

The Effect of Competency and Compensation on Employee Performance at PT Setia Sejahtera Perkasa

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Article history

Received : 2023-02-13

Accepted : 2023-03-22

Published : 2023-04-29

Keywords:

Competence,
Compensation,
and Performance

Abstract: This study aims to determine the effect of competence and compensation on employee performance at PT Setia Sejahtera Perkasa. This type of research is causality research, compiled to examine the possibility of causal relationships between variables. The sampling technique uses a saturated sample of 49 respondents. The results showed that competence and compensation positively and significantly affected employee performance with an influence contribution of 57.9%. In comparison, the remaining 42.1% was influenced by other factors that were not studied in this study. The results of the hypothesis test show a $F_{\text{calculated}}$ value of 31.607 greater than the F_{table} of 3.20 with a significant level of 0.000 smaller than 0.05. So, it can be concluded that together, competence and compensation have a positive and significant effect on employee performance at PT Setia Sejahtera Perkasa.

Abstrak: Penelitian ini bertujuan untuk mengetahui pengaruh kompetensi dan kompensasi terhadap kinerja karyawan di PT Setia Sejahtera Perkasa. Jenis penelitian ini adalah penelitian kausalitas, disusun untuk menguji kemungkinan hubungan kausal antar variabel. Teknik pengambilan sampel menggunakan sampel jenuh sebanyak 49 responden. Hasil penelitian menunjukkan bahwa kompetensi dan kompensasi berpengaruh positif dan signifikan terhadap kinerja karyawan dengan kontribusi pengaruh sebesar 57,9%. Sebagai perbandingan, 42,1% sisanya dipengaruhi oleh faktor-faktor lain yang tidak diteliti dalam penelitian ini. Hasil uji hipotesis menunjukkan nilai F_{hitung} sebesar 31,607 lebih besar dari F_{tabel} sebesar 3,20 dengan taraf signifikan 0,000 lebih kecil dari 0,05. Jadi, dapat disimpulkan bahwa secara bersama-sama, kompetensi dan kompensasi berpengaruh positif dan signifikan terhadap kinerja karyawan di PT Setia Sejahtera Perkasa



Available online at
<http://jurnal.unsyiah.ac.id/riwayat/>

INTRODUCTION

Human Resources (HR) is a central factor in an organization. Whatever the form and purpose, organizations are made based on various visions for human interests and in the implementation of their missions are managed and regulated by humans as strategic resources in institutional and organizational activities. Without humans in a

company, it will not be possible for the company to develop and progress as expected. The performance of its employees largely determines success in achieving company goals.

As revealed by Zainal et al., (2019) that "Employee performance is very important in the company's efforts to achieve its goals". One measure of the success of an individual,

team or organization's performance lies in its performance. A company's success level can be measured based on the performance of each individual who works in it, where individual performance is a measure of the company's overall performance. Individual performance compares the effectiveness of output (achievement of maximum performance) with efficiency is one input (labor) that includes quantity, quality in a certain unit of time.

Employee performance is a measure of how human resources in a company have played a role or not on the organization's progress. The potential of human resources who perform well determines the success of the company. To achieve the best performance, of course, the need for directed human resource management through various policies that can adjust the mutual interests between employees and the company. In addition, employee performance will be good with the awareness and sincerity of employees as individuals in carrying out their duties and responsibilities.

In carrying out their work, each employee certainly has reliable competence. Competence becomes a provision and capital for employees to work professionally. This competency must continue to be honed and improved for employees so that employees' contributions to the company in the future become even better. According to Spencer and Spencer in (Moeheriono, 2014) Competence is an underlying characteristic of a person related to the effectiveness of an individual's performance in his job or a basic characteristic of an individual that has a causal or causal relationship with the criteria to which it is referenced, effective or performs well or superior in the workplace or in certain situations. Competence is the basis for how the work done by employees can be carried out in accordance with the demands of the work for which they are responsible. In this case, employees must continue to be able to adjust to be able to have the will so that they meet the standards of competence in accordance with their field of work.

In addition to competence, to maximize the performance of company employees, it is also necessary to pay attention to providing appropriate compensation and in accordance with their work assessment. One of the main

purposes of someone working for a company is because of compensation. With the compensation they receive, employees want to be able to meet their needs minimally, such as food, clothing, and housing needs.

A company has various compensations to attract, retain, and motivate employees to obtain personal and organizational needs. Compensation needs to be given for each employee's work and merit allowances are given to employees as members of the organization based on employee performance.

