

The Effect of Compensation and Competency on Employee Performance At The Production Department Of PT. FCC Indonesia

Pengaruh Kompensasi Dan Kompetensi Terhadap Kinerja Karyawan Pada Departemen Produksi PT. FCC Indonesia

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ABSTRACT

This study aims to describe how the influence of compensation (X1) and Competency (X2) as independent variables on employee performance (Y) as the dependent variable in the Production Department of PT FCC Indonesia. Verifiatively, the aim is to test the hypothesis by calculating statistics about the effect of compensation and Competency on employee performance. This study used descriptive quantitative methods, and data were collected by distributing questionnaires to 155 respondents from employees of PT FCC Indonesia through a simple random sample. Data analysis was carried out using path analysis and the help of the SPSS application. The results show that the compensation, Competency, and employee performance variables have good scores descriptively. Verifiatively, there is a partial effect of compensation on employee performance and a partial effect of Competency on employee performance.

Keywords: Compensation, Competency, Employee Performance

ABSTRAK

Penelitian ini bertujuan untuk mengetahui gambaran mengenai bagaimana pengaruh kompensasi (X1) dan kompetensi (X2) sebagai variabel independen terhadap kinerja pegawai (Y) sebagai variabel dependen pada Departemen Produksi PT FCC Indonesia. Secara verifikatif, tujuannya adalah untuk menguji hipotesis dengan menghitung statistik tentang pengaruh kompensasi dan kompetensi terhadap kinerja pegawai. Penelitian ini menggunakan metode kuantitatif deskriptif dan data dikumpulkan dengan menyebarkan kuesioner ke 155 responden dari karyawan PT FCC Indonesia melalui teknik sampling *simple random sampling*. Analisis data dilakukan dengan menggunakan analisis jalur dan bantuan aplikasi SPSS. Hasilnya menunjukkan bahwa variabel kompensasi, kompetensi, dan kinerja karyawan memiliki skor yang baik secara deskriptif. Secara verifikatif, terdapat pengaruh parsial kompensasi terhadap kinerja karyawan dan pengaruh parsial kompetensi terhadap kinerja karyawan.

Kata kunci: Kompensasi, Kompetensi, Kinerja Karyawan

1. Introduction

In the era of globalization after the Covid-19 pandemic outbreak in Indonesia and the world is currently triggering competition between companies to become increasingly fierce, because the company's survival during this difficult time is a major factor for every company throughout the world, including Indonesia. The existence of human resources is very important to be able to survive and get out of adversity, the more superior human resources you have, the more opportunities to rise and develop. Ownership of superior HR capital is more meaningful than financial or technological capital because technology and finance can only develop if managed by superior HR. Therefore, human resource management must be carried out properly, in a balanced and dignified manner so that the motivation and capabilities of human resources increase so that

their performance becomes optimal. According to Akter & Husain (2016) human resource management (MSDM) is based on a concept that every employee is a human being, not a machine and not merely a business resource, so human resources need to be nurtured to be innovative, creative, diligent and responsible for the success of the company. . Employees as part of the company's HR will determine the direction and quality of the company in the future. Listen to the statement from Susanto et al. (2021) that Human Resources have an important role in creating competitive organizations in the current and ongoing era of globalization.

The achievements of a company in its operations cannot be separated from the performance produced by the resources owned by the company, one of which is employees. Superior employees will produce high company performance because their abilities will be converted into maximum output for the company. Even so, employee performance will not achieve maximum results if the company does not pay attention to employee needs, a balance between company development and the development of employee needs in this case is very necessary.

Employee performance problems in every company are the most highlighted and are always a concern of the company to find a solution so that employee performance does not decrease. Likewise the performance of PT FCC Indonesia employees, a company engaged in the automotive sector located at JL. Maligi III Lot J-1 KIIC Industrial Estate has experienced fluctuations in performance from year to year. As an illustration of the results of employee performance appraisal in the last 3 years, it can be seen in the following data:

Table 1. Results of the Employee Performance Assessment of the Production Department of PT FCC Indonesia Year 2020-2023 (In %)

Assessment Result Category	2020	2021	2022
A	12%	10%	9%
B	68%	66%	62%
C	12%	14%	18%
D	7%	8%	9%
E	1%	2%	2%

Source: HRD PT FCC Indonesia 2023

Based on the data above, PT FCC Indonesia's employee performance has experienced a decline in performance in a row both in 2021 and 2022 at a fairly large percentage level.

