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Improving Civil Servant Performance Based on Competence in The Mediation of The Compensation System at The Office of The Regional People's Representative Council of West Kotawaringin District

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Abstract. *A government organization is an agency that is established and run by the State Civil Apparatus (ASN) as the driving force, PNS as stated in the State Civil Apparatus Law Number 5 of 2014, namely as referred to in Article 6 letter a, is an ASN employee who is appointed as a permanent employee by the Personnel Development Officer and has a national employee registration number. Every employee is required to have competence and qualifications from various other expertise that have been determined in a formula in such a way as to be able to run the wheels of government that are progressive and developing in order to achieve the goals of the state that have been stated in the fourth paragraph of the Constitution of the Unitary State of the Republic of Indonesia (UUD 1945). This study uses a quantitative approach with a survey method through the distribution of questionnaires online via Google Form Performance is an output produced by Human Resources in a work agency, of course every individual who is working must have results that have a direct impact on the sustainability of the workplace agency, Wibowo (2012: 2), states that "performance is the result of work that has a strong relationship with the strategic goals of the organization, satisfaction and provides contributions. Compensation is an allowance provided by a private organization and can also come from government agencies both from the center and regions whose amount is given based on the class or level of position of a Civil Servant, the mechanism for the flow of the provision is given outside the basic salary, so that the schedule for receiving it cannot be standardized with the provision of basic salary which comes every 1 (one) or the beginning of the month, which is different from the provision of allowances This still requires several schemes in such a way, especially before the disbursement is carried out. The purpose of providing allowances is definitely to improve performance and provide motivation so that all Civil Servants are more disciplined and enthusiastic in completing a job.*

Keywords: *Civil Servant Performance; Competence; Compensation System.*

1. Introduction

Government organization is an agency that is established and run by the State Civil Apparatus (ASN) as the driving force, PNS as stated in the State Civil Apparatus Law Number 5 of 2014, namely referred to in Article 6 letter a is an ASN employee who is appointed as a permanent employee by the Personnel Development Officer and has a national employee registration number. Every employee is required to have competence and qualifications from various other expertise that have been determined in a formula in such a way as to be able to run the wheels of government that are progressive and developing in order to achieve the goals of the state that have been stated in the fourth paragraph of the Constitution of the Unitary State of the Republic of Indonesia (UUD 1945).

Civil Servants (PNS) as Human Resources (HR) who are the main drivers of a government organization certainly have different performance from each individual, employee competence is a crucial factor that positively impacts performance, mastery of the field being worked on certainly requires each employee to be capable and master every aspect of the work through the skills they have. Research conducted by Abubakar (2018) and Satria & Kuswara (2013) shows that competence has a significant effect on employee productivity. However, in contrast to the results of research conducted by Wasti (2017) which shows that competence does not affect employee work productivity. Determination of employee competence has been determined by the Head of the State Civil Service Agency Number 7 of 2013 concerning Guidelines for the Preparation of Civil Servant Managerial Competency Standards.

Performance is an output produced by Human Resources in a work institution, of course every individual who is working will have results that have a direct impact on the sustainability of the work institution, Wibowo (2012:2), states that "performance is the result of work that has a strong relationship with the strategic goals of the organization, satisfaction and provides a contribution economy". Performance is real behavior and is then shown to everyone as work achievements produced by employees according to their role in the company (Rivai, 2010).

Compensation is an allowance given by a private organization and can also come from government agencies, both central and regional, the amount of which is given based on the class or level of position of a Civil Servant, the mechanism for the flow of the provision is given outside the basic salary, so that the schedule for receiving it cannot be standardized with the provision of the basic salary which comes in every 1st (First) or the beginning of the month, in contrast to the provision of the allowance, it still requires several schemes in such a way, especially before the disbursement is carried out, the purpose of providing the allowance is certain to improve performance and provide motivation so that all Civil Servants are more disciplined and enthusiastic in completing a job. Compensation is everything received by employees as a reward for their work (Sedarmayanti, 2011:239), compensation in the form of additional income, especially for regional government civil servants, has been regulated based on statutory regulations. According to Article 63