It can be explained that to maintain employees in order to remain loyal to the company, it is necessary to carry out effective communication and compensation. Compensation is considered important by employees because the provision of compensation has an important impact on work behavior and performance. Providing compensation appropriately in accordance with the obligations that employees have given to the company is very important for individuals. Because the amount of compensation reflects a measure of the value of their work among the employees themselves, their families, and the community.

Compensation and competence are important ingredients in improving employee performance. Employees will find it difficult to work well when they do not have high competence in doing their work, so sometimes it feels irresponsible even though they have good operational capabilities. If the competence of employees can be developed, employees can have better performance as well.

Based on this background, the author decided to conduct a research entitled "The Effect of Competency and Compensation on Employee Performance at PT Setia Sejahtera Perkasa".

LITERATURE REVIEW

Competence

Competence is the knowledge, skills, and abilities that a person has or achieves, which become part of him so that he can carry out the appearance of cognition, affection, and certain psychomotor actors (Ramdhan, 2023).

According to Kadir et al., (2023) Competence is needed in every origin of

human resources, performance management, planning and so on. The more complete competencies are considered in the process of human resource origin, the higher the understanding of the work of its members.

Compensation

Compensation is a company's binding tool against Employees, pull factors for prospective employees and driving factors for someone to become an employee (Ramdhan and Pasariah, 2022).

Jhon fernos (2023) Compensation is all income in the form of money, direct or indirect goods that employees receive in exchange for services rendered to the company.

Performance

Performance is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him (Mangkunegara, 2018).

According to Ramdhan (2022) Performance management is a communication effort that is carried out continuously and occurs between employees and their superiors, and is carried out in order to achieve the main goals of the company.

METHODS

Research Scope

This research was conducted at PT Setia Sejahtera Perkasa which is located at Jalan Dahlia Raya Number 9, Kelurahan Jurang Mangu Timur, Pondok Aren District, South Tangerang City, Banten 15222. This research method is descriptive quantitative which describes the circumstances and phenomena that occur in the object of research at the time of research and then analyzed deeply, systematically and logically.

Determination of Population Samples and Samples

Population according to Sugiyono (2019) "Population is a generalized area composed of objects or subjects that possess certain qualities and characteristics. set by the researcher to be studied and then conclusions drawn".

Ramdhan (2021) positing that the sample is the part of the population that has the same characteristics as the population itself. Samples are also called samples. The calculated value obtained from this sample is

called statistical. The sample set by the author was 49 respondents.

Types of Research

This type of research is causality research, which is research compiled to examine the possibility of causal relationships between variables, while in this study data is collected through the distribution of questionnaires or questionnaires. The data collected through this questionnaire is then processed with statistics, then interpreted, analyzed and described in accordance with the research objectives.

RESULTS AND DISCUSSION

The Effect of Competency on Performance

Simple Linear Regression Analysis

This regression test is intended to determine the change in the dependent variable if the independent variable changes. The test results are as follows:

Table 1. Simple Linear Regression Coefficient Test Results X1 Against Y

Type	Coefficient		Std. Error	Beta	t	Sig.
	Unstandardized Coefficients	Standardized Coefficients				
1(Constant)	12.260		4.175		2.936	.005
Competence	.610		.105	.647	5.824	.000

a. Dependent Variable: Kinerja

Source: SPSS data processing 22.00, 2023

Based on the table above, the linear regression equation is simply as follows:

$$\hat{Y} = 12.260 + 0.610X_1$$

Based on the results of the calculation above, it can be explained as follows:

- 1) The value of the intercept constant of 12.260 is a constant (a). Says that if $X=0$, then the value $\hat{Y}= 12,260$.
- 2) The value of the regression coefficient of the competency variable to performance is 0.610. This means that if the competency increases by 1 unit, it will increase Performance by 0.610.

Correlation Coefficient Analysis

Correlation coefficient analysis is intended to determine the level of strength of the relationship of the independent variable to the dependent variable. The test results are as follows:

Table 2. The result of the correlation coefficient (R) x1 to y

Model Summary				
Model	R	Adjusted R Square	Std. Error of the Estimate	
1	.647a	.419	.407	5.367

a. Predictors: (Constant), Kompetensi

Source: SPSS data processing 22.00, 2023

In the table above, the magnitude of the correlation coefficient (R) is 0.647 which means that there is a strong or high correlation or relationship because it is in the interval 0.600 – 0.799 between competency variables on the performance of PT Setia Sejahtera Perkasa employees.

