The Influence of Competency and Compensation on Employee Performance at PT. Berkah Bersama Gemilang Outlet Hertasning Branch

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Keywords:	Abstract
Compensation, compensation and performance	This research aims to analyze the influence of competency and compensation on employee performance at PT. Berkah Bersama Gemilang Outlet Hertasning Branch. The research method uses qualitative and quantitative data, with descriptive analysis and multiple linear regression. The research results show that competency and compensation have a positive and significant influence on employee performance in the branch. Competency, as a combination of knowledge, skills and attitudes, helps improve employee performance. Fair and appropriate compensation, including salary and bonuses, also has a positive impact on performance. Through regression testing, it was found that competence and compensation together contributed positively to employee performance. Statistical analysis shows that the coefficient of determination reaches 80.6%, indicating that competence and compensation explain variations in employee performance of that magnitude. The F test also shows the joint significance of the two independent variables on the dependent variable. These findings are in line with related theories, supporting the view that increasing competence and providing fair compensation can increase employee morale. Therefore, companies are advised to continue to improve employee competency and ensure a compensation system that is transparent and in line with performance contributions. This research contributes to the understanding of the factors that influence employee performance in certain industries, as well as providing a basis for the development of more effective human resource management policies.

1. Introduction

Competence encompasses the abilities and characteristics possessed by an individual, including knowledge, skills, and attitudes necessary for effectively carrying out their duties in a proficient and ethical manner. Competence, in its literal sense, refers to a combination of skills, abilities, and authority. Etymologically, competence signifies the size of attitude, ability, or superiority a leader or staff member possesses in terms of their own abilities, knowledge, and ethical conduct. With the competencies that each employee possesses, it is anticipated that they can contribute positively to the company's or organization's progress in the future.

Companies and organizations consistently aspire for their employees to uphold high performance standards. There are instances when companies or organizations desire their employees to surpass the anticipated performance levels. To ensure that employee performance consistently aligns with the company's expectations, attention must be given to factors that instill a sense of responsibility and meet employees' needs.

It is undeniable that one motivating factor fostering responsibility in the workplace is the provision of compensation based on fair and equitable principles. Fair compensation, in this context, involves the company providing what rightfully belongs to its employees—not just adequate salaries but also bonuses or rewards for outstanding performance compared to their peers. Moreover, appropriateness in compensation denotes adherence to standards, rules, or laws established by the government.

The combination of solid competencies and fair, appropriate compensation received by employees at PT. Berkah Bersama Gemilang Outlet, Hertasning Branch, is poised to significantly influence employees' enthusiasm for their work, thereby yielding a positive

impact on the company's ability to achieve its stated goals. Motivated by the aforementioned background, the author is keen on conducting research with the title "Influence of Competency and Compensation on Employee Performance at PT. Berkah Bersama Gemilang Outlet, Hertasning Branch."

2. Literature Review
2.1. Competence

Busro (2018: 25) asserts that "competence is a perspective on human ability and knowledge, specifically the ability to address business needs by minimizing costs and enhancing service to customers, not diminishing its quality." Conversely, Wibowo (2017: 271) defines competence as "the skill to perform a job or task, grounded in skills and knowledge and complemented by the work behavior required for the job." Consequently, competency signifies an individual's ability or knowledge, distinguished by professionalism in a specific field, establishing them as superior in that domain.

The association between competency and performance is emphasized by Sudarmanto (2015: 32), who states, "competence, as an attribute of human resource quality, significantly impacts individual performance." This underscores the critical role that competency plays in shaping the effectiveness and success of an individual's performance within an organizational or job context.

2.2. Compensation

According to Sutrisno (2019: 181), "Compensation is the company's response in the form of rewards for the time, energy, and thoughts that have been dedicated to the company." Meanwhile, Kasmir (2019: 233) states that compensation is the company's response in the form of services to employees, encompassing both financial and non-financial aspects. This implies that the company acknowledges and reciprocates the services provided by all its employees throughout their work. Conversely, for employees, compensation represents their entitlement based on the burdens and responsibilities they bear, a reciprocation for the services rendered to the company. Thus, compensation for the company is considered a mandatory obligation, while for employees, it is a right that must be recognized.

Several experts posit that compensation holds a significant correlation with an employee's performance. Kadarisman (2016: 56), for instance, emphasizes that "the compensation system is related to improving and maintaining performance." This underscores the idea that an effective compensation system is instrumental in enhancing and sustaining employee performance within an organization.

2.3. Employee performance

According to Busro (2018: 88), "performance is the tangible outcome of work produced by an individual employee, interpreted as the achievement of the expected goals." On the other hand, according to Priansa (2018: 193), "performance is essentially what employees do or do not do when they complete their work." These definitions highlight the dual nature of performance, encompassing both the tangible results achieved and the actions or behaviors demonstrated by employees in the completion of their tasks.