paragraph (2) of Government Regulation No. 58 of 2005 concerning Regional Financial Management, the regional government can provide additional income to regional civil servants based on objective considerations by taking into account the financial capabilities of the region and obtaining the approval of the DPRD in accordance with the provisions of the laws and regulations that regulate it. According to the Minister of Home Affairs Regulation No. 13 of 2006, Article 39 paragraph (2) that additional income as referred to in paragraph (1) is given in order to improve employee welfare based on workload or place of duty or working conditions or scarcity of profession or work performance, while according to the regulation of the Regent of West Kotawaringin Number 8 of 2023 it is explained in Article (2) paragraph (1) that ASN employees are given TPP (Additional Employee Income).

West Kotawaringin Regency as one of the regions that implements the provision of Compensation has referred to the Financial conditions or Regional Revenue and Expenditure Budget (APBD), for the amount of Additional Employee Income received by each Regional Civil Servant of West Kotawaringin Regency who is in each other Regency SKPD in Central Kalimantan Province.

especially in terms of competence for employees can increase in completing tasks on time then in terms of individual behavior can be a motivation to increase professionalism consistently in working in accordance with existing rules, but in reality not all Civil Servants are able to provide good performance, can be seen from several surveys, for example in one agency namely the Secretariat of the DPRD (Regional People's Representative Council) there are office jobs that are not completed on time which is caused by having other activities and less consistent discipline, can be seen from every day related to delays that cannot be separated from the routine for some individuals, then the number of employees who attend morning and evening roll calls is different every day which tends to be unstable, the provision of this Compensation is not entirely a solution in bringing positive changes related to performance, in addition there are other factors such as the process of disbursing this compensation is still often not on time so that it triggers low employee performance. Based on the theory above, the hypothesis in this study will be implemented are: 1) The provision of Incentives has not been able to encourage an increase in Civil Servant competence to the maximum 2) Low achievement of Civil Servant Performance

Employee performance, the demands of professionalism, and continuous quality improvement require all employees to continually improve their performance in all aspects. This requires support from employee development and coaching, aimed at enhancing the quality of human resources, by focusing on work motivation and implementing a robust and optimal compensation system for existing employees. Good and organized civil servant performance can increase public trust in the services provided, keeping pace with societal developments.

Based on the description above, the researcher took the title "Improving Civil Servant Performance Based on Competency in the Compensation System Mediation at the Regional People's Representative Council Office of West Kotawaringin Regency"

2. Research Methods

This research is a quantitative (explanatory) study, which highlights the influence of determining variables on other variables and aims to test the proposed hypothesis. The description contains descriptions but focuses on the relationship between variables (Sugiyono, 2019). These variables consist of HR Performance, HR Competence, and Work Compensation.

3. Results and Discussion

3.1. General Description of Research Location or Object

West Kotawaringin Regency is one of the regencies located in Central Kalimantan Province. Geographically, West Kotawaringin Regency is located at 1°19' to 3°36' South Latitude and 110°25' to 112°50' East Longitude. With the expansion of the district area in accordance with Law Number 5 of 2002, West Kotawaringin Regency was expanded into three regencies, namely West Kotawaringin Regency, Sukamara Regency, and Lamandau Regency. Administratively, the area of West Kotawaringin Regency is 10,759 km² consisting of 6 (six) sub-districts, 81 (eighty-one) villages and 13 (thirteen) urban villages. These districts are South Arut District (13 villages and 7 sub-districts), Kumai District (15 villages and 3 sub-districts), Old Kotawaringin District (15 villages and 2 sub-districts), North Arut District (10 villages and 1 sub-district), Pangkalan Lada District (11 villages) and Pangkalan Banteng District (17 villages). The administrative boundaries of West Kotawaringin Regency are as follows:

a. To the north it borders Lamandau Regency;

b. To the south it borders the Java Sea;

c. To the east it borders Seruyan Regency;

d. To the west it borders Sukamara Regency.

