

The Effect of Competence, Compensation, and Work Environment on Employee Performance at Pt Bina Bersama, Medan



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ABSTRACT: Performance is the achievement or achievement of the tasks assigned to employees since the progress of the company is determined by the performance of all its employees. Employee performance can be influenced by competence, compensation, work environment, leadership, supervision, and other factors. This study aims to examine the Effect of Competence, Compensation, and Work Environment on Employee Performance at Pt Bina Bersama, Medan. This study was located at PT Bina Bersama, Medan, the total population in this study was 52 people, a sampling method with total sampling. Data collection using questionnaires, interviews, and observations. This research is testing his hypothesis using inference analysis techniques. The statistical analysis of inference used is multiple linear regression analysis. This analysis aims to find out the relationship between free variables and the bound variables studied. This analysis technique will provide an answer to the hypothesis that states free variables and bound variables have simultaneous and partial effects. The competency variable has a positive influence partially, on employee performance with a regression coefficient value of 0.852. The compensation variable has a partial positive influence, on employee performance with a regression coefficient value of 0.493. The work environment variable has a partial positive influence, on employee performance with a regression coefficient value of 0.314. The results of the data analysis obtained a calculated F value of 74.456 greater than Ftabel (2.84) and a sig value smaller than 0.05 which means that competence (X1), compensation (X2), and work environment (X3) have a significant simultaneous effect on employee performance. In conclusion, simultaneously and partially it can be seen that the variables of competence, compensation, and work environment have a significant effect on employee performance.

KEYWORDS: competence, competition, work environment, performance.

I. INTRODUCTION

Companies in the business world have the main goal of making a profit. Good management and quality human resources are indispensable for the company to achieve the company's main goals. Attitudes and behaviors of employees that benefit or harm the company can be seen from the high low quality of employee performance in the company. Performance is the achievement or achievement of the tasks assigned to employees, since the progress of the company is determined by the performance of all its employees (1): (2). Competence is said to be one of the factors that affect performance. Competencies are needed to help organizations to create a culture of high performance. Providing fair and decent compensation will increase employee perseverance at work (Sutrisno, 2011: 189). The compensation given is expected to improve the performance of employees in carrying out their duties and obligations within the company. Well-managed compensation can assist the company or organization in achieving its goals (3).

Problems experienced by PT Bina Bersama, Medan, regarding the unsatisfactory performance of employees in the company. This is seen from the amount of income per month which tends to fluctuate and rarely meets the targets set by the company, there are customer complaints that are still very high received by the company. This study aims to examine the Effect of Competence, Compensation, and Work Environment on Employee Performance at Pt Bina Bersama, Medan.

II. LITERATUR REVIEW

Competence is said to be one of the factors affecting performance (4); (5); (6). The number of competencies used by human resources will increase. Liana (2020), expressed her opinion that the performance and effectiveness of employees in carrying out

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their duties are largely determined by the competencies required by the field of work (7). Adam (2021), stated that compensation in the form of bonuses is given to employees who have worked well (8). The work environment has an important meaning in influencing performance. A good work environment will provide a sense of comfort to employees in carrying out their work. Research conducted by Wokas, (2022) states that the improvement in employee performance is partially influenced by the work environment (1). Supatmi (2012), states that the work environment plays an important role for employees in the workplace that can affect their performance (9).

III. RESEARCH METHODS

This study was located at PT Bina Bersama, Medan, the total population in this study was 52 people, a sampling method with total sampling. Data collection using questionnaires, interviews, and observations. This research is testing his hypothesis using inference analysis techniques. The statistical analysis of inference used is multiple linear regression analysis. This analysis aims to find out the relationship between free variables and the bound variables studied. This analysis technique will provide an answer to the hypothesis that states free variables and bound variables have simultaneous and partial effects.

IV. RESULT AND DISCUSION

The results of multiple linear regression analysis can be seen in Table 1. As follows.

Table 1. Multiple Linear Regression Analysis Results

Variable	Undstandardized Coefficient		Standardized Coefficient	tcount	Sig.	ttable
	B	Std. Error	Beta			
Competence	0,853	0,134	0,521	6,225	0,006	1,684
Compensation	0,492	0,171	0,256	2,782	0,003	1,684
Working environment	0,311	0,086	0,277	3,622	0,001	1,684
Constant = -1,986						
R = 0,908						
R Square = 0,795						
Adjusted R Square = 0,815						
Fcount = 74,456						
Ftable = 2,84						
Sig. Fhitung = 0,000						

Source: Research data processing results, 2022

Based on Table 1. It can be known that the resulting regression equation is as follows. $Y = -1,986 + 0,853X_1 + 0,492X_2 + 0,311X_3$. The results of the classical assumption test can be seen in table as follows.

