
The Influence of Competence, Compensation, Organizational Commitment, Training and Working Experience On Employee Performance

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Abstract:

Research on analyzing the influence of competence, compensation, organizational commitment, training, and work experience is used as a test of employee performance. The population in this research process is all employees of PT XYZ. In this clai research, data sampling techniques will be used with a combined method of area sampling techniques and also simple random sampling with a population of employees from PT XYZ. Analysis of this data itself shows several factors such as compensation, competence and also organizational commitment that have a simultaneous and significant influence on the performance of employees of PT XYZ. Then the role of competencies that have a very significant role on the performance and satisfaction of employees who work at PT XYZ. This research was conducted to analyze various factors that have an influence on the motivation of employees and also the performance of employees at PT XYZ. The data analyzed is data related to compensation and competencies that can have an influence on employees in terms of compensation, competence and motivation. From the data obtained, PT XYZ must provide compensation, competence to employees in order to improve their performance.

Keywords: Competence; Compensation; Organizational Commitment; Training; Working Experience; Employee Performance

1. Introduction

Developments in the economic world today certainly make a lot of business competition tighter and heavier. Various companies were built as proof that economic development is on the right track. Companies in the current era do have a level of competition that is not playing games (Paul & Anantharaman, 2004). Therefore, the human resource factor is the main factor in driving the company's economy. Especially now that companies in Indonesia are no longer local. Instead, they are international (Yamali, 2018).

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The driving force of the organization, especially this company if managed properly, will be able to provide a much better role for the company. And the better the existing human resources in a company, the better the organization will face competition. However, if the role of human resources is low, then the performance of the company will also be low. Employees who do not give all the abilities and competencies they have, can harm the company (Amin, 2022).

Human resources have a role from time to time that is quite important and also get a strategic place in business activities within the company. Human resources have a role related to the strategy of the company or organization in order to support the wheels of the economy (Samgnanakkan, 2010). Based on the perspective of the *resorce-based view* that the ability and competence of human resources is a very potential resource to increase the competitive side in the company and also the organization (Omotayo et al., 2014; Srikaningsih & Setyadi, 2014).

If the capabilities of HR are advanced enough, it can certainly support and help the company in gaining a good competitive advantage. With human resource management practices, it can certainly encourage focus on consumers or customers. Meanwhile, according to the thoughts of Kwon et al., (2010), there are 4 new roles that are very important in playing the role of human resources and all practitioners of human resources, so that they can provide maximum benefits and results for their existence in the company, consisting of:

1. Human resources have a function that is required to have competence and ability in translating the business strategy set in the company. And this can be a real step in the company and also in the field.
2. HR must have expertise in the administrative sector where the function of this sdm can re-engineer every performance process carried out in the company.
3. HR has a role as a driver and also supports the progress of employees in a company.
4. The function of human resources can of course be a catalyst for change within the company in order to provide satisfaction to consumers.

In addition, they are also guided to recognize what can be an obstacle for the company in order to make decisions and make changes to the performance of the company. In this way, of course, preventive measures can be taken if there is social turmoil in the company that can be counter-productive in this company.

There are several studies that discuss the decline in the performance of human resources which is closely related to several factors such as competence and also factors or variables of human resource management itself as well as organizational behavior and motivation based on the opinion of Davis & McClelland (Putra & Ali, 2022). The problem of human resource management in a company is of course related to the professionalism and morale of the employees who work in a company that is related to the utilization of technology in the form of technical and non-technical sectors (Atmojo, 2015).

In this study, there are various human resource management factors that become organizational behavior that have an influence on employee performance which consists of competence, compensation, commitment to job satisfaction of these employees. Compensation itself is a right received by employees as evidence of the replacement of services that have been provided to employees to the company.

With this evaluation, management can make various kinds of considerations and also provide input to employees regarding their skills, efforts, responsibilities and competencies in the job (Aggarwal et al., 2022).