2.4 Hypothesis

The formulated hypotheses for the study are as follows:

- H1: It is hypothesized that competence has a positive and significant effect on employee performance at PT. Berkah Bersama Gemilang Outlet, Hertasning Branch.
- H2: It is hypothesized that compensation has a positive and significant effect on employee performance at PT. Berkah Bersama Gemilang Outlet, Hertasning Branch.
- H3: It is hypothesized that competence and compensation jointly exert a positive and significant influence on employee

performance at PT. Berkah Bersama Gemilang Outlet, Hertasning Branch.

3. Research Methods

This study is conducted at PT. Berkah Bersama Gemilang Outlet, specifically at the Hertasning branch located on Jl. Aorepala No. 50 Kassi-Kassi, Rappocini. The data collected for the research includes both qualitative and quantitative types. Qualitative data is obtained in the form of verbal or written information, such as a general description of the company, questionnaire results, and interview outcomes. On the other hand, quantitative data consists of numerical information or documents related to the company under investigation. The sources of data include both secondary and primary data. Secondary data, collected indirectly, is obtained from existing documents within the company and various literature. Primary data is acquired through direct observation, interviews, and the distribution of questionnaires to PT. Berkah Bersama Gemilang Outlet Hertasning Branch employees.

The data collection methods employed in this research involve library research and field research. Field research is carried out through observations, interviews, and the administration of questionnaires to PT. Berkah Bersama Gemilang Outlet Hertasning Branch employees. The population studied comprises 33 employees at PT. Berkah Bersama Gemilang Outlet Hertasning Branch, with 27 respondents including trainers, supervisors, and couriers. The data analysis methods include descriptive analysis, aimed at providing a clearer picture of the influence of competency and compensation on employee performance, and statistical analysis. The statistical analysis involves various tests such as Validity Test, Reliability Test, Multiple Regression Analysis, Correlation Test, Coefficient of Determination Test, Partial Test (t Test), and Simultaneous Test (F Test). The data is processed using the SPSS23 software application.

4. Results and Discussion
4.1. Research result
a. Descriptive Analysis

Based on The results of the descriptive analysis showed that the competency and compensation variables received very good criteria with percentages of 85.56% and 84.22%. Meanwhile, the performance variable resulting from the descriptive analysis was 84.67% with very good criteria.

b. Statistical Analysis
1) Multiple Regression Analysis

This research uses multiple regression analysis obtained from the results of the questionnaire and processed using the SPSS program. The results are as follows:

Table 1: Results of multiple regression analysis and t test

Coefficients ᵃ					
Model	Unstandardized Coefficients		Standardized Coefficients	Q	Sig.
	B	Std. Error	Beta		
1 (Constant)	1,895	4,067		,466	,645
Competence	,621	,100	,638	6,213	,000
Compensation	,329	,085	,396	3,855	,001
a. Dependent Variable: Employee Performance					

Source: SPSS23, 2023

Based on table 1, a multiple linear regression equation model can be obtained, where the beta value is taken from Unstandardized Coefficients as follows:

$Y = a + b_1X_1 + b_2X_2 + e$

$Y = 1.895 + 0.621X_1 + 0.329X_2 + e$

From the SPSS 23 calculation results in the coefficients table, the following are obtained:

a. The constant value is 1.895, if there is no

change in the competency and compensation variables (X1 and X2 are 0) then performance (Y) is worth 1.895 units.

b. The regression coefficient for the Competency variable is 0.621, meaning that for every unit increase in the competency variable (assuming it is a constant and X2 $_{is}$ 0), employee performance will increase by 0.621 units. This shows that competence contributes positively to employee performance at PT. Berkah Bersama Gemilang Outlet Hertasning Branch.

c. The regression coefficient for the compensation variable is 0.329, meaning that when there is an increase in units of the compensation variable (assuming it is a constant and X1 $_{is}$ 0), employee performance will increase by 0.329 units. This shows that compensation contributes positively to employee performance at PT. Berkah

Bersama Gemilang Outlet Hertasning Branch.

The results of multiple regression analysis provide an illustration that competence and compensation have a positive relationship with employee performance at PT. Berkah Bersama Gemilang Outlet Hertasning Branch.

2) Correlation Coefficient Test (r) and Determination Coefficient Test (R^2)

Test the correlation coefficient (r) and coefficient of determination (R^2) This was done to find out how much the independent variables of competence and compensation simultaneously explain the results of variations in the dependent variable of employee performance at PT. Berkah Bersama Gemilang Outlet Hertasning Branch. Data from data processing on the coefficient of determination (R^2) can be found in the following table:

Table 2: Correlation (r) and determination test results (R^2)
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,898 ^{a}	,806	,790	1.86913

a. Predictors: (Constant), Compensation , Competency

Source: SPSS23, 2023

Based on table 2, it is found that the correlation coefficient (r) is 0.898, meaning that the independent variables (competence and compensation) and the dependent variable (performance) have a very strong relationship. Meanwhile, the coefficient of determination (R^2) is 0.806 or 80.6%.