Above, it can be seen that Kumai District is the largest district with an area of 2,921 km² (27.14% of the district area), and Pangkalan Lada District is the smallest district with an area of 229 km² (3.08% of the district area). The topography of West Kotawaringin Regency is classified into 4 (four) parts with an altitude between 0-500 m above sea level and a slope between 0-40%, namely plains, flat undulating areas, hilly undulating areas, and hilly areas consisting of:

a. The northern part is a mountainous area and the type of soil is letosol which is resistant to erosion and the northern part of the forest is still natural which is useful as a source of water absorption.

b. The central area is a hilly plain composed of red-yellow podzolic soil that is also resistant to erosion. Much of the central area is used for plantations managed by companies and communities, such as oil palm, rubber, and other crops.

c. The south consists of lakes and swamps, alluvial/organosal soil that contains a lot of water.

There are three large rivers that flow through West Kotawaringin Regency, namely the Lamandau River, the Arut River, and the Kumai River, with an average depth of 5 meters and a width of 100-300 meters. The climate in West Kotawaringin Regency is generally tropical, with dry and rainy seasons. The minimum air temperature in West Kotawaringin Regency ranges between 19-23°C and a maximum of 32-34°C.

3.2. Respondent Characteristics

The respondents in this study were civil servants working at the Regional People's Representative Council (DPRD) Secretariat Office in West Kotawaringin Regency. Respondent characteristics included age, gender, education, and length of service.

The characteristics in Table show that the majority (49%) are aged 36-45 years, indicating that some respondents are elderly employees. The majority of employees are male, with a percentage of 61%. Furthermore, the analysis results show that the majority of employees in the DPRD Secretariat Office environment have a bachelor's degree (51.25%). Furthermore, the majority of respondents' work experience is 10-20 years, with 41.25%.

3.2.1. Respondents' Responses to Research Variables

To explain respondents' responses to the research variables, an analysis of the answers given by respondents related to the statements was conducted. The statements consist of 17 items, to gain a clearer understanding of the statements originating from the variables of motivation, ability, and performance. The researcher will describe each statement item separately. From this analysis, it will be determined how many respondents chose certain answer alternatives and obtained the highest to lowest average scores. To explain respondents' responses, to The researcher used the mean method and frequency distribution table for the research variables. The measuring tool for respondents' responses to the research variables was

Table Measuring instruments for respondents' responses to research variables

2	Response Value	3	Description	4	
5	1.00 – 1.80	6	Very Low	7 8	Low= ≤2.33 Middle = 2.33-3.67
9	1.81 – 2.60	10	Low	11	High ≥3.67
12	2.61 – 3.40	13	High enough	14	
15	3.41 – 4.20	16	Tall	17	
18	4.21 – 5.00	19	Very high	20	

Source: Processed Primary Data (2025)

3.2.2. Respondents' Responses to Competency Variables

The results of the research on employee competency variables in the Kotawaringin Barat Regency DPRD Secretariat Office are based on the results of the questionnaire distribution carried out in accordance with the answer scores listed

From the table above, it is known that the average overall value of the competency variable statement is 4.01. Therefore, from these results, it can be concluded that the motivation of civil servants in the Kotawaringin Barat Regency DPRD Secretariat Office is in the High category, because the average overall value ranges between (such and such) and (such and

such)

Based on the data in the table above, the highest score is 4.24, obtained from statements 3 and 6, namely, "Leaders are fair by giving you the opportunity to develop your skills at work and are accepted and liked, you become someone who meets the expectations of others." This indicates that employees are expected to be able to channel their competencies at work. As stated by an employee named Basar, who has worked for over 10 years:

"Employees can maximize their competency through fairness provided by their leaders. Once again, we work according to our leaders' instructions. We hope they will treat each employee fairly. There is no favoritism in the workplace..."

This shows a very high level of work competence by employees, where the form of justice from the leader and the feeling of being liked for having done the job well and correctly is an indicator of employee competence.

