

The Effect Of Compensation, Competence On Employee Performance At Bank Muamalat KCP Palopo

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Abstract

This research aims to find out how far the impact of Compensation, Competence on Employee Performance on KCP Palopo Muamalat Bank. The number of samples used in this study is 50 people. This method of research uses quantitative research methods, double regression analysis, with data collection techniques through questionnaires distributed to respondents. The population used in this study was a Palopo City Muamalat Bank employee Then the data collected was analyzed using IBM SPSS 26. Significant Value Compensation of 0.019 This value is below 0.05 which means that the compensation has a significant impact on employee performance. H1 thus states that compensation with a significant positive impact on employees performance is accepted. Simultaneously compensation and competence influence the performance of employees at Muamalat Bank KCP Palopo.

Keywords: Compensation, Competence, Employee Performanc

1. Introduction

Technological advances in the era of globalization have greatly influenced changes in various development-related fields. This encourages various industries to use all their resources, including natural and human resources. Because reliable human resources are indispensable for achieving comprehensive national development, the development and improvement of the quality of human resources needs to receive more special attention to maximize its existence [1].

This research was conducted to provide useful work objectives for the company, namely how much influence Compensation, Competence on employee performance at Bank Muamalat KCP Palopo. Improving employee performance is very important to ensure that workers are responsible for the main tasks they complete and are able to do their job to the best of their ability. Compensation and competence are factors that influence the high and low performance of employees in organizations and agencies [2]. According to [3], equity theory must be created in organizations because it is important for employees. Injustice is not employee satisfaction. With fair compensation, it can increase employee motivation. Fair compensation is if the employee feels that the compensation provided is really fair.

Employees are basically an important resource component for an organization to achieve its goals. Every employee in an organization expects material and spiritual changes that are directly related to performance as an important factor determining the success of an organization [4] Providing compensation to employees is one of the strategies to retain employees. However, it is often a problem if employees do not receive services or results from their work such as salary problems and allowances that are not in accordance with employee expectations, this is what results in a decrease in the level of employee performance which results in decreased company quality.

Compensation is important because it shows how hard a business works to retain and improve the quality of life of its employees. Improved performance is influenced by Compensation both directly and indirectly. Therefore, it is important to consider employee remuneration to promote employee satisfaction and motivation to retain and improve performance to the level required by the company in an effective and efficient manner. So with the provision of compensation to employees needs to be improved so that employees can improve the quality of their performance. According to [5] performance indicators are as follows: Timeliness A certain type of work according to attendance in doing according to the specified time. Quantity A person can complete his work within a predetermined period of time. Quality Each worker recognizes and resolves relevant problems and has a positive work attitude in the workplace.

Inseparable from human resources the company can also find it difficult to achieve goals if it experiences a decrease in the ability and knowledge and skills possessed by employees. to improve the quality of the company so that the performance of employees is better and the quality also improves. With good quality employee performance, employees will be more expert and skilled in their work. As for often being a problem of employee performance at Bank Muamalat Kcp Palopo so that employee performance decreases, namely timeliness, where when working employees are often not on time in completing the assigned tasks not in accordance with the set time and company targets. The survival of a company depends on the quality of the performance of its employees in carrying out work, because employees are the most important element that must receive attention from the company [6]

Based on the results of research that has been done before, according to [7] with the title "the effect of compensation and work discipline on employee performance at yuta hotel manado" shows that compensation has an insignificant negative effect on employee performance. Meanwhile, according to [8] with the title "competency analysis and compensation on employee performance based on the non-physical work environment" compensation variables have a significant effect on employee performance.

2. Methodology

This form of research uses a quantitative approach, the data analysis technique used in this research is multiple regression analysis with the help of using IBM SPSS Statistic 26.0. This research was conducted in Palopo City, precisely at Muamalat Bank KCP Palopo located at Jl. A Jemma No.53, Amasangan, Kec. Wara, Palopo City, South Sulawesi..