Performance needs good management so that what is expected by the company can be achieved. Performance appraisal is one way to manage how employee performance can be continuously monitored and evaluated in each period. A decrease in performance will be quickly detected if the performance appraisal is carried out periodically. According to Saban et al. (2020) that many factors affect individual performance including work ability, knowledge, leadership, motivation, work discipline, leadership style, organizational culture and work environment.

But on the other hand, one of the references to improve high individual performance must also be supported by other individuals to work together in achieving organizational goals. Another factor that also contributes to improving performance is in the form of awards, after the individual or employee has completed the task which is the barometer of his performance, the management of the organization must provide appropriate compensation.

Because such compensation is one that encourages employee morale and job satisfaction. The results of research conducted by Sudarno & Sukmaningrum (2016) shows that partially compensation has a significant effect on performance. employees of PT. Marga Dwitaguna Manado, North Sulawesi. Another study conducted by Sarboini et al., (2018) also shows that

compensation has a positive and significant effect on the dependent variable (employee performance), even compensation is the most dominant factor influencing employee performance at the regional secretariat office of South Sulawesi Province.

It is undeniable that a person works because he needs compensation for his energy, mind and ability to meet the needs of himself and his family. Compensation that is generally accepted is usually salary and wages as well as other benefits, both in cash and non-cash, such as health insurance, old age security and pensions according to the agreement between the employee and the company. By providing compensation that is in accordance with the expectations of employees, it is hoped that their performance will improve. Likewise, compensation at PT FCC based on observations is still related to problems with the mechanism for giving annual bonuses which are still not considered fair in terms of amount, time and method of calculation. This also has an impact on the resulting performance.

A good compensation system will provide employees satisfaction and motivation, increasing their performance and loyalty to the company. This will benefit the company as it will allow them to retain and provide career opportunities to employees who are doing well. However, if the compensation provided is not in accordance with expectations, it can cause decreased employee performance in various sectors. Therefore, the compensation system must meet the needs of employees and provide fair treatment, provide a salary that is in accordance with the efforts that have been made to meet company goals. According to Efendi & Yusuf (2021) providing fair and proper compensation will increase employee persistence at work. If the compensation system is appropriate and meets the needs of employees, naturally they will also fulfill their obligations by working optimally.

In addition to compensation, other factors that affect performance are Competency. According to Sulantara et al. (2020) the number of competencies used by human resources will improve performance. Competency shows skills in work that is shown through the professionalism of each individual in a particular field of work that is being undertaken. Individuals who have Competency will be able to detail and make efficient any actions that support their performance according to the position they occupy. Competency includes aspects of employees' knowledge, skills, attitudes and behavior.

In practice, competent employees will be more likely to be able to carry out organizational strategies that have been set compared to employees who are not yet competent. Based on Government Regulation (PP) No. 10 of 2018 concerning the National Professional Certification Agency (BNSP) explains that work competency certification is a process of awarding competency certificates that is carried out systematically and objectively through competency tests that refer to Indonesian and/or international work competency standards.

Competency should also receive the support of facilities and infrastructure from the management, this is because good Competency can be used optimally if it is supported by tools and places to do each job itself.

From the employee competency data of the Production Department of PT FCC Indonesia based on education level in 2022, it shows that the number of employees with the last Master's education is 2 people, 13 people are undergraduates while employees with diploma backgrounds are 15 people, the number of employees with the last education is SLTA is 203 people while employees with junior high school education totaling 18 people. If seen from the data above, the standard level of the last level of education is still dominated by high school. In previous research, Astarina et al. (2021) proved the results of research where Competency partially had a positive and significant impact on the performance of employees of PT. Indodrill Indonesia. Another study

conducted by Hr (2020) is also in line with the results of research conducted by Novalina and Setiyono with the results of the t test showing that Competency is a variable that has a positive and significant effect on employee performance at the Bunda Palangkaraya Mother and Child Hospital.

