of solidarity. These employees are expected to be diligent, productive, creative, innovative, disciplined and future-oriented, with the ultimate goal of improving their quality of life (Mus Aidah, 2022). Improving the quality of human resources in accordance with the competencies, competencies and professional prerequisites required in all areas of growth. Resource development in a company includes many variables, including education and training, career planning and management, improving work quality and productivity, as well as improving occupational health and safety (Simamora, 2014: 411). Elements of work motivation and performance appraisal are components included in the realm of human resource development. Apart from that, work culture has the potential to influence performance. These findings are in line with research by Agustini (2023) which shows that human resource development and remuneration

have a good and big influence on employee performance. This study shows that compensation can effectively increase human resource development and improve employee performance.

The competitiveness of a company is positively correlated with the degree of knowledge possessed by its human resources, according to Marlana and Bustami (2021). No two people are the same; we all have unique skills and unlimited creative potential. A person must intentionally cultivate and enhance their talents, inventive powers, and creative potential through coaching if they are to reach their maximum potential. The company's internal efforts to develop its workforce are very important. For a company to be successful in the long term, it needs help from its workers and the company itself. Staff development and training program carried out by PT. The International Chemical Industry that was launched has not been successful. Seminars, workshops, and other forms of formal education that are highly relevant to their primary responsibilities are greatly underrepresented. So far, workforce competency has not been improved through existing technical supervision and workshops. As a result, the supply of skilled individuals in certain fields is limited. Considering the importance of work performance, alignment of compensation, fulfillment of professional development criteria, and identification of deviations or deficiencies in work, performance assessments must be carried out (Mudayana, 2020). In particular, this method is useful in PT. International Chemical Industry to assess and analyze the implementation of tasks, compare them with the set goals, and improve performance in the coming period (Marlana & Bustami, 2021). This argument is supported by research conducted by Agustini in 2023. The results of this research show that investment in human resources has a significant and positive effect on productivity in the workplace. In terms of developing competent and high-achieving employees, the company is the main player. In terms of employee performance, the company has a big role in determining and shaping results. Workers will feel comfortable and enthusiastic about their work if the company effectively fulfills its obligations and duties. Each employee has a unique social role, and they all consciously carry out their assigned tasks. However, by rewarding employees who demonstrate exceptional performance during their tenure, companies can provide great support to their workforce.

According to Khairunisa (2023), when employees feel supported by their organization, it influences their perception of how much the company values and compensates them for their work. In short, workers will feel that the company cares about them and is there for them every step of the way. This is how employees see it. Overall employee performance is influenced by the organizational environment, which includes physical, social and psychological factors. Employees' assessment and recognition of their pay can also be influenced by the extent to which they feel well supported by the company. The use of a Point of Sale (POS) system can influence employee perceptions regarding the fairness of their compensation. Giving workers a sense of ownership will increase the likelihood that they will see the salary plan as open and honest. The amount of money they received should still be discussed more openly, even if it is not very significant. The idea of organizational support is critical to fostering a sense of belonging and connection between a company and its employees. Feelings of ownership of the company can influence employee performance levels, according to research conducted by Khairunisa, F. (2023). This is why it is so important for employees to truly love their jobs; that is the only way they can contribute to the organization's goals. Undoubtedly, these opportunities help the company achieve its main goals or execute existing strategies. Prasetyo and Frianto (2020) and Khairunisa, F. (2023) show that workers' perceptions of organizational support have a significant and positive effect on their performance. The researcher plans to use the background information provided to conduct scientific research with the title "The Impact of Human Resource Development and Perceptions of Organizational Support on Employee Performance, With Compensation as a Moderating Variable: Case Study at PT. International Chemical Industry." Business performance can be improved with the help of this research.