3.2.3. Respondents' Responses to Compensation System Variables

The results of the research on employee compensation variables in the Kotawaringin Barat Regency DPRD Secretariat Office environment are based on the results of the questionnaire distribution carried out in accordance with the answer scores listed in table below as follows:

Table Employee compensation variables in the Kotawaringin Barat Regency DPRD Secretariat Office

21 Dimensions of the	22	23 Statement Items	24 Mark 29	30	31	32	33	25 26 Amount	27 verage	28 Information
34 X 2 35 Compensation System	36 37	7. You get salary every month on time	384	399	40	41	42	43 3 42	44 ,275	45 Very high
	46 47	8. You get allowances (THR, etc.) every year	486	493	50	51	52	53 3 22	54 ,025	55 Tall
	56 57	9. You get a guarantee Health physical and spiritual	58	591	600	61	62	63 2 83	64 ,537 65	66 Very high
	67 68	10. You feel that the incentives you receive are appropriate with monthly work achievements	69 70 1	71 72 6	73 74	75 76	77 78	79 80 12 3	81 82 .9	83 84 Tall
85 Overall average									**86 ,934**	**87 Tall**

Source: Research results (2025)

From the table above, it is known that the average overall value of the compensation system

variable statement is 3.934. Therefore, from these results, it can be concluded that the civil servant compensation system variable in the Kotawaringin Barat Regency DPRD Secretariat Office is in the High category, because the average overall value ranges between 3.9 and 4.275.

Based on the data in the table above, the highest value is 4.275 obtained from statement 7, namely you receive your salary every month on time. This indicates that employees are guaranteed to receive their salaries on time. Regarding Employee Compensation, statement number 8, namely "You receive allowances (THR, etc.) every year," shows an average value of 4.025. This proves that a regular compensation system improves employee performance in the Kotawaringin Barat Regency DPRD Secretariat Office. This is reinforced by Basar's statement in an interview that:

"The benefits payments are always smooth thanks to the system, but sometimes they're only a few days late, and that's only if the paperwork is late from here. Salaries, as a monthly payment, are always on time. These compensation payments also motivate us to work hard to provide services..."

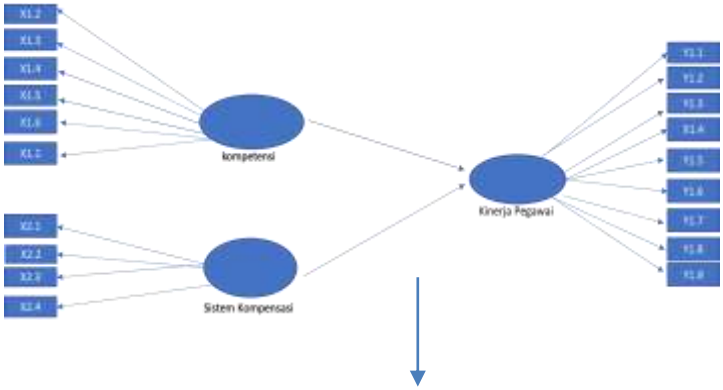
This demonstrates the critical importance of the compensation system in employee performance within the West Kotawaringin Regency DPRD Secretariat. Holiday allowances, attendance allowances, and other benefits contribute to employee performance.

3.3 PLS

This research model will be analyzed using the Partial Least Square (PLS) method and assisted by SmartPLS 3.2.9 software. PLS is an alternative method of Structural Equation Modeling (SEM) which can be used to overcome problems in the relationship between very complex variables but the data sample size is small (30-100 samples) and has non-parametric assumptions, meaning that the data does not refer to a particular distribution (Yamin and Kurniawan, 2009).

The initial stage in the SEM-PLS method is to describe the structure of the relationships between research variables, which will then be used in the model analysis. In this paper, the relationships between variables are illustrated in the following diagram:

Figure Structure of the relationship between research variables



3.3.1. Analysis of measurement model (Outer Model)

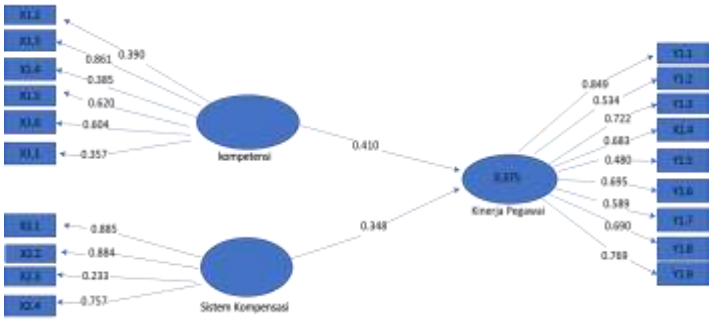
Model Goodness of Fit testing includes testing the outer and inner models. Outer model

testing is conducted by examining several indicators, including convergent validity, discriminant validity, composite reliability, and AVE values.

a) Convergent Validity

*Convergent Validity*This analysis is conducted by examining item reliability (validity indicator) as indicated by the loading factor value. A loading factor is a number that indicates the correlation between the score of a question item and the score of the indicator construct that measures the construct. A loading factor value greater than 0.7 is considered valid. However, according to Hair et al. (1998), for initial examination of the loading factor matrix, a value of approximately 0.3 is considered to have met the minimum level, and a loading factor of approximately 0.4 is considered better, and a loading factor greater than 0.5 is generally considered significant. In this study, the loading factor limit used was 0.5. After data processing using SmartPLS 3.2.9, the loading factor results can be shown as below:

Figure Factor loading values for all research items in the first iteration



The complete picture above can be summarized in table below:

Table First Iteration Factor Loading Values

88		89 Employee Performance		90 Competence		91 Compensation system		92	Note
93	**X1.3**	94		**95**	**0.861**	96		97	Valid
98	**X2.1**	99		100		**101**	**0.885**	102	Valid
103	**X2.2**	104		105		**106**	**0.884**	107	Valid
108	**X2.3**	109		110		**111**	**0.233**	112	Invalid
113	**X2.4**	114		115		**116**	**0.757**	117	Valid
118	**Y1.1**	**119**	**0.849**	120		121		122	Valid
123	**Y1.2**	**124**	**0.534**	125		126		127	Invalid
128	**Y1.3**	**129**	**0.722**	130		131		132	Valid
133	**Y1.4**	**134**	**0.683**	135		136		137	Invalid
138	**Y1.5**	**139**	**0.480**	140		141		142	Invalid
143	**Y1.6**	**144**	**0.695**	145		146		147	Invalid
148	**Y1.7**	**149**	**0.589**	150		151		152	Invalid
153	**Y1.8**	**154**	**0.690**	155		156		157	Invalid
158	**Y1.9**	**159**	**0.769**	160		161		162	Valid

From the results of data processing with Smart PLS shown in the table above, the majority of indicators for each variable in this study have a loading factor value of less than 0.70. Variable indicators with a loading factor value of less than 0.70 have a low level of validity (invalid), thus failing to meet convergent validity. The model above shows that the majority

of variables have low convergent validity values, meaning the questionnaire items are declared invalid and require improvement before being used in further analysis.

In this study, the method used for item selection was to drop items that were declared invalid and retain valid items for each observed variable.

Table Second Iteration Factor Loading Values

163		164 Employee Performance		165 Competence		166 Compensation system	
167	**X1.3**	168		**169**	**1,000**	170	
171	**X2.1**	172		173		**174**	**0.886**
175	**X2.2**	176		177		**178**	**0.875**
179	**X2.4**	180		181		**182**	**0.763**
183	**Y1.1**	**184**	**0.887**	185		186	
187	**Y1.3**	**188**	**0.778**	189		190	
191	**Y1.9**	**192**	**0.812**	193		194	

From the results of data processing with SmartPLS shown in the table above, that

overall indicators Each variable in this study has a loading factor value greater than 0.70. Variable indicators with a loading factor value greater than 0.70 have a high level of validity, thus fulfilling convergent validity.

