

# The Influence of Compensation and Competence on Employee Performance at the Maritime Affairs and Fisheries Office of Takalar Regency

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## ABSTRACT

*This study aims to determine the effect of compensation and competence on employee performance at the Maritime Affairs and Fisheries Office of Takalar Regency. This type of research is explanatory quantitative, with the sampling technique being a saturated sample where all the population is sampled. The sample size in this study was 43 respondents. The data analysis methods used are multiple regression, correlation coefficient, coefficient of determination, t test, and f test. The results of this study indicate that compensation and competence partially and simultaneously have a positive and significant effect on employee performance at the Maritime Affairs and Fisheries Office of Takalar Regency.*

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## INTRODUCTION

One way to improve employee performance is to increase compensation with the competence of an employee. If the compensation program is felt to be fair by employees, it will be easier for an organization or agency to retain its employees and it will be easy to motivate employees so that employees can improve their performance to complete the tasks they are responsible for in an agency where they work. Compensation is one of the reasons for an employee to improve his performance (Fauzi, 2014; Safitri, 2015), for this reason it is hoped that there will be a mutually beneficial relationship between the employee and the agency. Employees provide performance or work results for the agency where they work, while an agency will provide compensation according to the performance that has been given to the agency. Compensation is just compensation or remuneration provided by the organization to workers because these workers have contributed energy and thoughts for the progress of the organization in order to achieve the goals set (Sastrohadiworo in Sinambela, 2017)

In addition to compensation, competence also has an influence on improving the performance of an employee in carrying out his duties and responsibilities. (Kartika and Sugiarto, 2014). The rapid advancement of technology, especially in the use of public services, requires the competence of a good and qualified employee in using increasingly sophisticated technological media. Employees or workforce are the main and very important asset for a government agency that can contribute to achieving the goals of the agency and provide assurance that the implementation of organizational functions and activities is carried out effectively and fairly for the interests of individuals, organizations, and society.

Performance is the result of work that can be achieved by a person or group of people in an organization, in accordance with the authority and responsibility of each in an effort to achieve the goals

of the organization concerned legally, not violating the law and in accordance with morals and ethics. Employee performance is a very important thing in the company's efforts to achieve its goals (Sedarmayanti, 2017). With good performance owned by employees, the achievement of agency goals will be maximized as expected (Mangkunegara, 2014).

From the results of initial observations at the research location, it is known that there is a decrease in employee performance and work in sections that do not have staff assisted by other witnesses so that work performance is not optimally achieved. The usual possibility is that there is an uneven distribution of work among employees, the workload carried out by another employee because the work is demanded to be completed immediately, so that it is not uncommon for employees who are seen as capable by the leader to work beyond the set target.

Service Maritime Affairs and Fisheries of Takalar Regency Provides good and proper compensation for its employees in meeting the living needs of its employees. Providing proper compensation can encourage employees to work. If employees feel happy and enthusiastic at work, employees will automatically increase their competence in completing the tasks assigned to them on time. Based on the description of the existing background, the authors are interested in conducting research, entitled Effects of Compensation and Competence on Employee Performance at the Maritime Affairs and Fisheries Office of Takalar Regency, namely the authors see problems in the provision of compensation and competence that affect employee performance.

## RESEARCH METHOD

This study uses an explanatory research approach, which is used to explain the effect of the independent variable on the dependent variable. The independent variables (Independent Variables) in this study consisted of Compensation ( $X_1$ ) and Competence ( $X_2$ ) variables. While the dependent variable is employee performance ( $Y$ ).

The sample in this study were civil servants at the Maritime Affairs and Fisheries Office of Takalar Regency with a total of 43 respondents, testing using SPSS 25.

As for the data analysis method used is

- a. Multiple regression analysis.

To prove the hypothesis that has been formulated, the following analysis model is used =

$$Y = B_0 + B_1X_1 + B_2X_2 + e$$

Description =

$Y$	: Performance Employee
$X_1$	: Compensation
$X_2$	: Competence
$e$	: Standard Error
$B_0$	: Constant
$B_1 - B_2$	: Regression coefficient

- b. t test (Partial Regression Coefficient Test)
- c. F Test (Simultaneous Regression Coefficient Test)
- d.  $R^2$  Test (Coefficient of Determination Test)

## RESULTS AND DISCUSSION

### *Multiple linear regression analysis*

Based on the results of data processing using SPSS 25, the following results are obtained:

**Table 1. Results of multiple linear regression analysis**

Model	Coefficients <sup>a</sup>		Standardized Coefficients	t	Sig.
	Unstandardized Coefficients	std. Error			
	B		Betas		
(Constant)	-1,971	1,369		-1,439	.158
1 Compensation	.776	.083	.704	9,341	.000
Competence	.443	.110	.304	4,029	.000

a. Dependent Variable: Performance

Source: SPSS Appendix 25 processed (2022)

Through the SPSS 25 for windows program, the multiple linear regression equation between the X and Y variables is obtained:

$$Y = -1.971 + 0.776X_1 + 0.443X_2$$

From the regression equation above, it can be seen that the relationship between the independent variables and the dependent variable partially can be concluded as follows:

- The constant is -1.971, meaning that if the compensation and competency values are 0, then the employee's performance is -1.971.
- The value of 0.776 means that if the compensation is increased by one unit, then the employee's performance will increase by 0.776 units assuming the other independent variables have a fixed value.
- The value of 0.443 means that if the competency increases by one unit, the employee's performance will increase by 0.443 units assuming the other independent variables have a fixed value.