A. Literature Review and Hypothesis Development

1. Employee Performance Evaluation.

Performance refers to an individual's work performance or the actual achievements they make in their work. Performance refers to the implementation or result of an action. Mangkunegara (2017) defines performance as a consequence of an employee's work, which is assessed by the quality and quantity of tasks completed in accordance with the responsibilities given. Meanwhile, Priansa (2018) defines performance as measurable output or success that a person achieves through their work. "The results are carefully documented to facilitate a thorough evaluation of how performance should compare to the current state." This research uses the following indicators:

1. Work quality
2. Working quantity
3. Cooperation
4. Responsibility
5. Initiative

2. Human resource development can also have an impact on performance.

The aim of developing banking human resources is to produce individuals who are good, tough, intelligent, skilled, independent and have a sense of unity. These employees are diligent, diligent, imaginative, and inventive. They are also disciplined and forward-thinking, seeking to build a more prosperous future. Improve the quality of human resources in line with talents, skills and vocational requirements in all areas of growth. (Basrie, 2018). This research uses the following indicators:

1. Instruction
2. Rotation of work units.
3. Practice work instructions

3. Perceived organizational support.

Perceived organizational support is the extent to which a person feels they have support from their employer. Workers' feelings that their employers care about them and their success are known as "perceived Organizational Support" (POS) (Khairunisa, F., 2023). According to Rhoades and Eisenberger (2002), employees' views of organizational support are their overall beliefs based on their experience of organizational policies and their contacts with management. Their impression of the organization's concern for them shapes this idea. The following metrics are used in this analysis:

1. Appreciate Employee Contributions
2. Support for Career Growth and Development
3. Fairness and Consistency in Care
4. Availability of Information about the Organization
5. Superior Manager and Support
6. Security and Fairness in Employment
7. Social Support in Teams and Organizations
8. Support for Work-Personal Life Balance

4. Compensation awards, or compensation

Include all forms of remuneration given to employees as an expression of appreciation for their contribution to the organization. Hasibuan (2018) defines compensation as compensation received by employees in exchange for services or products provided to a company or organization. This investigation uses the following indicators:

1. Wages and salaries
2. Incentive
3. Pocket money
4. Facility

5. Hypothesis

In an organization, human resource development aims to improve living standards by developing employees who have integrity, resilience, intelligence, expertise, autonomy, a sense of togetherness, perseverance, productivity, ingenuity and novelty, self-control, and a focus on the future. views (Mus Aidah, 2022). Improving the quality of human resources in line with professional standards, skills and abilities required in all development domains. Resource development in a company includes improving work quality and productivity, as well as improving health and safety in the workplace, through education and training, career planning and management (Simamora, 2014: 411). These results are in line with research by Agustini (2023) which states that employee performance and human resource development have a good and statistically significant relationship. As a result, the following theory can be established:

H1: It is suspected that employee performance is significantly influenced by human resource development.

Feelings of attachment and reciprocal affinity between the organization and its workforce will be fostered by employees' impressions of organizational support. Research conducted by Prasetyo and Frianto (2020) found that an employee's level of connection may influence how well they work. Therefore, encouraging workers to have a sense of commitment to their work can help achieve overall organizational goals. This opportunity is undoubtedly considered to have helped the organization achieve one of its main goals or follow a planned action. Research by Khairunisa, F. (2023) shows that employee performance increases significantly with perceived organizational support. As a result, the following theory can be established:

H2: There is a possibility that perceptions of organizational support have a large influence on worker performance.

Compensation has the potential to strengthen the relationship between human resource development, organizational support, and employee performance in its role as a moderating variable. Employers can increase staff participation in Human Resources Development initiatives by offering appropriate rewards and fair remuneration. Human resource development can also influence performance. In an organization, human resource

development aims to improve living standards by developing employees who have integrity, resilience, intelligence, expertise, autonomy, a sense of togetherness, perseverance, productivity, ingenuity and novelty, self-control, and a focus on the future. views (Mus Aidah, 2022). The results reported here are consistent with research conducted by Agustini (2023), which states that employee performance is strongly influenced by a combination of Human Resources Development and salary. As a result, it has been proven that salary can strengthen the impact of human resource development on worker performance. As a result, the following theory can be established:

H3: There is an opinion that salary can increase the impact of human resource development on worker performance.