The model above shows that all variables have a high convergent validity value, or in other words, the question items have been declared valid and are suitable for use in further analysis.

b) Discriminant Validity

Discriminant validity is measured by examining the cross-loading values of the construct measurements. The cross-loading value indicates the magnitude of the correlation between each construct and its indicators and the indicators of other block constructs. A measurement model has good discriminant validity if the correlation between the construct and its indicators is higher than the correlation with indicators from other block constructs. After data processing using SmartPLS 3.2.9, the cross-loading results are shown in Table below:

Table Cross Loading Results

195		196 Competence		197 Compensation system		198 Employee Performance	
199	**X1.3**	**200**	**1,000**	201	0.234	202	0.570
203	**X2.1**	204	0.218	**205**	**0.886**	206	0.493
207	**X2.2**	208	0.184	**209**	**0.875**	210	0.239
211	**X2.4**	212	0.177	**213**	**0.763**	214	0.287
215	**Y1.1**	216	0.525	217	0.472	**218**	**0.887**
219	**Y1.3**	220	0.483	221	0.304	**222**	**0.778**
223	**Y1.9**	224	0.389	225	0.292	**226**	**0.812**

The cross-loading results in Table 4.9 show that the correlation values of constructs with their indicators are mostly greater than the correlation values with other constructs. This means that the majority of constructs or latent variables have good discriminant validity, with the indicators in the construct's indicator block performing better than the indicators in the other blocks.

C) Composite Reliability and AVE

The outer model is measured not only by assessing convergent validity and discriminant validity, but also by examining the construct or latent variable's reliability, measured by the composite reliability value. A construct is considered reliable if the composite reliability has a value >0.7 and the AVE value >0.5. The Smart PLS output for the composite reliability value is shown in the table below:

Table Composite Reliability and AVE Values

227	228 Cronbach's Alpha	229 230 rho_A	231 Composite Reliability	232 Average Variance Extracted 233 (AVE)
234 Employee Performance	235 0.770	236 0.795	237 0.866	238 0.684
239 Motivation	240 1,000	241 1,000	242 1,000	243 1,000
244 Compensation system	245 0.810	246 0.926	247 0.880	248 0.711

Based on Table above, the majority of constructs show complementary results for AVE, Cronbach's Alpha, rho_A, and Composite Reliability. The table above shows that the majority of variables have AVE values >0.5.

The Composite Reliability value is >0.7. This value meets the requirements according to the specified minimum CR value limit of 0.70. Under these conditions, the variable is said to be sufficiently reliable.

3.3.2. Inner Model Testing (Structural Model)

a. R2 value of the model

After testing the outer model, the next step is to test the inner model (structural model). The inner model can be evaluated by examining the r-square (indicator reliability) for the dependent construct and the t-statistic value from the path coefficient test. A higher r-square value indicates a better predictive model for the proposed research model.

Table R-Square value of the model

249	250 R Square	251 R Square Adjusted
252 Employee Performance	253 0.427	254 0.412

Based on the table above, it can be seen that two variables (competence and compensation system) contribute 42.7% of the variance in Employee Performance scores. Meanwhile, other factors outside the model contribute 57.3% of the variance in Employee Performance scores.

3.3.3. Goodness of Fit (GoF)

The goodness of fit index is used in research to determine the overall accuracy of a model, both from the inner and outer models. Goodness of fit in PLS analysis is measured using Q-square predictive relevance (Q2). The calculation of the GoF value is as follows:

Table Goodness of Fit Model Values

255	256 Average Variance Extracted 257 (AVE)	258 259 R Square
260 Employee Performance	261 0.684	262 0.427
263 Competence	264 1,000	265
266 Compensation System	267 0.711	268
269 Average	270 0.798	271 0.427

Based on the R2 and Q2 tests above, it shows that the model in this study has a GoF > 0.36 so that the model is said to be robust, so that hypothesis testing can be carried out.