The type of data used in this research is Primary data, namely information obtained directly from the source or object of research. The source of information is the results of observations at Bank Muamalat KCP Palopo. To collect data and distribute questionnaires to employees who are the object of this research. In addition to primary data, secondary data is also used, which is data that has been published or used by other parties, secondary data can be in the form of various information from previous research results and literature that is considered relevant to support this research. Information and documents from previous studies that can be used as references in this study.

The population in this study were all employees of Bank Muamalat KCP Palopo with a population of 50 people. Thus the number of respondents in this study was 50 people. The determination of the number of samples used by the author in this study is to use the census

method based on the provisions put forward [8] says that "Saturated sampling is a sampling technique when all members of the population are used as samples." Another term for saturated sample is census. Another term for saturated sample is census.

Data Collection Technique

The data collection techniques used in this study are Observation, which is a data collection technique by conducting direct research by coming to the company to be studied.

Questionnaire method is a data collection technique that is carried out by giving a series of questions or written statements to respondents. This technique is done by distributing questionnaires containing questions or statements which are then filled in by respondents according to their knowledge. Literature Study, by utilizing books, journals, previous research results, or other documents deemed relevant to this research.

Data Analysis Technique

In quantitative research, quantitative data analysis techniques are an activity after data from all respondents or other data sources are all collected. Data analysis is the process of processing data after it has been collected. Selection of the right data processing method will provide accurate results. By looking at the theoretical framework, the data analysis techniques used in this study are multiple linear regression analysis techniques, validity tests, reliability tests, normality tests, hypothesis tests, simultaneous tests, determination coefficient tests.

3. Result and Discussion

Before the collected data is analyzed using the help of statistical tools, validity and reliability tests are previously carried out, this test aims to evaluate the questions filled in by respondents.

Table 1 Validity Test Results

Variable	Item	N	Significant	r-count	r-table	Information
Compensation (X1)	X1.1	50	0.000	0.669	0.2787	Valid
	X1.2	50	0.000	0.741	0.2787	Valid
	X1.3	50	0.000	0.799	0.2787	Valid
	X1.4	50	0.000	0.775	0.2787	Valid
	X1.5	50	0.000	0.685	0.2787	Valid
	X1.6	50	0.000	0.698	0.2787	Valid
	X1.7	50	0.000	0.673	0.2787	Valid
	X1.8	50	0.001	0.471	0.2787	Valid
Competency (X2)	X2.1	50	0.000	0.747	0.2787	Valid
	X2.2	50	0.000	0.726	0.2787	Valid
	X2.3	50	0.000	0.749	0.2787	Valid
	X2.4	50	0.000	0.591	0.2787	Valid
	X2.5	50	0.000	0.573	0.2787	Valid
	X2.6	50	0.000	0.712	0.2787	Valid
Performance Employee (Y)	Y.1	50	0.000	0.630	0.2787	Valid
	Y.2	50	0.000	0.761	0.2787	Valid
	Y.3	50	0.000	0.494	0.2787	Valid
	Y.4	50	0.000	0.619	0.2787	Valid
	Y.5	50	0.000	0.734	0.2787	Valid
	Y.6	50	0.000	0.652	0.2787	Valid
	Y.7	50	0.000	0.750	0.2787	Valid
	Y.8	50	0.007	0.377	0.2787	Valid

Table 1 shows that the validity test results provide valid information because in each variable there is an r count that is greater than the r table, namely 0.2787.

According [9] Validity test is used to measure whether a questionnaire is valid or not. A questionnaire is said to be valid if the questions on the questionnaire are able to reveal something that will be measured by the questionnaire.

The smaller the measurement error, the more reliable the measuring device, on the contrary, the greater the measurement error, the more unreliable the measuring device. A variable is said to be realibel if the Chrocobach's Alpha (α) value > R table.

According to [10] Reliability test is a tool to measure a questionnaire which is an indicator of a variable or construct. A variable is said to be reliable or reliable if a person's answer to a statement is consistent or stable over time.

