**DOI:** https://doi.org/10.31933/diidbm.v2i5

ESSN: 2715-4203, PSSN: 2715-419X

Received: 13 July 2021, Revised: 20 August 2021, Publish: 30 September 2021



# **DIJDBM**

DINASTI INTERNATIONAL JOURNAL
OF DIGITAL BUSINESS MANAGEMENT

https://dinastipub.org/DIJDBM editor@dinastipub.org

# THE EFFECT OF MOTIVATION, COMPETENCE, AND COMPENSATION ON EMPLOYEE PERFORMANCE IMPROVEMENT

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Abstract: In a company, employees are one of the most important elements to achieve company goals. The performance of an employee is certainly influenced by several factors that a manager needs to know. Managers must know the strengths and weaknesses of each manager in order to maximize the potential and minimize the shortcomings of employees. Factors that affect the performance of an employee are motivation, compensation, and competence. Motivation is needed by an individual because basically humans need encouragement or encouragement in order to work better. Motivation is given as a way to improve employee performance to carry out their responsibilities. The different competencies of each employee are also a factor in the good or bad performance of an employee. Competence in each employee must be improved in order to achieve company goals. Compensation also affects an employee's performance. Compensation can be in the form of money or other facilities. Compensation is given as remuneration by the company to employees who have carried out their duties and responsibilities.

**Keywords:** Motivation, Competence, Compensation, Employee Performance

#### INTRODUCTION

The performance of a company is determined by the performance of all its employees. In this case, the manager or director of a company must know how well their employees are doing at work. Therefore, a research is needed in order to find out what actors have an effect on employee performance, for example, motivation, competence and compensation.

An employee is the most important component in a company to carry out the production process to distribution. At work, employees really need encouragement and motivation from a manager and other employees. Working together by giving each other encouragement and motivation in achieving company goals is very necessary because by working together the work will be more effective and efficient. Motivation is a drive, inducement, or incentive that a person needs to do better. Motivation to employees is one of the factors that must always be done by a manager along with other managerial factors. In addition to being a leader, a manager must also be a friend as well as a motivator for every employee.

Motivation is a process or action that can inspire employees to achieve goals. On the background of job goals, there are several psychological factors that motivate employee

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behavior, including job satisfaction, achievement satisfaction, economic needs, and the value of respect. Employees will be more productive if they are motivated compared to employees who are not motivated at work. Every employee has a different way of getting motivated so managers need to know the nature and character of their employees in order to motivate their employees. Motivation in a production process is useful as an encouragement in running and maintaining the existence of a company so that it can survive.

According to Robbins (2008:222), motivation is a process that describes the intensity, direction, and persistence of an individual to achieve company goals. Work motivation is an important part of a company that functions as a tool to achieve goals or objectives to be achieved. In addition, in work motivation there are two main goals in individuals, namely to meet personal needs or desires and company goals. Therefore, the work motivation given to each employee will only be effective and work if within a person there is confidence to move forward and continue to develop within the company.

Each employee has a different self-competence and can certainly be relied on in achieving company goals. Competence is one of the important assets for employees to be able to work actively and professionally. Of course, this competency must be continuously improved so that in the future employees can contribute better to the company. This competence is one of the important assets for every employee to contribute professionally and in totality so as to increase the company's productivity.

According to Spencer in (Moeheriono, 2012), competence is a characteristic that is the basis of a person's work or the basic characteristics of an individual who has a cause-and-effect relationship with criteria that are used as a reference, effective, superior, or working excellently at work or in certain situations. Competence is the basis of an employee in doing his job in accordance with the demands of the work for which he is responsible. Thus, employees need to continue to adapt in order to develop so that they meet competency standards in accordance with their respective fields.

Employee performance can be one of the benchmarks of how the existing human resources in a company have played a role in the progress of the company or not. To achieve the best goals in a company, of course, it is necessary to have a clear management of human resources through various company policies that can adjust the mutual interests of the company and employees. However, employee performance will be better if there is self-awareness and sincerity from each employee as an individual in carrying out their duties and responsibilities.

According to (Mangkunegara, 2009), 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. One of the factors that can grow employee performance is the potential from within the employees themselves in the form of competencies that are continuously developed and adapted to their needs at work.

Compensation or salary according to experts is all forms of remuneration from the company for the performance provided by employees. This remuneration can be in the form of money or other facilities provided by the company to employees for the work they have done. The amount of this compensation is usually determined by the employee and the previous company at the beginning of the employment contract so that the employee will know how much compensation he gets. The amount of compensation can be different depending on the position and performance of each employee. In general, compensation can be divided into two, namely:

#### 1) Direct compensation

Direct compensation is compensation that can be felt directly by employees, it can be in the form of basic salary, allowances, incentives that are the rights of employees and are the company's obligation to provide such compensation. a. Salary is remuneration that is paid periodically to permanent employees and has a definite guarantee.

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- b. Allowances are compensation given by the company to its employees who are considered to have participated properly in achieving company goals.
- c. Incentives are compensation given to certain employees, because their achievements are above the standard.
- 2) Indirect compensation

According to Sofyandi (2008), indirect compensation is compensation given to employees as an effort by the company to improve employee welfare. This compensation is given in addition to salaries, allowances, and incentives. Indirect compensation can be in the form of facilities provided by the company for its employees, such as housing, free health services, and others.