Coefficient of Determination Analysis

The analysis of the coefficient of determination is intended to determine the magnitude of the contribution of the influence of the independent variable to the dependent variable. Based on Table 2 above, the results of testing the value of determination or coefficient of determination (R²) of 0.419 or 41.9%, which means that the competency variable can contribute 41.9% of its influence on the performance of PT Setia Sejahtera Perkasa employees while the remaining 58.1% is influenced by other factors not discussed in this study.

Test T (Partial)

The basis for making a decision for this partial test is to compare significantly with alpha of 0.05 (5%). If significant < alpha (0.05), then the hypothesis is accepted.

Table 3. Test Results t X1 Against Y

Coefficient					
Standardized					
Unstandardized					
Coefficient					
Coefficients					
Std.					
Model	B	Error	Beta	T	Sig.

1(Constant)	12.260	4.175		2.93	.00
Competence	.610	.105	.647	5.82	.00

a. Dependent Variable: Kinerja

Source: SPSS data processing 22.00, 2023

Based on the output in the table above, it is obtained for the competency variable (X1), which is 5,824. By using the distribution table t searched at $\alpha = 5\% : 2 = 0.025$ (2-sided test) with df (degree of freedom) $n - 3$ or $49 - 3 = 46$, then the result is obtained for t table of 2.013 because the value of t calculate > ttable (5.824 > 2.013) with a value of (sig) $0.000 < 0.05$ it can be concluded that competence (X1) partially has a positive and significant effect on the performance of PT Setia Sejahtera Perkasa (Y) employees.

The Effect of Compensation on Performance

Simple Linear Regression Analysis

This regression test is intended to determine the change in the dependent variable if the independent variable changes. The test results are as follows:

Table 4. Simple Linear Regression Coefficient Test Results X2 Against Y

Coefficient					
Standardized					
Unstandardized					
Coefficient					
Coefficients					
Std.					
Model	B	Error	Beta	t	Sig.
1(Constant)	12.894	3.036		4.24	.00
Compensation	.650	.083	.753	7.85	.00

a. Dependent Variable: Kinerja

Source: SPSS data processing 22.00, 2023

Based on the table above, the simple linear regression equation is as follows:

$$\hat{Y} = 12.894 + 0.650X_2$$

Based on the results of the calculation above, it can be explained as follows:

- 1) The value of the intercept constant of 12.894 is a constant (a). States that if $X = 0$, then the value $\hat{Y} = 12,894$.

- 2) The value of the regression coefficient of the compensation variable to performance is 0.650. This means that if the compensation increases by 1 unit, it will increase performance by 0.650.

Correlation Coefficient Analysis

Correlation coefficient analysis is intended to determine the level of strength of the relationship of the independent variable to the dependent variable. The test results are as follows:

Table 5. The result of the correlation coefficient (R) x2 to y

Model Summary				
Model	R	Adjusted R Square	Std. Error of the Estimate	
1	.753a	.567	.558	4.631
a. Predictors: (Constant), Kompensasi				

Source: SPSS data processing 22.00, 2023

In the table above, the magnitude of the correlation coefficient (R) is 0.753 which means that there is a strong or high correlation or relationship because it is in the interval 0.600 – 0.799 between compensation variables for the performance of PT Setia Sejahtera Perkasa employees.

Coefficient of Determination Analysis

The analysis of the coefficient of determination is intended to determine the magnitude of the contribution of the influence of the independent variable to the dependent variable. Based on Table 5 above, the test results of the coefficient of determination (R²) value of 0.567 or 56.7%, which means that the compensation variable can contribute 56.7% to the performance of PT Setia Sejahtera Perkasa employees while the remaining 43.3% is influenced by other factors not discussed in this study.

Test T (Partial)

The basis for making a decision for this partial test is to compare significantly with alpha of 0.05 (5%). If significant < alpha (0.05), then the hypothesis is accepted.

Table 6. Test Results t X2 Against Y Coefficient

Model	Unstandardized Coefficients			Std. Error	Beta	T	Sig.
	B						
1 (Constant)	12.894			3.036		4.247	.000
Compensation	.650			.083	.753	7.853	.000

a. Dependent Variable: Kinerja
Source: SPSS data processing 22.00, 2023

Based on the output in the table above, it is obtained for the compensation variable (X₂), which is 7.853. By using the distribution table t searched at $\alpha = 5\%$: $2 = 0.025$ (2-sided test) with df (degree of freedom) $n - 3$ or $49 - 3 = 46$, then the result is obtained for t table of 2.013 because the value of t calculate > ttable ($7.853 > 2.013$) with a value (sig) $0.000 < 0.05$ it can be concluded that compensation (X₂) partially has a positive and significant effect on the performance of PT Setia Sejahtera Perkasa (Y) employees.