Additionally, adequate compensation has the potential to improve workers' opinions of the help the company offers, which in turn can create stronger bonds between workers. and company. Therefore, this research is expected to provide a comprehensive understanding of how the best combination of HRD, organizational support, and salary can influence overall worker productivity. Feelings of attachment and mutual affinity between the organization and its workforce will be fostered by an employee's impression of organizational support. Research conducted by Prasetyo and Frianto (2020) found that an employee's level of connection may influence how well they work. Therefore, encouraging workers to have a sense of commitment to their work can help achieve overall organizational goals. This opportunity is undoubtedly considered to have helped the organization achieve one of its main goals or follow a planned action. According to research by Khairunisa et al. (2023), there is a significant positive relationship between employee performance and perceptions of organizational support. This conclusion is supported by Mus Aidah et al. (2022) and Agustini et al. (2023), which confirms that remuneration has a positive and substantial impact on employee performance. As a result, salary was proven to strengthen the relationship between employee performance and perceived organizational support. As a result, the following theory can be established:

H4: It is suspected that remuneration increases the influence of workers' perceptions of organizational support on their performance.

II. METHODS

To test research ideas and concepts and find solutions to research problem designs, Partial Least Square (PLS) Model Analysis is used. There are two models resulting from PLS analysis. These models are known as Outer Model and Inner Model. Using a bootstrapping scenario, the hypothesis is tested, and the t-test results are used to determine the experimental results. Surabaya is the location of the company conducting the research, namely PT. International Chemical Industry. In this research, the population consists of individuals who work at PT. International Chemical Industry and is part of the Distribution Production Division. There are 47 people in total, who work full time or part time. The measuring instrument used was a Likert scale, and the group used consisted of one hundred people. In this research, the type of sample used was non-probability sampling, and the sampling technique used was saturated sampling.

III. RESULTS AND DISCUSSION

A. Results

1. Results of Descriptive Statistical Testing

Descriptive statistics are used to determine the description of respondents' answers to research variables. The following table explains it

Table 1. Descriptive Statistics

	<i>N</i>	<i>Minimum</i>	<i>Maximum</i>	<i>Means</i>	<i>Std. Deviation</i>
<i>Human Resources Development</i>	47	2.67	5.00	4.0426	.49936
<i>Perceived Organizational Support</i>	47	3.80	5.00	4.6213	.42166

Compensation	47	3.75	5.00	4.4734	.45215
Show	47	3.40	5.00	4.4766	.43048
Valid N (list)	47				

Source: Primary data processed, 2024

The table above displays statistics showing that the minimum value for the statement is 2.67, while the maximum value reported by respondents is 5. However, the average value is between the range of 4.0426 and 4.6213. The standard deviation is in the range of 0.4216 to 0.4993.

2. Item Validity and Reliability Test

Because the probability value of the correlation coefficient for each statement item is less than 0.05, it can be concluded that all instruments studied for the Human Resources Development, POS, Compensation and Employee Performance variables are valid and appropriate. for further testing. Because their Cronbach's Alpha value is higher than 0.6, the findings regarding Human Resources Development, point-of-sale (POS), salary, and employee performance are all suitable for use in further research.

3. Results of Convergent Validity testing

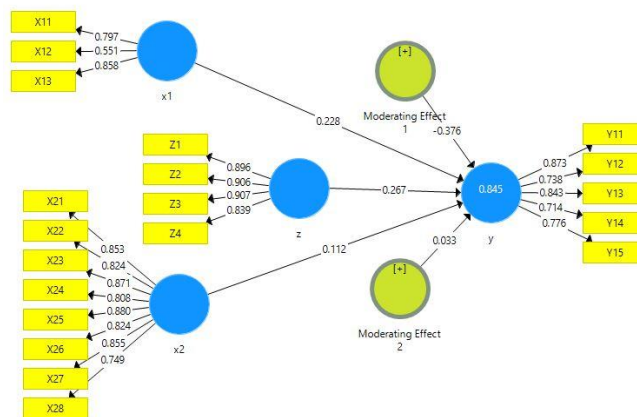


Figure 1. Partial Least Square (PLS) Algorithm Model.