Compensation and Competency are one of the factors that influence employee performance as conveyed in the results of research conducted by Susanto et al. (2020) showing that Employee Performance is influenced by Compensation and Competency variables, from the results of the t test calculations it can be seen that the variable Compensation and Competency partially affect employee performance. South Sulawesi Attorney General. Strengthened by the results of another study conducted by Lestari et al. (2020) with the results of the research showing 1). Compensation and Competency simultaneously have a significant effect on employee performance. 2) partial compensation has a significant effect on employee performance. 3) Competency partially has a significant effect on employee performance. At the Secretariat of the DPRD Parigi Moutong Regency. Individual achievement greatly influences the success of a company, because everyone has different abilities in completing tasks. Performance is the realization or achievement achieved by employees in carrying out the tasks assigned to them. The success of the company is highly dependent on the performance of all its employees. The results of each job will be recorded and assessed to determine individual achievement, so that it can be seen from the overall targets achieved by PT. FCC Indonesia.

According to this description, companies need to pay attention to employee performance because increased performance will not occur automatically without the role and joint efforts of the company and employees. One way to improve employee performance is to employ competency-based employees and provide a compensation system that is fair and in accordance with the work achievements they have achieved.

Compensation

Basically humans are creatures that always expect reciprocity for what they do. Likewise in work, an employee certainly works expecting rewards to meet his needs. Someone who has worked well and is also loyal to his job so that the company gives appreciation in the form of compensation. One way for management to improve employee performance is through compensation. Here are some definitions of compensation according to experts:

Compensation is everything that is received by employees as a reward for their work. Compensation is all income in the form of money, goods directly or indirectly received by employees as compensation for what is given to the company. Competency is an ability to carry out or perform a job or task that is based on skills and knowledge and is supported by the work attitude demanded by the job (Prihantari 2019). In general, compensation aims to give employees rewards to meet their needs and to remain active and loyal to their work, where the results issued can help achieve organizational goals. Compensation also aims to be a guarantor of external and internal justice where this external justice will guarantee that all job desks or jobs will be compensated according to what the employee has achieved and evenly distributed according to the labor market. This is to avoid conflicts that often occur from the reasons for giving compensation. There are several dimensions and indicators of compensation in general, namely :

- a) Direct Compensation includes salaries, wages, incentives and bonuses.
- b). Indirect compensation includes THR, health insurance and facilities.

Competency

Competency must be owned by each individual and is a measure of success in achieving the organization's goals. A person's Competency shows an overview of the level of a person's ability to complete work satisfactorily at work, and also indicates knowledge and skills where it is hoped that people with these competencies can have more responsibility and above average individual quality whose output gives satisfactory results. Competency is an individual's ability to carry out a job properly and has an advantage based on knowledge, skills, and attitudes (Erwina et al., 2022). Competency is something that underlies the characteristics of an individual associated with the results obtained by a job.

Several aspects contained in the concept of Competency are as follows (Erwina et al., 2022):

1. Knowledge, is awareness in the intellectual field. How can an employee recognize how to learn and understand the technical aspects of work and processes related to his duties in the company.
2. Understanding (Understanding), is the depth of thought and individual behavior. How does an employee apply learning and have a good understanding of the characteristics and conditions of work so that they can work efficiently and effectively.
3. Ability (Skill), is something that is owned by someone to do the task or job given to him. How is the ability of employees to choose work methods that are more efficient and effective.
4. Value, is a standard of behavior that is accepted and becomes part of a person. Examples of employee behavior standards in carrying out tasks such as honesty, openness, and democracy.
5. Attitude, is a feeling or reaction to a stimulus that comes from outside, such as likes or dislikes.
6. Interest, is a person's tendency to take an action, such as doing work activities.