Compensation is one of the main drivers of employees in their work. This is because employee compensation is in the form of financial or salary to employees to meet their daily needs. Practical compensation has a great influence on the performance of employees. This is expressed by Murgianto et al., (2016) that this compensation is used as a way to reward the performance of employees. Likewise, the opinion of Cherif (2020) that there is a return made by the company to employees in providing compensation. And employees who receive this have a goal to work and get compensation for the performance performed by these employees.

Meanwhile, competencies related to human resources have a very important meaning for the job. Human resources are an important and determining factor for a company. Therefore, competence is one of the most important factors in determining the success of a company. With the competence possessed by employees, this can determine the quality of the human resources and can also determine the quality of the company.

Competence is a characteristic that is the basis of the individual in relation to the effectiveness and performance of the individual in his work (Yamali 2018). Competence is one of the factors needed in the implementation of certain roles in a company. Of course, to produce performance in the form of work achievements that can be satisfying.

Commitment in the field of organization or company itself has a relationship with the entry and exit of employees into the company or organization. However, it is closely related to employees' willingness to sacrifice for the company. According to the thinking of Allen & Meyer (1994) that commitment in the organizational field has a definition as attachment in terms of emotion, identification and also individual involvement in participating in the company or organization (Fu et al., 2011).

2. Methodology

The research conducted uses associative quantitative methods and survey methods and path analysis techniques. This method is carried out in order to obtain objective conclusions from the data obtained. PT XYZ became the research location with the research subject of the employees of the PT. The population of employees who were sampled obtained 75 employees who became data samples in the study. The data

obtained from this research is primary data taken from observations and also questionnaires distributed to informants as samples in the research process.

Meanwhile, secondary data in this study was taken by collecting data from PT XYZ such as age, education level, number of employees, attendance rate to target achievement and company profile. In addition, data analysis techniques are carried out where a good regression model will have a normally distributed residual value. So that the normality test is no longer carried out on each variable, but on the residual value.

While the multicollinearity and heteroscedasticity tests are one of the data analysis techniques carried out. This multicollinearity test has the aim of testing the regression model which is found to have a correlation between one to all independent variables. While the heteroscedasticity test will be carried out as a way to get a data in the regression whether there is an imbalance in the variance of the residual results.

Hypothesis testing is done if r is close to -1 or 1, then there is a close connection between the independent and dependent variables. Meanwhile, if r has a value close to 0, then the connectivity between the two variables will be very weak. Or tends not to exist. This t test has a base dk that can be obtained with the minimum confidence level used, namely $\alpha = 0.05$. Then the t count obtained will be compared with the t table. If the result is more, then there is a significant effect of the research. The results of the F test on all structural equations have the basis of the comparison between the F count and the F table which is within the level of $\alpha = 0.05$.

3. Empirical Findings/Result

Description of the analysis unit from the company PT XYZ there are several data consisting of the following:

Table 1. Respondent's Education

| No. | Education | Total | Percentage |
|-------|--------------------|-------|------------|
| 1 | Elementary School | 15 | 20% |
| 2 | Middle School | 25 | 33,33% |
| 3 | Upper Level School | 30 | 40% |
| 4 | D-III | 3 | 4% |
| 5 | Bachelor | 2 | 2,67% |
| Total | | 75 | 100% |

From the employee education data, it was found that around 15 employees had their last education at the elementary school level. Meanwhile, 25 employees have a junior high school education. Then there are 30 employees studying at the Senior High School. The remaining 3 employees have a Diploma education and 2 employees have the last education, namely a bachelor's degree.

Table 2. Respondent's Age

| No. | Age | Total | Percentage |
|-----|---------|-------|------------|
| 1 | 17 - 30 | 20 | 26,67% |
| 2 | 31 - 40 | 35 | 46,67% |

| | | | |
|-------|---------|----|--------|
| 3 | 41 - 50 | 20 | 26,67% |
| Total | | 75 | 100% |

For the age category, there are about 20 employees who are between 17 to 30 years old. While there are about 35 employees who are in the age range of 31 to 40 years. As for the age of 41 to 50 years, there are around 20 employees at PT XYZ.