3) t test

Based on table 2, the results of the t test for the competency variable are that the calculated t is greater than the t table with a calculated t value of 6.213 and a t table of 2.064. This means that there is a significant influence of competence on employee performance at PT. Berkah Bersama Gemilang Outlet Hertasning Branch. Meanwhile, the t test

result for the compensation variable is 3.855 , meaning that compensation also has a significant effect on employee performance at PT. Berkah Bersama Gemilang Outlet Hertasning Branch.

4) F test

The F test is carried out to show whether all independent variables simultaneously or together affect the dependent variable. The results are presented as follows:

1) If the significance is <0.05 then Ha is accepted and H0 $_{is}$ rejected
2) If significance is > 0.05 then Ha is rejected and H $_0$ is accepted

Table 3: f test results

	Model	Sum of Squares	df	Mean Square	F	Sig.
	ANOVA a					
1	Regression	348.153	2	174,076	49,827	,000b
	Residual	83,847	24	3,494		
	Total	432,000	26			
	a. Dependent Variable: Employee Performance					
	b. Predictors: (Constant), Compensation , Competency					

Source: Processed data, 2023

F test results above, where the calculated F value is 49.827 with a significance of 0.000 < 0.05 and F table = k-1; nk = 3-1 ; 27-3 = 2 ; 24 (where n is amount sample and k is amount all over variable) so obtained table F value amounting to 3.40 . So it can be concluded that H $_3$ is accepted. From the results In the calculation above , it can be explained that the competency and compensation variables simultaneously have an influence positive and significant on the performance employees at PT.Berkah Bersama Gemilang Outlet Hertasning Branch. So that hypothesis that reads that competency and compensation in a way together influential positive and significant to performance employees at PT. Berkah Bersama Gemilang Outlet Hertasning Branch accepted .

4.2. Research Discussion

a. The Influence of Competency on employee performance at PT. Berkah Bersama Gemilang Outlet Hertasning Branch.

Partially, competency has a significant effect on employee performance at PT. Berkah Bersama Gemilang Outlet Hertasning Branch. Where the calculated t value is greater than the t table (6.213 > 2.064). This is in line with the results of Ratnasari's research, Sri Langgeng (2016) said that competency has a significant effect on employee performance in the Quality Assurance Department of PT. PEB Batam. Besides that, this research is also supported by the theory put forward by Sudarmanto (2015:32) which says that "competence as an attribute of human resource quality has a

significant effect on individual performance.

b. The Influence of Compensation on employee performance at PT. Berkah Bersama Gemilang Outlet Hertasning Branch.

Partially, compensation also has a significant effect on employee performance at PT. Berkah Bersama Gemilang Outlet Hertasning Branch (3,855 > 2,604). The results of this research are also supported by Yuni Nurlita (2021) where the results of her research show that compensation has a positive and significant effect on employee performance at PT. Pelabuhan Indonesian II (PELINDO II). This research is also supported by the theory put forward by Kadarisman (2016: 56) "related to the compensation system to improve and maintain performance".

c. The Influence of Competency and Compensation on employee performance at PT. Berkah Bersama Gemilang Outlet Hertasning Branch.

Based on the F test or simultaneous test, competency and compensation variables influence employee performance at PT. Berkah Bersama Gemilang Outlet Hertasning Branch where the results of the analysis obtained a calculated F value greater than the F table value (49,827 > 3.40).

d. Competency and compensation have a positive and significant relationship to employee performance at PT. Berkah Bersama Gemilang Outlet Hertasning

Branch.

This is proven by the results of multiple analysis which obtained $Y = 1.895 + 0.621X_1 + 0.329X_2 + e$. Based on the correlation test, the results showed that competency and compensation have a very strong relationship with employee performance at PT. Berkah Bersama Gemilang Outlet Hertasning Branch. while the determination result was 80.6%. Based on the research results, the proposed hypothesis is accepted.

5. Closing
5.1. Conclusion

Based on the results of the analysis and discussion that have been described, it can be concluded as follows:

a. Competency and compensation have a positive and significant relationship to employee performance at PT. Berkah Bersama Gemilang Outlet Hertasning Branch. This is proven by the results of multiple analysis which obtained $Y = 1.895 + 0.621X_1 + 0.329X_2 + e$

b. Based on the correlation test, the results showed that competency and compensation have a very strong relationship with employee performance at PT. Berkah Bersama Gemilang Outlet Hertasning Branch. while the determination result was 80.6%.

c. Partially, competency and compensation have a significant effect on employee performance at PT. Berkah Bersama Gemilang Outlet Hertasning Branch is proven by the results of the F test where the calculated F is greater than the F table (49,827 > 3.40)

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