3.4 Hypothesis Testing

Hypothesis testing is conducted based on the results of the Inner Model (structural model) testing, which includes r-square output, parameter coefficients, and t-statistics. To determine whether a hypothesis can be accepted or rejected, among other things, by considering the significance values between constructs, t-statistics, and p-values. This research hypothesis testing was conducted using SmartPLS (Partial Least Square) 3.2.9 software. These values can be seen from the bootstrapping results. The rule of thumb used in this study is t-statistic >1.96 with a significance level of p-value of 0.05 (5%) and a positive beta coefficient. The value of this research hypothesis testing can be shown in the explanation below:

3.4.1. Direct Effect Testing

Hypothesis testing was conducted to determine the influence of all hypotheses proposed in this study, both directly and indirectly. The criteria for hypothesis testing can be seen directly or indirectly. Hypothesis testing criteria can be seen through the results of statistical test scores and p-values. A hypothesis is accepted if the p-value is less than 0.05 and has a statistical value greater than the t-table, which is 1.96. Statistical testing was conducted using the bootstrapping method as follows:

Table Testing of direct effect

272	273 Original Sample 274 (O)	275 ample Mean 276 M)	277 St andard Deviation 278 (ST DEV)	279 T Statistics (|O/STDEV|)	280 281 alues
282 Competence-> Employee Performance	283 0 494	284 .502	285 0.0 75	286 6,601	**287 ,000**
288 Compensation System > Employee Performance	289 0 327	290 .344	291 0.0 92	292 3,539	**293 ,000**

Some of the research hypotheses proposed in this study are as follows:

Hypothesis 1

H0: Competence does not have a significant effect on Employee Performance H1: Competence has a significant effect on Employee Performance

Test Results:

First hypothesistesting whether Motivation significantly influences Employee Performance. The test results show a beta coefficient value of Motivation on Employee Performance of 0.494 and a t-statistic of 6.601. With this t-statistic value, a p-value (0.000) <0.05 is obtained, which means that H0 can be rejected. From these results, it is stated at a confidence level of 95% that Motivation has a significant effect on Employee Performance.

Hypothesis 2

H0: The compensation system does not have a significant effect on employee performance.
H1: The compensation system has a significant effect on employee performance.

Test Results:

Second hypothesis testing whether the compensation system significantly influences employee performance. The test results show a beta coefficient value of the compensation system on employee performance of 0.327 and a t-statistic of 3.539. With this t-statistic value, a p-value (0.000) <0.05 is obtained, which means that H0 can be rejected. From these results, a 95% confidence level indicates that the compensation system has a significant effect on employee performance.

Hypothesis 3

H0: Work Competence and Compensation System together have a negative and significant effect on

no significant effecttoEmployee Performance.

H1: Together, Work Competence and Compensation System have a positive and

significanton Employee Performance. Test results:

From the test results, it can be concluded that H0 is rejected and H1 is accepted. It can be concluded that the two independent variables, namely competence and compensation system, are statistically proven to have a significant influence on employee performance.

3.4.2. Discussion

Work Competencies has a significant influence on employee performance. Competent competence has the power to complete a job well and precisely, so that competent human resources are needed by every organization so that the achievements or targets to be achieved can be carried out properly. The right competence in each individual who has been allocated to the main tasks and functions that are in accordance with the expertise possessed is the main capital in driving an organization, so that the performance distributed can be right on target according to the capabilities possessed by human resources. The results of this study are in line with the opinion that competence is used to plan, assist, and develop a person's behavior and performance so that it is more directed, right on target according to the organization's needs to achieve goals. So with competence, it will be a measure of employee ability (Sugiono et al., 2019).

Compensation influence employee performance. Human resources who care about their work will always strive to pay attention to the results of their work. Human resources with positive energy have been proven to produce better performance than those without it. For

satisfied employees, every workplace problem is their own problem, therefore they care about the problems faced by the organization. Human resources who are always satisfied with their workplace tend not to want to leave the workplace, meaning that professional human resources remain in the organization. Thus, the compensation provided can meet and improve human resource performance. The findings of this study agree that the general goal of compensation management is to help companies achieve their strategic success goals and ensure the creation of internal and external equity. As a result, employee performance can influence the achievement of a company or organization's targets through compensation mechanisms (Rivai and Sagala 2009; 743-744).

4. Conclusion

The research findings revealed that competency has a direct and significant impact on employee performance, thus accepting the first hypothesis. Furthermore, the research findings revealed that the compensation system has a direct and significant impact on employee performance, thus supporting the second hypothesis. Therefore, it can be concluded that both competency and the compensation system influence employee performance, thus supporting the third hypothesis.

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