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**EFFECT OF COMPETENCE AND COMPENSATION ON EMPLOYEE PERFORMANCE**

By

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**Abstract:** The purpose of this study to discuss about effect of competence and compensation on employee performance. This type of research is a correlational study. The population in this study are employees of PT Bintang Parabola, amounting to 75 people. In this study the authors used a population of 75 employees at PT Bintang Parabola by calculating the sample size using saturated sampling technique. Methods of data analysis using the t test. The research results show that competence has a significant effect on employee performance at PT Bintang Parabola. Compensation has a significant effect on employee performance at PT. Bintang Parabola.

**INTRODUCTION**

The company was established to obtain optimal profits in accordance with the plans that have been made. In this effort, employees as the main element in the organization, play a very important role. Companies will not function without being handled by workers. The success or failure of a company in maintaining the company's existence starts from the effort to manage human resources, especially in increasing work effectiveness and efficiency to the maximum. Employees are one of the most important and potential resources to be developed and their role is so vital and most decisive compared to other resource elements. encouragement, power, and work. All of these human resource competencies greatly affect the organization's efforts in achieving its goals.

Human resources have an important role for the organization because human resources as system managers so that this system continues to run, of course the management must pay attention to important aspects such as competence, discipline, education and training as well as the level of comfort at work so that the employees concerned can be encouraged to provide all capabilities according to the needs of the organization. Human resources with good performance will eventually produce good performance as well.

Employee 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, 2010). Performance improvement is the most important thing desired by both employees and organizations. Organizations want optimal employee performance for the benefit of increasing work results and organizational profits. On the other hand, employees have an interest in self-development and job promotion. To fulfill these two desires, a good performance management system is needed.

Employees who have high performance are characterized by several things, including employees who can complete tasks accurately and quickly, employees are willing to comply with applicable regulations in the company, employees are able to work within a predetermined time, employees can cooperate with other employees in completing work or a task determined by the company.

Performance can also be influenced by several factors, namely internal factors, including factors that come from within the employee and external factors are factors that support employees in working that come from the environment, such as employee competence. Employee competence is reflected, among others, through knowledge. While knowledge is obtained through formal education. If employee competence increases, performance will also increase. Therefore, competence and performance have a very close relationship. Increased competence through training aims to improve employee performance.

Employee competence through the inability to communicate with employees is an obstacle to the success of group work or a work team. Employee competence in good communication will produce positive synergy within the group. Good communication will be created through an organized effort by a leader who is able to mobilize, align, lead groups, and has the ability to explain ideas so that they can be accepted by others.

According to Liestyodono and Purwaningdyah (2008) competence is knowledge, skills, and abilities that are mastered by someone who has become part of him, so that he can perform cognitive, affective, and psychomotor behaviors as well as possible. According to Simanjuntak (2005) competence can deepen and broaden work abilities. The more often a person does the same job, the more skilled and faster he will complete the job. The more kinds of work a person does, the richer and wider his work experience is, and the possibility of increasing his work.

Sudarmanto (2009) said that competence as an attribute of the quality of human resources has a significant effect on individual performance. Competence describes what employees do in the workplace at various levels and details the standards of each level, identifies the characteristics of knowledge and skills needed by individuals that enable them to carry out their duties and responsibilities effectively so as to achieve professional quality standards in work and produce good performance (Wibowo, 2009). Employee competence can be achieved by providing training to employees in accordance with the needs of their work and organizational goals.

According to Romberg and Kaput (2009) an employee has high competence if the employee has work experience, educational background that supports the profession, has expertise/knowledge, and has skills.

Compensation given to employees is very influential on employee satisfaction and motivation in improving good performance. This is because employee work motivation is much influenced by whether or not the minimum life needs of employees and their families are met. With this compensation, it is expected that employees are motivated in carrying out their duties and providing services the best for society.

Performance of employees working at PT Bintang Parabola can be seen from the healthy competition among employees, the results of the incentives received, as well as the competence of these employees. However, the problems that arise are that there are still employees who are unable to work properly, human errors often occur, which results in a lack of company productivity. This is caused by the assignment of unclear tasks to employees so that employee participation is not optimal and work pressure. In this case the company is very demanding of employee performance in the form of competition and incentive result. The purpose of this study to discuss about effect of competence and compensation on employee performance.