Source: Primary data processed, 2024

For convergent validity, the outer loading value should be more than 0.7, according to Chin as quoted by Ghozali (2014:39). Smart PLS processing findings are shown in the table above. The Human Resources Development, POS, Remuneration and Employee Performance indicators all have outer loading values greater than 0.7 and outer model values that converge or correlate with the variables as a whole. Human Resources Development, POS, compensation, and employee performance variables all pass the model adequacy test, so you can use this data for whatever you want.

4. Results of Discriminant Validity Testing

Table 2. Discriminant Validity Test with Average Variant Extracted (AVE)

Variable	road	Information
Human Resources Development	0.558	Valid

<i>Perceived Organizational Support</i>	0.695	<i>Valid</i>
<i>Compensation</i>	0.788	<i>Valid</i>
<i>Employee performance</i>	0.626	<i>Valid</i>

Source: Primary data processed, 2024

The table above compares the AVE value for leadership style, remuneration, motivation and performance. Each variable has an AVE higher than 0.5. The real indicators of the questionnaire show strong validity values for Human Resources Development, POS, Compensation and Employee Performance.

5. Results of Composite Reliability testing

Table 3. Results of Composite Reliability Testing

<i>Variable</i>	<i>Composite Reliability</i>	<i>Information</i>
<i>Human Resources Development</i>	0.786	<i>Reliable</i>
<i>Perceived Organizational Support</i>	0.948	<i>Reliable</i>
<i>Compensation</i>	0.937	<i>Reliable</i>
<i>Employee performance</i>	0.893	<i>Reliable</i>

Source: Primary data processed, 2024

The data clearly shows that each construct or variable has a composite reliability rating that exceeds 0.6. This shows that both endogenous variables (employee compensation and performance) and exogenous variables (Human Resources Development and Perception of Organizational Support) have a high level of internal consistency and dependence.

6. Results of reliability testing with Cronbach Alpha

Table 4. Results of reliability testing with Cronbach Alpha

<i>Variable</i>	<i>Cronbach's Alpha</i>	<i>Information</i>
<i>Human Resources Development</i>	0.590	<i>Reliable</i>
<i>Perceived Organizational Support</i>	0.938	<i>Reliable</i>
<i>Compensation</i>	0.911	<i>Reliable</i>
<i>Employee performance</i>	0.849	<i>Reliable</i>

Source: Primary data processed, 2024

The table shows that all research variables have a Cornbach alpha value above 0.7. The findings presented show that all study variables meet Cornbach's alpha criteria, indicating a high degree of dependability.

7. Results of Goodness of Fit Model testing

Table 5. Results of Goodness of Fit Model testing

Variable	R squared value
Employee Performance (Y1)	0.845
employee (Z)	0.213

Source: Primary data processed, 2024

The information in the table above shows that 84.5% of the variation in work compensation (Z1), perceived organizational support (X2), and Human Resources Development (X1) can be attributed to employee performance. Employee performance is measured by Y1 and the R square value is 0.845. The motivation variable (Z1) has an R square value of 0.213, meaning that motivation contributes 21.3% to the variance in perceptions of organizational support (X2) and Human Resources Development (X1). The correctness of the suitability assessment is measured by the Q-square value. Similar to the use of the coefficient of determination (R square) in regression analysis, a higher Q-square value indicates a better fit of the model to the data.