The following is the reliability table

Table 3 Reliability Test Result

Variable	Cronbach's Alpha	r-table	Information
Compensation	0.841	0.2787	Reliabel
Competency	0.769	0.2787	Reliabel
Perfomance employee	0.774	0.2787	Reliabel

Table 2 shows that each variable included in the study has a cronback alpha value for compensation of 0.841, competence of 0.769, and employee performance of 0.774 which is higher than the r-table value of 0.2787. This shows that all research variables are reliable. Making all question items reliable and trustworthy so that they are suitable for use in further research.

According to [11] the Normality Test is a test carried out with the aim of assessing the distribution of data in a group of data or variables, whether the data distribution is normally distributed or not. As a basis for decision making in the Kolmogorov-smirnov normality test, if the significance value is greater than 0.05, the research data is normally distributed, on the contrary, if the significance value is less than 0.05, the research data is not normally distribut.

Table 3 Normality Test Result

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		50
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	2.322163
Most Extreme Differences	Absolute	.21
	Positive	.108
	Negative	.049
Test Statistic		-.108
Asymp. Sig. (2-tailed)		.108
		.200 ^{c,d}

Table 3 shows that the data is normally distributed because it has a residual variable value of Asymp. Sig. (2-tailed) is greater than 0.05 or 5%. So in accordance with the basis for decision making in the Kolmogoriv-Smirnov normality test, it can be concluded that the data is normally distributed, with a t table value of 1.676.

Multiple Linear Regression Analysis

Table 5 Regression Analysis Result

Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.
	B	Std. Error	Beta			
(Constant)	6.693	5.267			1.271	.210
Compensation	.308	.127	.288		2.420	.019
Competency	.620	.156	.473		3.967	.000

Based on the results of statistical analysis in table 5 above, it shows the following results:
 X₁ (Compensation) $t_{hit} > t_{tab}$, namely $t_{hit} 2,420 > t_{tab} 1,676$ with a significant value of $0.01 < 0.05$, meaning that compensation has a positive and significant effect on employee performance.

X₂ (Competence) $t_{hit} > t_{tab}$, namely $t_{hit} 3.967 > t_{tab} 1.676$ with a significant value of $0.00 < 0.05$, meaning that Compensation has a positive and significant effect on Employee Performance.

Showing the regression calculation, the constant value obtained is 6,693 and the regression coefficient of Compensation 0.308 and Competence 0.620. So that the regression equation obtained is as follows:

$$Y = 6.693 + 0.308X_1 + 0.620X_2$$

Y = Employee Performance

X₁ = Compensation

X₂ = Competency

From the regression equation above, it can be concluded as follows:

1. If Compensation and Competence are constant or $X_1 = 0, X_2 = 0$ / None then employee performance at Bank Muamalat KCP Palopo shows that each Compensation and Competence will encourage employee performance by 6,693 units.
2. The regression coefficient of Compensation (X₁) is 0.308, this means that if there is a change in compensation of 0.308, it will affect employee performance by one unit. This shows that the compensation variable provided contributes positively to employee performance. so that the greater the work compensation provided by the leadership, the more soaring employee performance.
3. The regression coefficient of competence (X₂) is 0.620, this means that if there is a change in competence of 0.620, it will affect employee performance by one unit. This shows that competence is given a positive contribution to employee performance, so that employee performance soars even higher.