Employee performance

Performance is the result achieved from every action taken in the context of work within a certain period of time to achieve organizational goals. In this study, the performance in question is the result of successful work achieved by individuals or groups in the Production Department of PT FCC Indonesia based on their responsibilities and authorities in helping to achieve organizational goals. The following are answers from experts regarding the definition of employee performance: Performance is the result of a process that refers to and is measured over a certain period beforehand. Performance is a record of the results produced (produced) for specific job functions or activities over a certain period of time (Lesmana & Nasution 2021). Performance is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him. The dimensions of employee performance are as follows:

1. Quality, Is how the quality of an employee in carrying out the duties and obligations of his work includes accuracy, the level of errors made in it.
2. Quantity, Is the number of jobs produced by an employee in a certain period.
3. Use of time at work, Is the amount of time used in carrying out tasks and work.
4. Cooperation, Is to shape the attitude of an employee with others through the form of teamwork, communication between employees and how an employee can help each other in work and achieve company goals.

2. Methods

In this study the authors used a quantitative descriptive research method. Descriptive research method is statistics used to analyze data by describing or describing data as it is without intending to make generally accepted conclusions or generalizations. Quantitative research can be interpreted as a research method based on the philosophy of positivism, used to examine certain populations or samples, data collection using research instruments, data analysis is quantitative/statistical, with the aim of testing the hypothesis have been done".

This research was conducted at the Production Department of PT FCC Indonesia in Karawang, West Java. The population studied was 251 employees, while the sample used was 155 people with the sampling technique using simple random sampling. The purpose of this study is to obtain an overview of the relationship between Compensation (X1) and Competency (X2) as independent variables and Employee Performance (Y) as the dependent variable. Verifiatively, this study aims to test the hypothesis by using statistical analysis through path analysis.

3. Results and Discussion

Research Results Descriptive Analysis

Based on the descriptive research data, the compensation variable obtained a score of 3,801 and had an average score of 633, which was categorized as good. This shows that employee compensation in the Production Department of PT FCC Indonesia is going well. The indicator with the highest score is facilities, which get a score of 593, indicating that the facilities provided by the company are in accordance with the needs of the job and are good. However, there is an indicator with the lowest score, namely health benefits, which scores 560, this needs to be further improved by the company. The competency variable gets a score of 5,663 with an average of 566 in good criteria. This shows that the Competency of employees in the Production Department of PT FCC Indonesia is running well. The highest indicator is openness with a score of 587, which indicates that openness is very important at work and going well. However, there is an indicator that has the lowest score, namely the ability of employees to choose effective and efficient work methods, which gets a score of 544, this needs to be further improved.

The employee performance score is 4,028 with an average score of 575 which is categorized as good. This shows that the performance of employees in the Production Department of PT FCC Indonesia has been going well. The indicators with the highest scores are initiative and speed, obtaining a score of 589. This indicates that the respondent is an employee with high initiative and can complete tasks on time. However, the indicator with the lowest score is ability, obtaining a score of 551, which indicates that the respondent has a good ability to solve work problems but still needs improvement.

Verification Research Results

Compensation Correlation (X1) and Competency (X2)

Correlation coefficient research was conducted to determine the level of closeness between compensation and competency variables using the SPSS program.

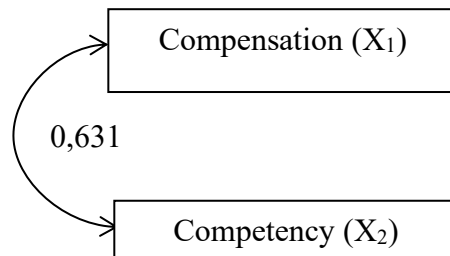
Table 2. Correlation Coefficient Test Between Compensation and Competency

		Compensation	Competency
Compensation	Pearson Correlation	1	.631**
	Sig. (2-tailed)		.000
	N	155	155
Competency	Pearson Correlation	.631**	1
	Sig. (2-tailed)	.000	
	N	155	155

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

Source : Data Processed (2023)

The results of primary data analysis using SPSS software show a strong relationship between the variables Compensation (X₁) and Competency (X₂). The correlation coefficient value between these two variables is 0.631, which is in the coefficient range of 0.60 - 0.799. This means that the correlation between Compensation (X₁) and Competency (X₂) is relatively strong, as can be seen in Figure 1.

**Figure 1. Correlation of Variables X1 and X2**

Source : Data Processed (2023)

Path Analysis

Path analysis is a method used to measure the effect partially and jointly of the independent variables or called exogenous variables on the dependent variable or called endogenous variables. Based on the results of data processing using SPSS software, path coefficient values are obtained for each variable Compensation (X₁) and Competency (X₂) on employee performance (Y). The results can be found in the following table.