From these data will be analyzed by testing normality with the results of the *One Sample Kolmogorov Smirnov* test which gets a value of around $0.714 > 0.05$ with structural 1 and also 0.754 for structural 2. And this is called spreading normally. While in the multicollinearity test process, the results obtained from the TOL and VIF testing of structural 1, there are 2 independent variables that have a value of $0.607 > 1$ and also $VIF\ 1.65 < 10$. While in structural 2, there are independent variables with TOL lift on each variable, namely 0.215 , 0.501 and also 0.18 . Of these three have a value greater than 0.1 . While the value of VIF for each variable consists of 4.661 , 1.998 and 5.62 which all have a value smaller than 10 . Both structures are free from multicollinearity tests.

Regression analysis presents the influence of competence and compensation on employee motivation at PT XYZ. The data consists of :

Table 3. Regression Analysis

| Model | Coefficient | | | t | Sig. |
|---------------------------------|---------------------|---------------|------|--------|------|
| | Unstandardized Coef | Standard Coef | | | |
| | B | Std. Error | Beta | | |
| Constant | -.263 | 4.178 | | -.063 | .950 |
| Compensation - X1 | .738 | .064 | .730 | 11.475 | .000 |
| Competence - X2 | .245 | .063 | .249 | 3.912 | .000 |
| Dependent Variable - Motivation | | | | | |

From the results of the above analysis, the regression equation can be obtained from the data is:

$$X3 = .738X1 + .245X2 - .263$$

The variables of competence and compensation also have a considerable and significant influence on motivation as shown by the t test < 0.05 . The next data entered into the regression analysis is the effect of compensation and competence and motivation of employees on the performance of the employees themselves. And the data is obtained as follows:

Table 4. The Results for t-test

| Model | Coefficient | | | t | Sig. |
|-------------------|---------------------|---------------|------|--------|------|
| | Unstandardized Coef | Standard Coef | | | |
| | B | Std. Error | Beta | | |
| Constant | -3.619 | 2.917 | | -1.241 | .219 |
| Compensation - X1 | .252 | .075 | .203 | 3.343 | .001 |
| Competence - X2 | .100 | .048 | .083 | 2.075 | .042 |

| | | | | | |
|----------------------------------|------|------|------|--------|------|
| Motivation - X3 | .892 | .082 | .727 | 10.868 | .000 |
| Dependent Variable - Performance | | | | | |

Competency variables as well as compensation and motivation have a very significant effect partially on the performance of the employees of PT XYZ. And this influence is shown by the results of regression analysis with a t test value greater than 0.05. While for the coefficient of determination of competence and compensation on the motivation factor, the data is obtained in the following table :

Table 5. Coefficient of determination of competence and compensation on the motivation factor

| Model Summary | | | | | |
|---------------------------------------------------|-------------------|----------|--------------|------------------------|--|
| Model | R | R Square | Adj R Square | Std. Error of Estimate | |
| 1 | .907 ^a | .823 | .818 | 8.334 | |
| A - Predictors Constant, Compensation, competence | | | | | |

The influence on the value of these two variables on the motivation factor is more emphasized in the Adjusted R Square column where the value has a figure of 81.8% with the remaining 18.2% being influenced by other factors outside these variables. As for the coefficient of determination of competence, compensation and motivation to performance, there is a table as follows:

Table 6. Coefficient of determination of competence, compensation and motivation to performance

| Model Summary | | | | |
|---------------------------------------------------------------|-------------------|----------|--------------|------------------------|
| Model | R | R Square | Adj R Square | Std. Error of Estimate |
| 1 | .971 ^a | .944 | .941 | 5.806 |
| A - Predictors Constant, Compensation, competence, Motivation | | | | |

From the coefficient data, especially in the Adjusted R Square column, it is shown that there is an influence of the competency, compensation and motivation variables on the performance factors of employees. And here a value of 94.1% is generated with the remaining 5.9% influenced by other factors.

The influence given by competence on motivation is 0.249. Meanwhile, the effect on performance has a value of 0.083. Meanwhile, the effect given directly by compensation on motivation has a value of 0.730. While the effect on performance from this compensation is around 0.203. Then for the direct influence of the motivation factor on the performance factor has a value of 0.727.