The results obtained from calculating the Q-squared value are as follows:

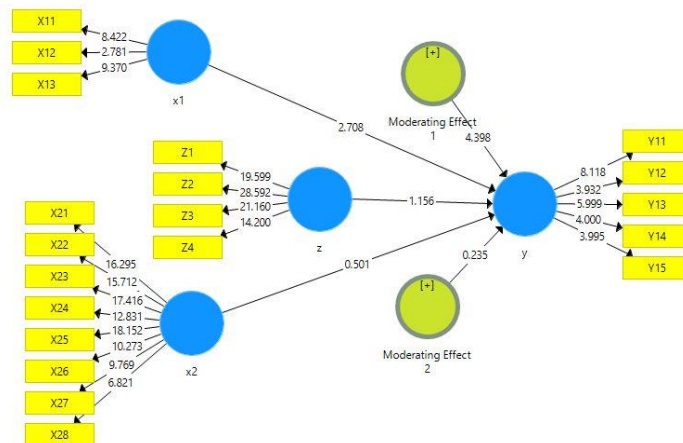
$$\begin{aligned}
 \text{Q-squared} &= 1 - [(1-R^2_1) \times (1-R^2_2)] \\
 &= 1 - [(1-0.845) \times (1-0.213)] \\
 &= 1 - [0.155 \times 0.787] \\
 &= 1 - 0.123 \\
 &= 0.877
 \end{aligned}$$

It can be seen that the Q-squared value is 0.877 from the calculation results above. This proves that the research model can explain 87.7 percent of the variance in the research data, and the remaining 13.5 percent is likely caused by factors outside the scope of this research. This research model appears to have reasonable suitability, based on the results obtained.

8. Results of research hypothesis testing

A model explaining the impact of leadership style and pay on employee motivation and performance is shown below. You can see the overall correlation of each variable in this model. The construct correlation has a value of more than 0.5 so the model shown in the attached image does not need to be deleted.

Figure 2. Partial Least Square (PLS) Bootstrapping Model.



Source: Primary data processed, 2024

By analyzing t statistical values and p values, it is possible to ascertain output estimates for structural model testing. According to Yamin and Kurniawan's statement in 2011 (page 54), the research hypothesis is considered accepted if the p value is less than 0.005. In PLS, statistical testing for each suspected link is carried out through the use of simulations with researchers. For this particular example, the bootstrap method is used as a sample. The solution to the problem of non-normality in research data is something that bootstrap testing aims to address. The following is a list of test results obtained using bootstrapping from PLS analysis:

Table 6 Results of statistical testing of t and p values

	<i>Original Sample (O)</i>	<i>Sample Mean (M)</i>	<i>Standard Deviation (STDEV)</i>	<i>T statistics ((O/STDEV))</i>	<i>P value</i>
<i>Moderating Effect 1 -> y</i>	-0.376	-0.378	0.085	4,398	0,000
<i>Moderating Effect 2 -> y</i>	0.033	0.028	0.142	0.235	0.814
<i>Human Resources Development -> Performance</i>	0.228	0.232	0.084	2,708	0.007
<i>Perceived Organizational Support -> Performance</i>	0.112	0.121	0.223	0.501	0.617
<i>Compensation -> Performance</i>	0.267	0.247	0.231	1,156	0.248

Source: Primary data processed, 2024

The next explanation is regarding the results of research model hypothesis testing regarding the relationship between employee motivation and performance, leadership style, and remuneration using Smart PLS.

1. First, human resource development affects worker performance. The test shows a 2.709 and 0.28% path coefficient between Human Resources Development and employee performance. A significant link is indicated. A p-value of 0.007 is statistically significant at a significance level of 5% (p<0.05). In statistical analysis, this value exceeds the t value of 1.960. These data show that human resource development improves employee performance. Given this, the theory is accurate.
2. Performance impact of employees' views of organizational support. The study found that employee performance measures and organizational support perceptions have a path coefficient of 0.112 and 0.501. A significant relationship is shown. For statistical significance, the p-value of 0.617 exceeds the 5% barrier (P<0.05) and is below the required t-table value of 1.960. The evidence presented here shows that perceived organizational support does not improve employee performance. This invalidates the hypothesis.
3. Compensation Impacts Employee Performance. The test shows a 1.156 and 0.267 path coefficient between employee performance and remuneration variables. A significant link is indicated. While the p-value of 0.248 above the 5% significance level (P<0.05), it is significantly lower than the required t-value of 1.960. This study found that compensation does not improve employee performance. This shows the notion is inappropriate. Compensation moderation examines how HRD affects employee performance.
4. Human Resources Development negatively affects employee performance with a path coefficient of -0.376 and 4.398. Test results suggest a negative association. Human resource development affects employee performance based on organizational salary, according to this research. At a 5% significance level (p<0.05), the p-value of 0.000 is significant. Furthermore, this number exceeds the required t value of 1.960. These findings show that human resource development negatively impacts employee performance notwithstanding regulated remuneration. The theory looks correct given this.
5. How changes in job remuneration affect employee performance based on company support. The test shows that employee performance indicators and organizational support perceptions have a path coefficient of 0.033 and 0.235, respectively. The p-value of 0.814 above the 5% significance level (p<0.05) but falls below the t-table critical value (1.960). This study found that when salary is managed, employer support does not improve worker performance. Thus, the hypothesis fails.