Table 3. Path Analysis Output

Model		Unstandardized Coefficients		Standardized Coefficients		Sig.
		B	Std. Error	Beta	t	
1	(Constant)	4.239	1.718		2.468	.015
	Compensation	.346	.086	.291	4.011	.000
	Competency	.385	.056	.501	6.904	.000

a. Dependent Variable: Employee_Performance

Source: Data Processed (2023)

The analysis results show the path coefficient values of the Compensation and Competency variables on employee performance. The path coefficient values are explained as follows:

1. Effect of Compensation on Employee Performance

a) Compensation path coefficient (X1) on employee performance (Y)

Based on table 7, the path coefficient which describes the magnitude of the direct contribution of the compensation variable (X1) to employee performance (Y) is 0.291. The path coefficient that describes the contribution of the Compensation variable (X1) to employee performance (Y) can be seen in Figure 2 below.

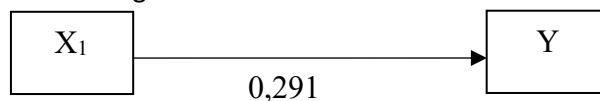


Figure 2. Compensation Path Coefficient (X1) on Employee Performance (Y)

Source : Data Processed (2023)

b) Coefficient of Determination

The value of the coefficient of determination / Coefficient Determined (CD) can be explained as follows.

$$CD = r^2 \times 100\%$$

$$CD = (0,291)^2 \times 100\%$$

$$CD = 0,084 \times 100\%$$

$$CD = 8,4\%$$

Based on the results of calculating the coefficient of determination, a value of 8.4% is obtained, meaning that the compensation variable (X1) directly affects the employee performance variable (Y) of 8.4%.

2. Direct and Indirect Effects of Compensation (X1) on Employee Performance (Y)

The direct and indirect effects of the Compensation variable (X1) on the employee performance variable (Y) can be seen in the table below.

Table 4. Effect of Compensation (X1) on Employee Performance (Y)

Variable	Interpretation of Path Analysis	Calculation	The Size of Influence
Compensation (X₁)	Direct influence on Y	$0,291^2$	0,084
	Indirect influence on Y	$0,291 \times 0,501 \times 0,631$	0,091
Total			0,175

Source : Data Processed (2023)

Based on table 4 above, it shows that the direct effect of compensation (X1) is 8.4%, and the indirect effect of compensation (X1) on employee performance is 9.1% on employee performance (Y). The total influence of the variable Compensation (X1) on employee performance (Y) is 17.5%.

2. The Effect of Competency on Employee Performance

a) Competency Path Coefficient (X2) on Employee Performance (Y)

Based on table 8 the path coefficient which describes the magnitude of the contribution of the Competency variable (X1) to employee performance (Y) is 0.501. The path coefficient that describes the magnitude of the contribution of the Competency variable (X1) to employee performance (Y) can be seen in Figure 3 below.

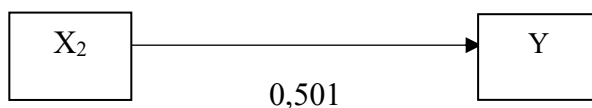


Figure 3. Competency Coefficient (X2) on Employee Performance (Y)

Source : Data Processed (2023)

b) Direct and Indirect Effects of Competency (X2) on Employee Performance (Y)

Based on Figure 3 above, it can be seen the direct and indirect effects of Competency (X2) on employee performance (Y). The Coefficient Determined (CD) value can be explained as follows.

$$CD = r^2 \times 100\%$$

$$CD = (0,501)^2 \times 100\%$$

$$CD = 0,251 \times 100\%$$

$$CD = 25,2 \%$$

Based on the results of the calculation of the coefficient of determination, a value of 25.1% is obtained, meaning that the Competency variable (X2) has a direct effect on the employee performance variable (Y) of 25.1%. The direct and indirect influence of the competency variable (X2) on the employee performance variable (Y) can be seen in the table below.