Table 2. Hasil Uji Normalitas

		Unstandardized Residual
N		52
Normal Parameters	Mean	0,000
	Std. Deviation	2,634
Most Extreme Differences	Absolute	0,079
	Positive	0,070
	Negative	-0,099
Kolmogorov-Smirnov Z		0,572
Asymp. Sig. (2-tailed)		0,871

Source: R research data processing results, 2022

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Table 2. Shows that the value of Asymp. Sig. 0.871 is greater than 0.05 then the normality requirement has been met.

Table 3. Multicollinearity Test Results

No.	Variable	Collinearity Statistic	
		Tolerance	VIF
1	Competence	0,521	1,890
2	Compensation	0,452	2,200
3	Working environment	0,628	1,690

Source: Research data processing results, 2022

Table 3. shows that all variables have a VIF value of less than 10 and a tolerance value greater than 0.1, then the multicollinearity requirement has been met.

Table 4. Heteroskedasticity Test Results

Variabel	Undstandardized Coefficient		Standardized Coefficient	t	Sig.
	B	Std. Error	Beta		
(Constant)	2,384	1,215		1,692	0,065
Competence	0,013	0,085	0,031	0,158	0,812
Compensation	-0,026	0,108	-0,051	-0,240	0,816
Working environment	-0,010	0,054	-0,035	-0,193	0,842

Source: Research data processing results, 2022

Table 4. Shows that if all variables have a significance value greater than 0.05 then the heteroskedasticity requirement has been met.

1. Test the effect of free variables on bound variables simultaneously

The first hypothesis test used a simultaneous regression test (F-test) which stated that competence (X1), compensation (X2), and work environment (X.3) simultaneously had a significant effect on performance (Y). The results of the data analysis obtained a calculated F_{value} of 74.456 greater than F_{tabel} (2.84) and a sig value smaller than 0.05 which means that competence (X1), compensation (X2), and work environment (X3) have a significant simultaneous effect on the performance of PT Bina Bersama, Medan. The results of the analysis also obtained an R^2 value of 0.795 which means that 79.5 percent of employee performance variations are influenced by variations in employee competence, compensation, and work environment, and other variables affect 20.5 percent.

The considerable influence given by the variables of competence, compensation, and work environment on employee performance makes the company must understand well the consequences that will be caused by these three variables. Providing good training, providing fair and decent compensation, arranging a good workspace, and fostering good relationships between superiors and employees and employees with other employees must be carried out by the company to increase the enthusiasm and confidence of employees at work. Conditions like this will make employees more confident and able to complete tasks well because they are equipped with training that can improve their ability to work. The provision of compensation that is considered fair and feasible can calm the hearts of employees in working so that employees can work optimally without any sense of difference in the provision of compensation to all employees. Good workspace arrangement and the establishment of good relationships between superiors and employees and employees make the conditions in the company's work environment more comfortable so that all employees can work well. When these three things are carried out jointly by the company, it will make employees more enthusiastic about completing their work, it will increase employee confidence so that employee performance in the company will increase.

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2. Test the effect of free variables on partially bound variables

The second hypothesis test uses a partial regression test (t-test) which states that competence (X_1), compensation (X_2), and work environment (X_3) partially have a significant and positive effect on performance (Y).

a. Effect of competence (X_1) on performance (Y).

The results of the data analysis obtained a calculated value of 6.225 with a sig value of 0.006. This indicates that the calculated value is greater than the t_{table} (1.684) and the sig value is smaller than 0.05 which means that the competence (X_1), has a significant and positive effect partially on employee performance. Good competence of employees will increase confidence in completing tasks on time and smoothly so as to improve employee performance.

b. Effect of compensation (X_2) on performance (Y).

The results of the data analysis obtained a calculated value of 2.782 with a sig value of 0.003. This indicates that the calculated value is greater than the t_{table} (1.684) and the sig value is smaller than 0.05 which means that compensation (X_2), has a significant and positive effect partially on employee performance. Employees can improve their performance if given proper and fair compensation by the company. The provision of compensation can calm the hearts of employees at work so that the work given can be completed properly.

c. Effect of work environment (X_3) on performance (Y).