### *Correlation analysis (r) and coefficient of determination ( $r^2$ )*

To measure the closeness and strength between variables, a correlation analysis (r) and a coefficient of determination ( $r^2$ ) will be carried out. This analysis is used to determine the relationship between two more independent variables ( $X_1, X_2 \dots X_n$ ) to the dependent variable (Y) simultaneously. This coefficient shows how much the relationship occurs between the independent variables ( $X_1, X_2 \dots X_n$ ) simultaneously on the dependent variable (Y).  $r^2$

**Table 2. The results of the correlation analysis (r) and the coefficient of determination ( $r^2$ )**

Model	Summary models			std. Error of the Estimate
	R	R Square	Adjusted R Square	
1	.936a	.877	.870	.97911

a. Predictors: (Constant), Competence, Compensation

Source: SPSS 25 for windows, edited (2022)

### 1. Correlation coefficient (r),

The results of the analysis that has been tested in the SPSS 25 program in Table 14 show that the correlation coefficient (r) is found in the R value of 0.936 or 93.6%, which means that the criteria are

very strong. This shows that compensation and competence have very strong results on employee performance.

2. Test the coefficient of determination.

Results analysis in table 14 it is known that the coefficient of determination is found in the Adjusted R Square value of 0.870 or 87% and the remaining 13% is influenced by variables other which were not discussed in this study.

*Interpretation of Pearson bivariate correlation analysis*

Results multiple linear regression analysis analysed using SPSS 25, the results of the correlation analysis are presented as follows:

**Table 3. Pearson bivariate correlation test results**

		Correlations		
		Compensati on (X1)	Competenc y (X2)	Performance (Y)
Compensation (X1)	Pearson	1	.676**	.909**
	Correlation			
	Sig. (2-tailed)		.000	.000
	N	43	43	43
Competency (X2)	Pearson	.676**	1	.779**
	Correlation			
	Sig. (2-tailed)	.000		.000
	N	43	43	43
Performance (Y)	Pearson	.909**	.779**	1
	Correlation			
	Sig. (2-tailed)	.000	.000	
	N	43	43	43

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: SPSS 25 for windows processed 2022

The output of the Pearson bivariate correlation analysis test output, it can be concluded that:

- Compensation for employee performance is  $0.000 < 0.05$ , so there is a significant correlation between the variable compensation for employee performance which is  $0.000 < 0.05$ , which means there is a significant correlation between competency variables on employee performance.
- Partial compensation for employee performance  $r_{count} > r_{table}$  ( $0.909 > 0.294$ ) there is a correlation between compensation for employee performance, if related to Table 4 p., then competency on employee performance partially  $r_{count} > r_{table}$  ( $0.779 > 0.294$ ) there is a correlation between competence on employee performance, the interpretation of the correlation coefficient criteria ( $r$ ) is included in the strong category (Sugiyono, 2011).

*F test (simultaneous)*

F test used to compare significant values  $>$  then the model formulated is appropriate. If the value  $>$  then it can be interpreted that the regression model is correct, meaning that it influences together with the level = (k;nk),  $F(2;43-2)=F(2;41)= 3.23$  with an error rate of 5 %. The F test carried out can be seen based on the following table:  $F_{hitung} F_{tabel} F_{hitung} F_{tabel} F_{tabel}$

**Table 4. Results of analysis of simultaneous hypothesis testing (F)**

		ANOVA <sup>a</sup>				
	Model	Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	272,305	2	136,152	142025	.000b
	residual	38,346	40	.959		
	Total	310,651	42			

a. Dependent Variable: Performance

b. Predictors: (Constant), Competence, Compensation

Source: SPSS 25 for windows edited (2022)

The test results in the table above can be seen at a value of 142.025 with a value of 3.23 so that  $142.025 > 3.23$  with a significant level of  $0.000 < 0.05$  then it is rejected. From the results of this analysis it can be concluded that the variables compensation () and competency ()  $F_{hitung} F_{tabel} F_{hitung} F_{tabel} H_0 X_1 X_2$  in a mannert together have a positive and significant effect on employee performance.