Hypothesis Test Results

According [12] the population characteristic hypothesis is strongly supported by sample data or not. Where in this study for statistics is a process to determine whether the conjecture about the value of parameters / how to see the effect of compensation, competence on employee performance at Bank Muamalat Kcp Palopo partially / individually. The hypothesis test results obtained are as follows:

1. Compensation siginikan value of 0.01 this value is below 0.05 which means compensation has a significant effect on employee performance. The t value of 2.420 is greater than the t table of 1.676, therefore H1 which states that compensation has a significant positive effect on employee performance is accepted.
2. The significant value of competence is 0.00, a value that is below 0.05, which means that competence has a significant effect on employee performance. The t value of 3.967 is greater than the t table of 1.676, thus H2 which states that competence has a positive effect on employee performance is accepted.
3. Simultaneously that compensation and competence together have an effect on employee performance

Based on the results of the f test, the calculated value is 14,323 with a significance of 0.00, therefore the significance value is less than 0.05, it can be concluded that the independent variables jointly affect the dependent variable.

F Test Results

Table 5 Simultaneous Test Results

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	161.050	2	80.525	14.323	.000 ^b
	Residual	264.230	47	5.622		
	Total	425.280	49			

Table 5 shows the calculated F value of 14,323 with a significance of 0.00. Therefore, the significance value is smaller than 0.05, so the regression model can be used to predict employee performance or it can be said that the independent variables (Compensation and Comptensi) together have an effect on the dependent (Performance).

Coefficient of Determination (R²)

Table 6 Coefficient of Determination

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.615 ^a	.379	.352	2.37106

Table 6 shows that the R value obtained is 0.615, this means that the relationship between the independent and dependent variables is very strong. While the adjusted R square (R²) value obtained is 0.352 or 35.2%, meaning that 35.2% of performance variables can be explained by compensation and competency variables, while the remaining 64.8% is explained by causes or variables that have not been included in the model.

Discussion

The results of the multiple linear regression equation show the results that the compensation variable (X1) and competence (X2) are positive towards performance. This means that if the compensation and competency variables are increased, it will also increase the performance of Bank Muamalat Kcp Palopo employees.

The explanation of each variable can be explained as follows:

- a. Based on hypothesis testing (H1) The results of regression calculations show the variable coefficient value of Compensation (X1) of 0.308 with a significant value of 0.019 and the value is below the value of 0.05, this means that compensation has a positive and significant effect on employee performance. So it can be stated that H1 which is suspected that compensation has a positive and significant effect on employee performance at Bank Muamalat Kcp Palopo is accepted. This provides an answer that the more compensation provided by the company, the more the performance of employees at Bank Muamalat Kcp Palopo will increase. Supported by the theory of justice, injustice is not employee satisfaction. With fair compensation, it can increase employee motivation. fair compensation is if the employee feels that the compensation provided is really fair. This is in line with the research [13] based on the results of the study found that compensation has a significant positive effect on employee performance.
- b. Based on hypothesis testing (H2) the results of regression calculations show the results of the Kompetensi variable (X2) on employee performance of 0.620 and a significant value of 0.000 and this value is below 0.05, this means that the competence of employees also has a positive and significant effect on the performance of employees of Bank mualamat kcp palopo. So it can be stated that the second hypothesis which is suspected that competence has a positive and significant effect on the performance of employees of Bank Muamalat Kcp Palopo is accepted. This gives the answer that the more often employees develop their level of competence, the more performance the employees have. Supported by Core Competency Theory, this theory explains that employees who have the core competencies needed for their jobs are more likely to perform well. This is in line with research [14] based on the results of the study found that Competence has a significant positive effect on employee performance.

4. Conclusion

This study aims to determine the effect of compensation, competence on employee performance at Bank Muamalat Kcp Palopo. The sample used in this study was 50 people. The method used is multiple regression analysis. The test results obtained are as follows:

1. The significant value of Compensation is 0.019 this value is below 0.05 which means that Compensation has a significant effect on employee performance. Thus H1 which states that Compensation has a positive effect on employee performance is accepted.

2. The significant value of Competence is 0.000, this value is below 0.05, which means that Competence has a significant effect on employee performance. Thus H2 which states that Competence has a positive effect on employee performance is accepted.
3. Simultaneously that Compensation and Competence together have an effect on employee performance. Thus H3 states that Compensation and Competence simultaneously affects employee performance is accepted.

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