Table 5. The Effect of Competency (X2) on Employee Performance (Y)

Variabel	Interpretation of Path Analysis	Calculation	The Size of Influence
Competency (X2)	Direct influence to Y	$0,501^2$	0,251
	Indirect influence to Y	$0,291 \times 0,501 \times 0,631$	0,091
	Total		0,342

Source : Data Processed (2023)

Table 5 above shows that it is known that the direct effect of Competency (X1) is 25.1% and the indirect effect of Competency (X1) is 9.1%. The total magnitude of the effect of Competency on employee performance (Y) is the variable Compensation (X1) on employee performance (Y) of 34.2%.

3. Effect of Compensation (X1) and Competency (X2) on Employee Performance (Y)

a) Path Coefficient of Effect of Compensation (X1) Competency (X2) on Employee Performance (Y)

Compensation variable path analysis design (X1) Competency (X2) on Purchase Decision (Y) can be described as follows.

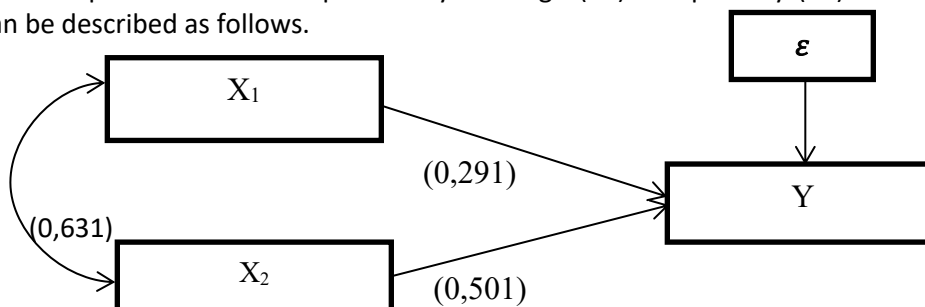


Figure 4. Compensation Path Coefficient (X1) and Competency (X2) on Employee Performance (Y)

Source : Data Processed (2023)

Based on Figure 4 above, it shows that the magnitude of the associative degree or path coefficient variable Compensation X1 (0.291) is higher than Competency X2 (0.501), meaning that Compensation X1 has more influence on employee performance (Y). Competency X2 (0.501) is lower than Compensation X1 (0.291), meaning that Competency X1 also affects employee performance (Y). The path equation is as follows.

$$Y = 0,291 X_1 + 0,501 X_2 + \varepsilon$$

Table 6. Effect of X1 Compensation and X2 Competency on Employee Performance (Y)

Variable	Coefficient	Direct influence	indirect influence		Total Influence
			X ₁	X ₂	
Compensation (X ₁)	0,291	0,084	----	0,091	0,175
Competency (X ₂)	0,501	0,091	0,091	----	0,342
Total Influence					0,517
Influence from another variable (ε)					0,483

Source : Data Processed (2023)

The table above shows that the compensation coefficient (X1) is 0.291 and Competency (X2) is 0.501. The direct effect of compensation (X1) is 17.5%, and the direct effect of Competency (X2) is 34.2%. Meanwhile, the indirect effect of compensation (X1) and Competency (X2) is 9.1%. The total effect of compensation and Competency on employee performance is 51.7%, while the influence of other variables outside the model is 48.3%.

Hypothesis Testing of Partial Effect of Compensation on Employee Performance

To test the hypothesis of the partial effect of compensation (X1) and Competency (X2) on employee performance in the Production Department of PT FCC Indonesia, the following hypothesis is used:

H0: There is no partial effect between compensation and Competency on employee performance in the Production Department of PT FCC Indonesia.

H1: There is a partial effect between compensation and Competency on employee performance in the Production Department of PT FCC Indonesia.

Test criteria: H0 is rejected if sig < α or |tcount| > t table.

To test the influence between compensation (X1) and Competency (X2) with a significance level of 5% and a degree of freedom (df) of 153, t table was obtained at 1.975. The table to test the effect of compensation on performance can be seen in the table below.