The results of the data analysis obtained a calculated value of 3.622 with a sig value of 0.001. This indicates that the calculated value is greater than the t_{table} (1.684) and the sig value is smaller than 0.05 which means that the work environment (X_3), has a significant and positive effect partially on employee performance. Good working environment conditions will be able to improve employee performance. An employee will have good performance if the surrounding work environment feels safe and comfortable, both physical and non-physical work environments.

V. DISCUSSION

a. The Effect of Competence on Employee Performance

The results of statistical data analysis can prove the existence of a significant and partially positive influence of the competency variable on employee performance with a regression coefficient value of 0.852. This shows that competence has a unidirectional influence on performance. Good employee competence is a very important benefit for the company, the higher the level of competence of an employee, the better the ability to complete work. Employees who have high competence will have good self-confidence not to make mistakes at the time of work and be able to complete the work well. The results of this study are supported by adam's research (2021), which states that competence has a positive correlation with performance (8).

Competence is a characteristic that underlies a person related to the effectiveness of an individual's performance in his work or the basic characteristics of an individual that have a casual or causal relationship with criteria that are used as a reference, effective or performed excellently or superiorly in the workplace or certain situations. Competence has a very important role because in general competence concerns a person's basic ability to do a job. So far, many agencies do not have employees with adequate competence, this is evidenced by the low productivity of employees and the difficulty of measuring employee performance (4); (5); (10).

b. The Effect of Compensation on Employee Performance

The results of statistical data analysis can prove the existence of a significant and partially positive influence of the compensation variable on employee performance with a regression coefficient value of 0.493. This shows that compensation has a unidirectional influence on performance. Providing decent compensation and adjusting to the field of expertise of each employee can calm the hearts of employees at work so that the work given can be completed properly. On the contrary, the provision of unfair and decent compensation will cause social jealousy among employees which can cause disputes and will interfere with the concentration of employees in carrying out their work, which can later reduce the performance of employees in the company.

The results of the study are in line with the results of Nugraha's research (2018), where the results the study showed a strong correlation because it was worth 0.601 (located in the interval of 0.60 – 0.799) with a perfect significance level due to Sig 0.000. The significance level of the table is 0.000 (less than 0.05) which means there is a significant effect between compensation and performance (11). Supported by research by Fauzi (2014), the results of his research stated that compensation variables have a positive effect on employee performance. This means that if the compensation is increased, it will improve employee performance. (12). Compensation may be defined as any form of reward given to an employee in return for contributions they make to the organization. Another understanding of compensation is as a form of repayment of the company's services for the sacrifice of time, energy, and thoughts that they have given (10); (4); (9).

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c. The Effect of the Work Environment on Employee Performance

The results of statistical data analysis can prove the existence of a significant and partially positive influence of the work environment variables on employee performance with a regression coefficient value of 0.314. This shows that the work environment has a unidirectional influence on performance. A comfortable work environment will make employees feel calm at work, good relationships with superiors and colleagues can improve employee performance at work. This means that all matters related to the physical and non-physical work environment can affect the performance of employees in completing their work.

The results of the study were supported by Research by Nabawi (2019), the results of his research showed that partially the Work Environment, Job Satisfaction and Workload did not have a significant effect on the performance of employees of the Public Works and Public Housing Office of Aceh Tamiang Regency. Simultaneously, the Work Environment, Job Satisfaction and Workload have a significant effect on the performance of employees of the Public Works and Public Housing Office of Aceh Tamiang Regency (13). The work environment greatly affects the work done by employees. So that every company must strive for a work environment in such a way as to have a positive influence on the work done by employees (14). The work environment is everything that is around the workers and that can affect him in carrying out the tasks that are carried out to employees (15).

VI. CONCLUSIONS

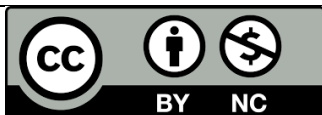
Based on the results of the discussion that has been described, it can be concluded as a follower. Simultaneously, it can be seen that the variables of competence, compensation, and work environment have a significant effect on employee performance. Partially it can be seen that the variables of competence, compensation, and work environment have a significant and positive effect on employee performance.

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