B. Discussion

1. The Impact of Human Resource Development on Employee Performance

Human resource development has the potential to impact performance. The aim of developing human resources in the company environment is to grow employees who have good characteristics, are tough, intelligent, skilled, independent and have a sense of unity. The individual must also be diligent, productive, creative, innovative, disciplined and future-oriented, with the ultimate goal of improving the quality of his life (Mus Aidah, 2022). Improving the quality of human resources is carried out in accordance with the competencies, knowledge and professional prerequisites required in each area of growth. Resource development in a company includes many variables, including education and training, career planning and management, improving work quality and productivity, as well as improving occupational health and safety (Simamora, 2014: 411). This is in line with the scenario at PT. International Chemical Industry, where all workers consistently improve their skills, resulting in competency development and increased proficiency. By using this approach, organizations can improve staff performance thereby enabling the achievement of the company's vision and goals. This finding is in line with research by Agustini (2023) which states that human resource development has a positive and substantial impact on staff performance in the company environment. Selayar Islands DPRD Secretariat Office.

2. The Impact of Perceived Organizational Support on Employee Performance

The idea of organizational support creates a sense of connectedness and belonging between workers and the company. According to Prasetyo and Frianto (2020), the extent to which a person feels connected to their work can influence their level of performance. Therefore, if an employee has an interest in his work, it will make it easier to realize the company's goals. Undoubtedly, these opportunities help the company in achieving its core goals or pre-defined plans. Previous literature regarding employee performance, including research by Mursidta (2017) and Khairunisa (2023), has found a strong correlation between Perceived Organizational Support and employee performance. Khairunisa's research specifically concluded that Perceived Organizational Support has a significant positive influence on employee performance. In contrast to the findings of this research, Perceived Organizational Support does not have any influence on the performance of PT personnel. Global chemical industry. This is in line with conditions that occur in the field, where there is still a lack of support from top management for employee performance. Therefore, it is hoped that these results can become an important focal point for companies to prioritize their support for employee performance. According to research conducted by Arianto et al. (2019), shows that Perceived Organizational Support does not have a significant impact on employee performance.

3. The Impact of Compensation on Employee Performance

Agustini (2023) defines compensation as the cumulative amount of all benefits received by workers as compensation for the services they have provided. Compensation refers to the overall reward a person receives in return for the services they have provided. The remuneration given to workers fosters a sense of recognition and gratitude for their hard work so far (Mus Aidah, 2022). However, PT. International Chemical Industry prioritizes employee salaries above remuneration, potentially representing the company's future management practices. The International Chemical Industry should prioritize employee remuneration in order to improve employee performance. An organization's focus on employee welfare can significantly influence employee performance. The findings of this research contradict the findings of Mus Aidah (2022) and Agustini (2023) who concluded that remuneration has a beneficial and large influence on employee performance in the Selayar Islands DPRD secretariat office. However, according to research findings by Rianda and Winarno (2022), remuneration does not have a big impact on the performance of workers at PT. Rajasaland is located in Bandung.

4. The impact of compensation in moderating the relationship between human resource development and employee performance.