The Effect of Competency and Compensation on Performance Double Linear Regression Analysis

Table 7. Multiple Linear Regression Coefficient Test Results

Model	Unstandardized Coefficients			Std. Error	Beta	t	Sig.
	B						
1 (Constant)	10.702			2.613		2.962	.005
Competence	.157			.141	.167	1.112	.272
Compensation	.539			.129	.625	4.175	.000

a. Dependent Variable: Kinerja
Source: SPSS data processing 22.00, 2023

Based on the results of the table above, the regression equation is obtained as follows:
 $Y = 10.702 + 0.157X_1 + 0.539X_2$

The meaning of the numbers is as follows:

- 1) A Constant Value of 10,702 means that if competence and compensation constant, then employee performance is 10,702.
- 2) The regression coefficient of the competency variable (X 1) of 0.157 means that if the competency variable increases by one unit, then employee performance will increase by 0.157 units. Assuming the other variables are fixed.
- 3) The regression coefficient of the compensation variable (X 2) of 0.539 means that if the compensation variable increases by one unit, then employee performance will increase by 0.539 units. Assuming the other variables are fixed.

Correlation Coefficient Analysis

Correlation coefficient analysis is intended to determine the level of strength of the relationship of the independent variable to the dependent variable. The test results are as follows:

Table 8. Results of Correlation Coefficient (R) X1 and X2 to Y

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.761 ^a	.579	.560	4.620

a. Predictors: (Constant), Compensation, Competence

Source: SPSS data processing 22.00, 2023

In the table above, the magnitude of the correlation coefficient (R) is 0.761 which means that there is a strong or high correlation or relationship because it is in the interval 0.600 – 0.799 between competency variables and compensation for the performance of PT Setia Sejahtera Perkasa employees.

Coefficient of Determination Analysis

The analysis of the coefficient of determination is intended to determine the magnitude of the contribution of the influence of the independent variable to the dependent variable. Based on Table 8 above, the results

of testing the value of determination or coefficient of determination (R²) of 0.579 or 57.9%, which means that competency and compensation variables can contribute 57.9% of their influence on the performance of PT Setia Sejahtera Perkasa employees while the remaining 42.1% is influenced by other factors not discussed in this study.

Test F

The F test is used to test whether together all independent variables have a significant influence on the dependent variable.

Table 9. F Test Results

ANOVA				
Model	Sum of Squares	df	Mean Square	F
1 Regression	1349.024	2	674.512	31.607
Residual	981.669	46	21.341	
Total	2330.694	48		

a. Dependent Variable: Kinerja

b. Predictors: (Constant), Compensation, Competence

Source: SPSS data processing 22.00, 2023

From the table above, the F value is calculated $> F_{table}$ or $31.607 > 3.20$ and significant by $0.000 < 0.05$, it can be concluded that the variables of competence (X 1) and compensation (X2) together have a positive and significant effect on the performance variables of PT Setia Sejahtera Perkasa employees.

CONCLUSION

Public policy in any form carries the Based on the study's findings, several conclusions can be drawn. Firstly, Competency (X1) exhibits a positive and significant impact on employee performance (Y) at PT Setia Sejahtera Perkasa, as evidenced by a calculated t value of 5.824, surpassing the critical t-table value of 2.013, and a significance level (sig) of 0.000, which is lower than the significance threshold of 0.05. Thus, it can be inferred that Competency (X1) has a partial positive and significant effect on employee performance in the mentioned organization.

Secondly, Compensation (X2) is identified to have a positive and significant influence on employee performance (Y) at PT Setia Sejahtera Perkasa, supported by a calculated t value of 7.853, exceeding the critical t-table value of 2.013, and a significance level (sig) of 0.000, which is less than the predetermined threshold of 0.05. This implies that Compensation (X2) partially contributes positively and significantly to employee performance within the organization.

Furthermore, when analyzing the combined impact of Competency (X1) and Compensation (X2) on employee performance (Y), the study reveals a positive and significant effect. The calculated F value (31.607) surpasses the critical F-table value (3.20), with a significance level of 0.000, lower than the predetermined threshold of 0.05. Thus, it can be concluded that the variables Competency (X1) and Compensation (X2) collectively exert a positive and significant influence on employee performance at PT Setia Sejahtera Perkasa.

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