Table 7. Partial Hypothesis Testing of Compensation on Employee Performance

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.239	1.718		2.468	.015
	Compensation	.346	.086	.291	4.011	.000

a. Dependent Variable: Employee Performance

Source : Data Processed (2023)

Based on table 7 above, it can be concluded that the calculated t value of the compensation variable is 4.011. The calculated t value above is then compared to t table with a significant level of 5%, df = n - 2 = 155 - 2 = 153 obtained t table = 1.975. Thus it is known that the value of t count (4.011) > t table (1.975), it can be stated that H0 is rejected then H1 is accepted,

meaning that there is a significant effect of compensation on the performance of the employees of the Production Department of PT FCC Indonesia.

Hypothesis Testing of Partial Effect of Competency on Employee Performance

Testing the hypothesis of the partial effect of Competency (X2) on the performance of PT FCC Indonesia's Production Department employees is carried out using the following hypothesis:
H0: There is no partial effect between Competency on the performance of employees in the Production Department of PT. FCC Indonesia.

H1: There is a partial influence between Competency on the performance of employees in the Production Department of PT FCC Indonesia.

Test Criteria: H0 is rejected if $\text{sig} < \alpha$ or $|\text{tcount}| > \text{t table}$.

As for testing the influence of Compensation (X1) and Competency (X2) with a significance level (α) of 5% degree of freedom (df) = $(n-k) = 155 - 2 = 153$ obtained t table 1.975. to determine the partial effect of Competency on employee performance can be seen in the table below.

Table 8. Partial Hypothesis Testing Competency on Employee Performance

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	4.239	1.718		2.468	.015
	Competency	.385	.056	.501	6.904	.000

a. Dependent Variable: Employee_Performance

Source : Data Processed (2023)

Based on a comparison between the calculated t value of the competency variable, namely 6.904 and t table obtained with a significance level of 5%, with a total sample of 155 people, having a t table of 1.975, it can be seen that the calculated t value is greater than t table. Therefore, the null hypothesis (H0) is rejected and the alternative hypothesis (H1) is accepted, which means that there is a significant influence between the Competency and performance of the employees of the Production Department of PT FCC Indonesia.

Simultaneous Variable Hypothesis Testing

To test the proposed hypothesis is accepted or rejected, the F test statistic is used. If $F_{\text{count}} < F_{\text{table}}$, then H0 is accepted and H1 is rejected, whereas if $F_{\text{count}} > F_{\text{table}}$, then H0 is rejected and H1 is accepted. If the significant level is below then H0 is rejected and H1 is accepted. The effect of Compensation and Competency on the performance of PT FCC Indonesia Production Department employees can be determined through statistical testing using the following hypothesis:

H0 : There is no simultaneous effect of Compensation and Competency on the performance of employees in the Production Department of PT FCC Indonesia.

H1: There is a simultaneous effect of Compensation and Competency on the performance of PT FCC Indonesia's Production Department employees

Test Criteria: H0 is rejected if $\text{sig} < \alpha$ or $|\text{F count}| > \text{F table}$

The fcount value will be obtained using SPSS assistance, then compared with the ftable at the level of $\alpha = 5\%$, with a sample of 155, the ftable is 3.070.

Table 9. Simultaneous Significance Test (F-Test)

		ANOVA ^a				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1384.391	2	692.195	81.969	.000 ^b
	Residual	1283.583	152	8.445		
	Total	2667.974	154			
a. Dependent Variable: Employee Performance						
b. Predictors: (Constant), Competency, Compensation						

Source : Data Processed (2023)

Based on the results of table 9, the Fcount value obtained is 81.969 with a significance level of 0.000. While the Ftable value used is 3.05. Because the value of Fcount is greater than Ftable ($81.969 > 3.05$) and the significance level is less than 0.050 ($0.000 < 0.050$), the hypothesis H_0 is rejected and H_1 is accepted. This shows that there is a jointly significant effect of compensation and Competency on employee performance in the Production Department of PT FCC Indonesia.

Descriptive discussion

Production Department Employee Compensation Variable PT FCC Indonesia

Based on the survey results, the compensation variable obtained a score of 3,801 with an average score of 633 in good criteria. The indicator with the highest score is the facility with a score of 593, indicating that the facilities provided by the company are appropriate and good. However, there is an indicator that has the lowest score, namely health benefits with a score of 560, this indicates that health benefits are good but still need to be improved.

