The Role of Education Level on Employee Performance

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Abstract

One of the company's human resources is its workforce. An key factor in accomplishing corporate objectives is employee performance in the organisation. Workers must be genuinely skilled in their professions and capable of providing the best possible service. An individual's ability to perform well can be impacted by their work environment, education, and training. This study is to examine the impact of education level on worker performance at PT. Fortune Maju Abadia, a business engaged in logistics and warehousing of goods. The population of this study consists of all 87 employees of PT. Fortune Maju Abadi in Makassar City, South Sulawesi. Using the Sloving approach, 75 respondents were included in the sampling. The validity test, reliability test, multiple linear analysis, coefficient of determination, classical assumption test, and hypothesis test are the data analytic techniques employed in this study.

Keywords: Work Experience, Education Level, Employee Performance

Introduction

Scientific and technological advancements have led to a highly rapid expansion of global economic activity in the current era of globalisation. One of the nations that participates in international trade is Indonesia; this acts as a catalyst for the development of home industry and company. One of the development objectives is the industrial sector, whose advancement is anticipated to trigger significant alterations in other economic structures, allowing other sectors to advance in tandem with the industrial sector.

The outcome of an employee's efforts in using his or her abilities to carry out his or her obligations is employee performance. Milang & Associates, 2021. The degree of education had by an employee is one element that can affect their performance. Sibay (2022) The degree of education is the ultimate accomplishment that a person has made possible by their formal education. The performance that an individual receives can be influenced by their educational background. An individual's performance will improve with increased education, and vice versa. Work specialisation or division of labour is an attempt to boost productivity in order to earn more money or a higher wage, which will advance and flourish the family and business. One of the most crucial components of any organisation is its people. Humans are an organization's primary factor and determining factor in its operation, hence without them, even with all other resources available, the organisation cannot function. Human resource management plays a crucial part in an organization's success by producing high-caliber human resources that deliver strong performance. According to Yusuf (2023), education level serves as a bridge for enhancing thinking capacity. A higher degree of education may facilitate the understanding of information and the

application of that information to people's behaviour and way of life. In addition, it's to raise worker productivity.

(Yusuf, 2022) states that the selection process should prioritise taking an applicant's job experience into account. Potential employees with experience are those that are ready to work. Experience has a big impact on people since it indicates one's level of skill in a field; the longer a person has worked in a field, the more experience they have had in it. In addition, work experience serves as a foundation for evaluating an employee's performance because it reveals the level of accomplishment they have attained while working. Similarly, Herwin Sudarman defines work experience as knowledge obtained from prior efforts that can serve as a guide for deciding the course of future endeavours. An individual with work experience can lower an organization's risk of failure and create opportunities for creativity and action. A person's abilities to do the work will be easier the more experience they have.

One of the cornerstones to a company's success in attaining success is employee performance. As a result, every organisation needs to provide a work environment that supports staff continuity and performance improvement. Social life in question refers to patterns or lifestyles in the surrounding environment as well as interactions amongst those that work in a company, including interactions between coworkers and superiors as well as beliefs, values, attitudes, and viewpoints. According to Milang (2021), a person's work environment encompasses all of the equipment and supplies they use, the surroundings in which they operate, their working techniques, and the arrangements they make for both solo and group projects.

Methods

This study employs a quantitative research design. This study aims to elucidate the interplay between the factors under investigation—namely, the impact of education level, job experience, and work environment variables on employee performance variables—and the interaction between influencing and being influenced by them. The 87 employees of the company PT. Fortune Maju Abadi, located in Makassar City, South Sulawesi, make up the population of this study. The Slovin method was used to pick the sample at random, yielding a sample size of 75 employees or responders. The methods of gathering data that were employed included surveys, literature reviews, interviews, and online research. A number of data processing steps, including editing, coding, scoring, and tabulation, are completed before data analysis.