## **RESEARCH METHODS**

This type of research is a correlational study of the relationship between an element and another element to produce new shapes and forms that are different from the previous ones (Octiva et al., 2018; Pandiangan, 2018).

The population is a generalization area consisting of objects or subjects that become certain quantities and characteristics that are determined by researchers to be studied and then conclusions are drawn (Asyraini et al., 2022; Octiva, 2018; Pandiangan, 2015). The population in this study are employees of PT Bintang Parabola, amounting to 75 people. The sample is part of the number and characteristics possessed by the population (Jibril et al., 2022; Pandiangan et al., 2018; Pandiangan, 2022). The sampling method of this study used saturated sampling. Saturated sampling is a sampling technique when all members of the population are used as samples (Octiva et al., 2021; Pandiangan et al., 2021; Pandia et al., 2018). In this study the authors used a population of 75 employees at PT Bintang Parabola by calculating the sample size using saturated sampling technique.

Methods of data analysis using the t test. The t-test basically shows how far the influence of one independent variable individually in explaining the variation of the dependent variable (Pandiangan et al., 2022; Tobing et al., 2018).

## **RESULT**

### **General Description**

PT Bintang Parabola is a private company engaged in the sale and service of satellite dishes. This company was founded in 1990 by Mrs. Rita Ripin. PT Bintang Parabola has its address at Jalan Sutomo Number 305, Medan Kota District, Medan City, North Sumatra Province, Postal Code 20212.

In line with the rapid development of the company and the increasing interest and demand from the public for the best and quality shows, PT Bintang Parabola is trying to compete with other companies to provide better service than before. That way, PT Bintang Parabola will maintain its position as a leading and trusted provider of satellite dishes and satellite dish service services.

The vision is to become a satellite dish market company in distribution, sales and service that is competent to continue to grow in its field. The mission consists of:

1. Carry out company activities with high ethical standards with honesty and integrity.
2. Prioritizing consumer satisfaction by providing high quality products with guaranteed quality and highly competitive prices.
3. Give sincere concern to the community through job creation, support for social and environmental development.

The establishment of the organizational structure aims to obtain an overview and knowledge of the parts that exist within the company and the authority to carry out their respective duties. The job description at PT Bintang Parabola is as follows:

1. Director
  - a. Decide and determine the highest rules and policies of the company.
  - b. Responsible for leading and overseeing the running of the company.
  - c. Appoint and dismiss company employees.
  - d. Act as a company representative in relation to the outside world of the company.
2. Human Resources Manager
  - a. Developing a personnel planning system and employee policy control.
  - b. Carry out administrative and staffing needs.
  - c. Supervise the performance of employees in the company.
3. Tax Officer
  - a. Calculate the tax that must be paid by the company in a certain period.
  - b. Pay and report corporate taxes on time.
  - c. Make tax planning.
  - d. Create fiscal and commercial financial reports.
4. Human Resource Development
  - a. Responsible for managing and developing human resources.
  - b. Conduct selection and promotion of employees deemed necessary.
  - c. Fully responsible for the employee recruitment process starting from looking for prospective employees, interviews, and selection.
  - d. Monitoring Employee Performance
5. Admin Finance
  - a. Perform purchase and sale entries.
  - b. Doing daily document archives.
  - c. Prepare monthly financial reports.
  - d. Perform cash disbursements entry, both petty cash and main cash.
  - e. Perform entry receipts of receivables from dealers.
6. Customer Service
  - a. Receive and serve complaints and inquiries by telephone.
  - b. Overcome product or service problems by clarifying consumer complaints or complaints through the best solutions.
  - c. Recommend products or services by collecting and analyzing customer information.
  - d. Build an ongoing relationship of trust through open and interactive communication.
7. Warehouse Admin
  - a. Receiving incoming goods from suppliers.

- b. Perform entry of goods.
  - c. Check stock of goods and make daily stock reports.
8. Driver
- a. Deliver goods or company products to dealers.
  - b. Pick up company directors and human resource development.

### The t Test Results

**Table 1. The t Test Results**

Variable	Sig.
Competence	0.019
Compensation	0.000

The research results show that competence has a significant effect on employee performance at PT Bintang Parabola. Compensation has a significant effect on employee performance at PT Bintang Parabola.

### CONCLUSION

The research results show that competence has a significant effect on employee performance at PT Bintang Parabola. Compensation has a significant effect on employee performance at PT Bintang Parabola.

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