The indirect effect of compensation on performance factors through the motivation factor gets a value of $0.73 \times 0.727 = 0.531$. While the total effect on the performance factor obtained from this compensation factor, gets a value of around : $0.203 + 0.531 = 0.734$. Then the indirect effect obtained by the performance factor from the competency factor through the motivation factor, gets a value: $0.249 \times 0.727 = 0.181$.

While the total effect of competence on performance, obtained a value of: $0.083 + 0.181 = 0.264$.

There are some data regarding the influence of competency and compensation factors on motivation factors simultaneously which are described through the following table:

Table 7. ANOVA test results 1

| ANOVA ^b | | | | | | |
|----------------------------------------------------|------------|----------------|----|-------------|---------|-------------------|
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 23260.32 | 2 | 11630.158 | 167.463 | .000 ^a |
| | Residual | 5000.350 | 72 | 69.449 | | |
| | Total | 28260.67 | 74 | | | |
| a - Predictors: Constant, Compensation, Competence | | | | | | |
| b - Dependent Variable - Motivation | | | | | | |

From the data above, it can be obtained that from the df1 and df2 values taken from the F Table at $\alpha = 0.05$ with a value of 3.0718. Then the comparison of the F value shown with $F_{count} > F_{table}$ against a smaller significance value equal to 0.05. The next data is the simultaneous influence of competency factors and also compensation and motivation on performance which is described as follows:

Table 8. ANOVA test results 2

| ANOVA ^b | | | | | | |
|----------------------------------------------------|------------|----------------|----|-------------|---------|-------------------|
| Model | | Sum of Squares | df | Mean Square | F | Sig. |
| 1 | Regression | 40188.591 | 3 | 13396.197 | 397.431 | .000 ^a |
| | Residual | 2393.195 | 71 | 33.707 | | |
| | Total | 42581.787 | 74 | | | |
| a - Predictors: Constant, Compensation, Competence | | | | | | |
| b - Dependent Variable - Motivation | | | | | | |

From the table, the value of df1 and also df2 is obtained, the value of the F table against $\alpha = 0.05$ has a value of 3.0718. Then the comparison of this F value displays the F table which is $<$ from the calculated F against a significance value that is smaller and equal to 0.05.

From these data, it can be found that PT XYZ has presented compensation in accordance with regulations and regulations. However, there is still a sense of dissatisfaction from employees with the compensation provided by the company. This deficiency is considered not to be able to improve the performance as well as the motivation of the employees. This causes the motivation of employees from PT XYZ to be quite low and also has a significant effect on the ability to improve their performance.

Meanwhile, in terms of performance, the employees of this company still have a low category. This is due to the influence of unsatisfactory compensation with the consequent inability to increase the motivation of the employees. From this data, it can be found that compensation can have a considerable and direct influence on motivation.

While in terms of competence itself presents a direct contribution to motivation although the effect is quite small. Both factors, namely competence and compensation, have the same role in influencing motivation. And the influence has a large dominance from the compensation side rather than from the competency factor. Compensation has a significant influence on performance and also presents an indirect influence on performance that must go through motivation first.

The total effect of compensation with this path analysis, it is found that its influence is greater when compared to other variables on performance factors. While competence has a direct influence on performance and presents an indirect influence through the motivation factor to the performance factor. And the total influence of this competency according to this path analysis, is as large as the influence of other variables in the analysis.

For the motivation factor itself presents an influence that has a direct impact on performance which has a much greater role than the other two variables. And there is an indirect influence from compensation and competence in the influence. Three variables namely compensation, competence and also motivation simultaneously present an influence on performance. The greatest influence according to this path analysis is the variable of compensation which has both a direct and indirect influence on the performance variable

4. Conclusions

Motivation factors that go up and down are influenced by compensation factors and also competence with a value of 81.8%. While 18.2% is influenced by other factors. The 94.1% increase and decrease in performance factors has a considerable influence from competence, motivation and compensation. While the value of 5.9% is influenced by other factors. This certainly makes it clear how unsatisfactory and inadequate compensation as well as competency factors have not been able to increase the motivation of employees so that they have an effect on the performance of employees at PT XYZ.

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