Among the data analysis methods employed are hypothesis tests, which comprise the T test (partial test) to illustrate the extent to which one explanatory or independent variable contributes to the explanation of variable variations, and the F test (simultaneous test) to ascertain the combined influence of independent variables on the dependent variable. In addition to multiple linear regression analysis, which is used to examine the degree of relationship and influence of independent variables with a larger number, the coefficient of determination test (R^2) seeks to contribute to the influence given by the independent variable or independent variable (X) to the dependent variable or dependent variable (Y). greater than two. However, tests for validity, reliability, and classical assumptions—which include tests for heteroscedasticity, multicollinearity, normalcy, and linearity—must be completed before conducting a hypothesis test.

Results and Discussion

1. Hypothesis Testing

a. t Test (Partial)

Table 3. T Test Results for Education Level and Performance variables Coefficients[a]

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	18.071	2.322		7.777	.000
Total_Skor_X1	.827	.107	.651	7.658	.000

1	(Constant)	11.282	3.178			3.531	.001
	Total_Skor_X2	1.233	.137		.665	7.883	.000
	(Constant)	17.330	3.677			3.730	.000
	Total_Skor_X3	.673	.110		.517	6.113	.000

a. Dependent Variable: Total_Score_Y

Testing hypotheses with a t test variable Level of Education (X1)

The Education Level variable has a significant partial impact on Employee Performance, as indicated by the partial test results, tcount = 7.658 with a significance value of 0.000 and a probability smaller than 0.05. Since T count > T table (7.658 > 1.873), H1 is accepted and Ho1 is rejected. Given that the computed T value is negative, an employee's performance decreases with increasing education.

T-testing hypotheses Variable for Work Experience (X2)

Work Experience has a partial effect on employee performance, as indicated by the partial test results for the variable. T count = 7.367 with a significance value of 0.000 and a probability smaller than 0.05 can be obtained. Since T count > T table (7.883 > 1.873), H2 is accepted and Ho2 is rejected. The determined T value is negative, indicating that an employee's performance will rise with further work experience.

b. Coefficient of Determination Test

The coefficient of determination test (R^2) essentially measures how far the model's ability is to explain variations in the dependent variable. The coefficient of determination (R^2) value can be seen in the image below:

Table 2. Coefficient of Determination Results

Model Summary^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.722^a	.521	.507	3.15833
a. Predictors: (Constant), Total_Skor_X3, Total_Skor_X1, Total_Skor_X2				
b. Dependent Variable: Total_Skor_Y				

It is evident from the computations performed with the SPSS version 25 application that the calculated R-square coefficient of determination is 0.507. This indicates that the Education Level variable may be explained in the following discussion based on the findings of the instrument's testing, the data analysis mentioned above, and the observations made:

1. A discussion of the findings from studies looking at how organisational level affects performance. The study's findings support the following discussion:

The Education Level variable has a significant partial impact on Employee Performance, as indicated by the partial test results, tcount = 7.658 with a significance value of 0.000 and a probability smaller than 0.05. Since T count > T table (7.658 > 1.873), H1 is accepted and Ho1 is rejected. Given that the computed T value is negative, an employee's performance decreases with increasing education.

2. A discussion of the findings from studies looking at the impact of work experience on employee performance, which led to the following conversation:

T count = 7.367 with a significance value of 0.000 and a probability smaller than 0.05 can be obtained based on the partial test results for the internal motivation variable. Since T count > T table (7.883 > 1.873), H2 is accepted and Ho2 is rejected, indicating that there is a partial effect of overall work experience on employee performance. The determined T value is negative, indicating that an employee's performance will rise with further work experience .

Conclusion

The outcomes of data processing, testing, and analysis done on the impact of employee performance on work environment, job experience, and educational attainment. The following is how the author summarises the findings of the hypothesis test: 1. The job training variable significantly and favourably affects PT employees' productivity at work. Everlasting Progressing Fortune. This is demonstrated by the job training hypothesis test findings, which indicate that the t value of 0.000 is not more than 0.05, indicating that education level has a positive and substantial impact on PT employees' performance. Everlasting Progressing Fortune. Thus, it can be said that the first hypothesis (H1) is true, as PT employees' performance is positively and significantly impacted by their educational attainment (X1). Everlasting Progressing Fortune.

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