Production Department Employee Competency Variables PT FCC Indonesia

Competency variable gets a score of 5,663 with an average score of 566 in good criteria. The indicator with the highest score is openness with a score of 587, indicating that openness is very important at work and is good. However, there is an indicator with the lowest score, namely the ability of employees to choose effective and efficient work methods with a score of 544, indicating that respondents have effective and efficient work methods themselves, but still need to be improved.

Employee Performance Variables Production Department Employees of PT FCC Indonesia

Employee performance variables get a score of 4.028 with an average score of 575 in good criteria. The indicator with the highest score is initiative and speed with a score of 589, indicating that the respondent is an employee with high initiative and is able to complete assignments on time. However, there is an indicator with the lowest score, namely ability with a score of 551, indicating that respondents are able to overcome problems at work, but still need to be improved.

Verification Discussion:

Partial Effect of Compensation on Production Department Employee Performance of PT FCC Indonesia

Based on the results of hypothesis testing, it can be seen that there is a significant influence between Compensation and Employee Performance at the Production Department of PT FCC Indonesia. According to Nursaid et al., (2020) one of the most important factors in encouraging someone to work is of course compensation, because employee work will increase if

supported by adequate compensation. Compensation is the most important element in improving employee performance results. Based on this statement, it can be concluded that an employee will always improve his performance for the better if it is accompanied by an increase or additional compensation such as a salary increase, giving bonuses, and/or promotion for promotion, all of which allow for the personal benefit of the employee. The results of this study are in line with research conducted by Nursaid et al., (2020) that partially compensation has a significant effect on performance. In addition, the results of Lesmana & Nasution (2021) also show that compensation has a positive and significant influence on the employee performance.

Partial Effect of Competency on Employee Performance in the Production Department of PT FCC Indonesia

Based on the results of hypothesis testing, it was found there is a significant influence between competency variables and employee performance in the Production Department of PT FCC Indonesia. The level of influence of Competency on employee performance is 34.2%. According to Erwina et al., (2022) In relation to Competency, it has an influence on improving employee performance, saying Competency as a fundamental characteristic possessed by someone who has a direct effect on or can predict excellent performance. Competency is considered a determinant and key factor in the success of an employee in producing good performance. Performance is so important in achieving company goals that every effort is made to improve employee performance such as competency-based employee training or development, because this is a form of recognition and attention from the organization's management to employees so they can demonstrate work ability. The results of this study are in line with research conducted by Gunawan & Gunawan (2019) partially, Competency has a positive and significant impact on the performance of employees. Also the results of another study conducted by Hartati (2020) with the results of the t test found that Competency is a variable that has a positive and significant effect on employee performance.

The Effect of Simultaneous Compensation and Competency on Production Department Employee Performance at PT FCC Indonesia

Based on the results of hypothesis testing, indicates that there is an effect between Compensation and Competency on Employee Performance in the Production Department of PT FCC Indonesia simultaneously. The mutual influence of the two variables on employee performance is 51.7%. While the influence of other variables outside the model is 48.3%. Recognizing the importance of human resources in realizing the vision and mission of an organization, the organization needs to pay more attention to employees, so that they can build mutually beneficial relationships and improve employee performance. These results are in line with research conducted by Utari et al. (2021), which shows that employee performance is influenced by compensation and competency variables. The results of the calculation of the t test show that the two variables have a significant influence on the performance of the South Sulawesi High Prosecutor's Office employees. This is supported by another study conducted by Susanto et al., (2021), which shows that Compensation and Competency have a simultaneous significant effect on employee performance.

4. Conclusions

Based on the results of the study, it was concluded that there is a significant influence between Compensation and Employee Performance at the Production Department of PT FCC Indonesia, there is a significant influence between competency variables and employee performance in the Production Department of PT FCC Indonesia, and there is an effect between Compensation and Competency on Employee Performance in the Production Department of PT FCC Indonesia simultaneously.

For further development in this research, we recommend: 1). Independent variables can be added to enrich research results and provide a better picture of the object under study. 2). The number of population and sample in the study needs to be expanded to obtain more satisfactory results.

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