#### *t test (partial)*

t test used to see the effect of the independent variable partially on the dependent variable with the assumption that other variables are held constant. The t test is carried out by comparing the calculated t value with the t table value. From the comparison of t count with t table it can be concluded that if t count  $> t$  table and are considered significant t count  $< t$  table, then the independent variable in question has a significant effect on the dependent variable and vice versa. The following are the results of the t test analysis:

##### a. Effect of compensation on employee performance

It can be seen in Table 13, row 2, column 7 that the compensation variable partially has a positive and significant effect on employee performance (Y). It is known that the significant value for compensation on employee performance (Y) is  $0.000 < 0.05$  and the value of t table  $df = (nk-1) = (43-2-1 = 40) = 1.683$ . It means that the test value of t count  $> t$  table ( $9.341 > 1.683$ ) is thus rejected so that the hypothesis that says there is an effect of compensation on employee performance (Y) is partially accepted.  $(X_1)(X_1) H_0(X_1)$

##### b. The influence of competence on employee performance

On Table 13, row 3, column 7 that the competency variable () partially has a positive and significant effect on employee performance (Y). It is known that the significant value for competence () on employee performance (Y) is  $0.000 < 0.05$  and the value of t table  $df = (nk-1) = (43-2-1) = 1.683$ . It means that the t test value arithmetic  $> t$  table ( $4.029 > 1.683$ ) is thus rejected so that the hypothesis that says there is an effect of competence () on employee performance (Y) is partially accepted.  $X_2 X_2 H_0 X_2$

## Discussion

This discussion is used to determine whether the effect of compensation and competence on employee performance has a significant effect. Therefore, below are some explanations about this influence.

### *Effect of compensation on performance*

t test results compensation variables affect employee performance. This is shown from the results of the t test  $> t$  table ( $9.341 > 1.683$ ) and a significant value of  $0.000 < 0.05$ . Thus the compensation variable () has a positive and significant effect on employee performance. Compensation is everything that an employee receives, both physical and non-physical, for the work that has been done.  $X_1$

Matter this is in line with the results of research conducted by Fatimah (2021) with the results of a simple linear regression analysis concluded that compensation has a positive and significant effect on the performance of Civil Servants at the Tallo District Government Office, Makassar. This means that the higher the compensation given, the higher the employee's performance.

Results of this research is reinforced by the theory put forward by Kashmir (2017) that performance has a relationship with compensation, meaning that if compensation is given properly and fairly then performance will increase and will have an impact on other variables, but if compensation is not paid fairly and properly then performance will decrease.

### *The influence of competence on performance*

t test results competency variables affect employee performance. This is shown from the results of the t test  $> t$  table ( $4.029 > 1.683$ ) and a significant value of  $0.000 < 0.05$ . Thus the competency variable () has a positive and significant effect on employee performance.  $X_2$

Matter this is in line with the results of research conducted by Amir (2016) with the results of a simple linear regression analysis which concluded that competency has a positive and significant effect on employee performance at the Regional Secretariat of Sidenreng Rappang Regency. Good competence, makes employees ready to work according to the target because they always make preparations before work (Nur, 2014).

Results of this research is reinforced by the theory put forward by Bintoro and Daryanto (2017) that the longer a person spends on education and training, the higher the ability or competence to do the job, and thus the higher the performance.

### *Effect of compensation and competence on performance*

Results Research on compensation and competency variables has a positive effect on employee performance. This can be seen from the results of multiple linear regression, namely  $Y = -1.971 + 0.776 + 0.443$ , which means that there is a positive relationship between compensation and competence on employee performance at the Maritime Affairs and Fisheries Service of Takalar Regency. The highest percentage of the compensation variable is found in the second statement, namely the allowances given by agencies to employees in accordance with the expected value of 76.27%, and the lowest value is found in the third statement, namely that the agency provides official facilities in the form of houses, vehicles, and others to employees at a cost of 73.48%.

The highest competency variable is found in the third statement, namely whether the knowledge you have is in accordance with the field of work being handled at 67.44% and the lowest score is in the first statement, namely with competence you have sufficient knowledge in carrying out the tasks given at 62.32%.

The performance variable with the highest percentage is in the fifth statement, namely employees are willing to provide the best service to the public by 81.86% and the lowest percentage is in the third statement, namely by providing wages based on working hours, it can increase the timeliness of employee performance by 76.74%.

The highest results are found in employee performance variables with a percentage value of 78.88% which means in the good category, the compensation variable with a percentage value of 74.64% which means in the good category, then the competence variable with a percentage value of 65.02% in the good category.

Furthermore, with the coefficient of determination, the results of Adjusted R Square are included in the very strong criteria and correlation (r) where the value of R is in the very strong criteria, and the

results of the F test > F table means that compensation and competence together have a positive and significant effect on employee performance . Optimal performance is performance according to organizational standards that support the achievement of organizational goals. This is in line with Darso's research (2016), with these two factors, namely compensation and competence, which can improve employee performance.

## CONCLUSION

Based on the results of this study, it can be concluded that compensation directly has a positive and significant effect on employee performance at the Maritime Affairs and Fisheries Office of Takalar Regency. The attention of policy makers to the compensation received by employees will further improve employee performance. Competence also directly has a positive and significant effect on employee performance at the Maritime Affairs and Fisheries Office of Takalar Regency. The higher the competence possessed by employees, the higher the employee's performance will also increase. Compensation and competence simultaneously have a positive and significant effect on employee performance at the Maritime Affairs and Fisheries Office of Takalar Regency. So every leadership policy program in improving employee performance must pay attention to compensation and competence.

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