Compensation, if used as a moderating variable, has the capacity to increase the correlation between Human Resources Development, organizational support and employee performance. Organizations can effectively encourage workers to be actively involved in Human Resources Development programs by offering appropriate incentives and fair remuneration. Human resource development has the ability to influence performance. The aim of developing human resources in the company environment is to grow employees who have good characteristics, are tough, intelligent, skilled, independent and have a sense of solidarity. These employees are expected to be diligent, productive, creative, innovative, disciplined and future-oriented, with the ultimate goal of improving their quality of life (Mus Aidah, 2022). Improving the quality of human resources in accordance with the competencies, competencies and professional prerequisites required in all areas of growth. Resource development in a company includes many variables, including education and training, career planning and management, improving work quality and productivity, as well as improving occupational health and safety (Simamora, 2014: 411). Elements of work motivation and performance appraisal are components included in the realm of human

resource development. Apart from that, work culture has the potential to influence performance. These findings are in line with research by Agustini (2023) which shows that human resource development and remuneration have a good and big influence on employee performance. This study shows that compensation can effectively increase human resource development and improve employee performance.

5. This study examines the impact of compensation in moderating the relationship between perceived organizational support and employee performance.

The findings of this research indicate that consideration of remuneration does not function as a moderating variable in the relationship between perceived company support and employee performance. Simply put, the level of remuneration that workers receive has no impact on their performance, even though they are able to feel or receive support from the company. Research conducted by Rianda and Winarno (2022) found that salary does not have a big influence on employee performance. This suggests that salary elements may have little impact on how perceived organizational support influences employee performance. According to research conducted by Arianto et al. (2019), Perceived Organizational Support is proven not to have a big influence on employee performance. Another potential explanation is that there may be other influential elements beyond salary that influence this relationship. These factors may be internal to the company, so that perceived support from the organization has no impact on the performance of part-time workers. The International Chemical Industry operates in challenging conditions with minimal support from top management, which has a significant impact on employee performance. This highlights the need for companies to prioritize and increase support for employee performance.

IV. CONCLUSION

Several conclusions can be drawn based on research findings obtained through distributing questionnaires and using Smart PLS for data analysis. These conclusions include the following: Research findings show that employee performance is positively and significantly influenced by human resource development. These statistics lead to the conclusion that employee performance is not significantly and positively influenced by organizational support. Based on these findings, employee performance is not positively and statistically significantly influenced by their income. From this fact, it can be concluded that employee performance is negatively or significantly influenced by HRD, and this impact is reduced by employee salaries. These findings imply that, even when remuneration is taken into account as a moderating factor, perceived organizational support does not significantly have a beneficial impact on employee performance. This is true even when workers' perceptions of organizational support impact their performance. In order to have a good impact on the company's development, the author's recommendations must be studied thoroughly by the Company. The research results show that to improve employee performance and achieve the company's vision, goals and objectives, companies must place a high focus on providing compensation and support to their employees. This is very important for service provider companies PT. chemical industry operating globally. Future research efforts that aim to expand the domain of analysis to include elements beyond those examined in this study, such as reward and punishment, could use the findings of this study as a guide. By using this technique, it is hoped that research findings can identify more problems and provide research findings that are more useful for more stakeholders.

REFERENCES

- Agustini. (2023). Pengaruh Pengembangan Sumber Daya Manusia Dan Kompensasi Terhadap Kinerja Pegawai Pada Kantor Sekretariat DPRD Kepulauan Selayar. *Jurnal Ilmiah Bisnis & Kewirausahaan*, 12(1).
- Aidah, M. (2022). Pengaruh Pengembangan Sumber Daya Manusia Dan Kompensasi Terhadap Kinerja Pegawai Pada CV. Karya Bina Mandiri. *Nobel Management Review*, 3(3).
- Astuti, N. dini, Nasir, H., & Selamat. (2022). Determinan Kompensasi Dan Pengembangan Sumber Daya Manusia Terhadap Kinerja Pegawai (Studi Kasus: Dinas Pertanahan Dan Lingkungan Hidup Kabupaten Pesawaran). *Prosiding Seminar Nasional Ekonomi Dan Bisnis Ke-II*, 2(2), 1–8.
- Basrie, Fariansyah Hassan., (2018). Pengaruh Pengembangan Sumber Daya Manusia, Budaya kerja Dan Motivasi Terhadap Kinerja Karyawan Pt. Pertamina (Persero) Unit Pengolahan Balikpapan - Kalimantan Timur. *Jurnal Bisnis Dan Manajemen (BISMA)*. Vol. I, No. 1.
- Busro, M. 2018, teori-teori Manajemen Sumber Daya Manusia. Edisi pertama. Peranadamedia Group, Jakarta
- Daft, Richard L. (2013). *Manajemen Sumber Daya Manusia*, Penerbit Erlangga, Jakarta
- Edison, Anwar, dkk. 2017. *Manajemen Sumber Daya Manusia.*, Bandung.

- Ghozali, I. (2012). Aplikasi Analisis Multivariative Dengan Program IBM SPSS 19. Universitas Diponegoro: Semarang.
- Harahap, D. S., & Khair, H. (2019). Pengaruh Kepemimpinan Dan Kompensasi Terhadap Kepuasan Kerja Melalui Motivasi Kerja. *Jurnal Ilmiah Magister Manajemen*, 2(1), 69–88.
- Hasibuan, Malayu S.P. (2016). Manajemen Sumber Daya Manusia. Edisi Revisi: PT. Bumi Aksara, Jakarta.
- Hasibuan, Malayu. S.P. (2010). Manajemen, Dasar Pengertian dan Masalah, PT Gunung Agung, Jakarta.
- Hidayat, Rahmat, (2021). Pengaruh Motivasi, Kompetensi dan Disiplin Kerja Terhadap Kinerja. *Widya Cipta: Jurnal Sekretari dan Manajemen*. Volume 5 No. 1
- Kasmir. 2018. Manajemen Sumber Daya Manusia. Teori Dan Praktik, Rajawali Pers, Depok.
- Khairunnisa, F. (2023). Pengaruh Perceived Organizational Support (POS) dan Lingkungan Kerja Terhadap Kinerja Karyawan. *Youth & Islamic Economic Journal*, 04(01), 1–7.
- Mangkunegara. (2017). Manajemen Sumber Daya Manusia Perusahaan. Bandung.
- Mathis, Robert L. dan John H. Jackson. 2006. Human Resources Management (Manajemen Sumber Daya Manusia). Edisi 10. Jakarta: Salemba Empat.
- Prastyo, B. (2020). Pengaruh Perceived Organizational Support Terhadap Kinerja Karyawan Melalui Employee Engagement: Sebuah Studi Literatur. *BIMA: Journal of Business and Innovation Management*, 3(1), 59–72. <https://doi.org/10.33752/bima.v3i1.310>
- Rivai, Veithzal. (2005). Manajemen Sumber Daya Manusia, Edisi 1, PT Raja Grafindo Persada, Jakarta.
- Sedarmayanti. (2017). Perencanaan Dan Pengembangan Sumber Daya Manusia Untuk Meningkatkan Kompetensi, Kinerja Dan Produktivitas Kinerja. PT. Refika, Bandung.
- Siagian, T. S., & Khair, H. (2018). Pengaruh Gaya Kepemimpinan Dan Lingkungan Kerja Terhadap Kinerja Karyawan Dengan Kepuasan Kerja Sebagai Variabel Intervening. *Maneggio: Jurnal Ilmiah Magister Manajemen*, 1(1), 59–70.
- Simamora, Henry. (2014). Manajemen Sumberdaya Manusia. Yogyakarta: STIE YKPN.
- Sugiyono. (2017). Metode Penelitian Kuantitatif, Kualitatif, dan R&D. Alfabeta, Bandung.
- Sutrisno. Edy. (2016). Manajemen Sumber Daya Manusia. Prenamedia Group, Jakarta