Compensation is also a factor for employees to improve their performance. The amount of compensation will affect the performance of employees so that the company must communicate with employees to determine the amount of compensation that will be obtained so that employees work professionally. Success in determining appropriate compensation for employees will determine how the quality of human resources will work, which will be related to effectiveness and efficiency in the company. In addition, proper compensation will also determine the sustainability of a company in an increasingly competitive business environment. That way, appropriate and appropriate compensation will affect the performance displayed by employees. When the compensation is not in accordance with the employee's expectations, there will be a rejection that can lead to an employee demonstration. Formulation of the problem

Based on the background above, this article will discuss the formulation of the problem as follows:

- 1. Does motivation have a relationship and affect employee performance
- 2. Does competence have a relationship and affect employee performance
- 3. Does compensation have a relationship and affect employee performance

#### LITERATURE REVIEW

# Motivation

Performance is a factor in achieving a goal in a company. To complete tasks and work, one should have high spirits and a certain level of ability. A person's readiness and skills are not effective enough to do something without a clear understanding of what will be done and how to do it. Employee performance is a very important thing in the company's efforts to achieve its goals.

Motivation is a process that describes the intensity, direction, and persistence of an individual to achieve his goals. The three main elements in this definition are intensity, direction, and persistence. Based on Abraham Maslow's hierarchy of needs theory, theory X and theory Y of Douglas McGregor as well as contemporary motivation theory, the meaning of motivation is the 'reason' that underlies an action performed by an individual. Someone said to have high motivation can be interpreted that the person has a very strong reason to achieve what he wants by doing his current job seriously. In contrast to motivation in the sense that develops in society which is often equated with 'spirit', for example in the conversation "I want my child to be highly motivated". This statement can be interpreted as a parent who wants his child to have a high enthusiasm for learning. So, it should be understood that there are differences in the use of the term motivation in society. There are those who interpret motivation as a reason, and there are also those who interpret motivation as the same as enthusiasm.

Motivation comes from the Latin "movere", which means to move. According to Weiner (1990) motivation is defined as an internal condition that arouses us to act, encourages us to achieve certain goals, and keeps us interested in certain activities. According to Uno (2007), motivation can be interpreted as an internal and external drive within a person which is indicated by the presence of desires and interests, drives and needs, hopes and ideals, appreciation, and respect. Meanwhile, Imron (1966) explains that motivation comes from the English language "motivation" which means encouragement or reason to carry out an activity to achieve a goal.

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According to Bernanard and Gary A. Stainer in Machrony defines motivation as all those inner striving conditions variously described as wishes, desires, needs, drives, and the like. Motivation can be interpreted as a mental state and mental attitude of a human being that provides energy, encouragement in activities (moves) and directs or channels behavior towards achieving needs that provide personal or group satisfaction or reduce imbalances.

From the definition described above, motivation can be concluded as a condition that moves an individual towards a certain goal; a skill in directing employees to want to work optimally so that their desires can be achieved properly; as an energy to evoke an impulse in oneself and as a condition which has an effect on awakening; directs and maintains behavior related to the work environment.

Motivation encourages the emergence of behaviors that affect and change the nature and original behavior. The functions are:

- a) Encouraging the emergence of behavior or an action, without motivation there will be no action or deed.
- b) Motivation functions as an influence, meaning directing actions to achieve the desired goal.
- c) Motivation functions as a mover. The size of the motivation will determine how fast or slow a job is.

To improve employee performance and productivity, companies need to motivate employees. This is done so that employees can achieve high and can achieve company goals. Motivation is a series of positive attitudes or values that influence individuals to do things better and better. These positive attitudes and values make an individual strive to achieve the goals he wants to achieve. In fact, motivation is owned by every human being in himself. Motivation is a unique feeling as well as thoughts and past experiences. Motivation is always needed so that employees can continue to improve their performance consistently

Winardi (2002:1) says that the term motivation (motivation) comes from the Latin word movere which means to move (to move). Motivation is the driving force that creates a person's work spirit so that they want to work with all their power and efforts to achieve individual satisfaction.

Robbins (2008:222) says that motivation is a process that explains the intensity and direction of a human's persistence to achieve life goals. Based on the opinion of Robbins (2008:222) it can be concluded that; (1) motivation is an urgent factor in a company that is useful as a tool in achieving the goals and objectives to be obtained; (2) Motivation has two main objectives, namely to meet personal needs and company goals; and (3) motivation will be effective if it is given to someone who has the confidence to continue to grow and become better in a company.

Managers as leaders in a company must be a motivator for their employees. According to Hapzi (2010: 159) managers/company leaders must act as good supervisors for their employees, so that employees can work with high motivation and productivity.

The theory of motivation is basically divided into two, namely the theory of satisfaction motivation and the theory of process motivation, namely:

a. Satisfaction Motivation Theory

This theory is based on the factors of individual needs and satisfaction so that they want to carry out their activities, so it refers to a person. This theory tries to find out about what needs can be satisfied and which can encourage morale. (Yusuf, 2015: 266)

# 1) Hierarchy of Need Theory

The theory of motivation that is very well known is the theory of needs proposed by Abraham Maslow. According to Maslow that in every human being itself consists of five needs, namely: (Rivai, 2009: 840)

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- a) physiological needs, namely the need to eat, drink, physical protection, breathe, sexual, and other physical needs.
- b) the need for security, namely the need for safety and protection from physical and emotional harm.
- c) social needs, namely the need for affection, acceptance by a group, interaction and friendship.
- d) self-esteem needs, namely the need to be respected and appreciated by others.
- e) the need for self-actualization, namely the need to use abilities and potential. The need to have an opinion by expressing ideas provides an assessment and criticism of something.

#### 2) David McClelland's Theory

David McCelland is known for his theory of need to achieve achievement or Need for Achievement (N. Ach) which states that motivation varies according to the strength of a person's need for achievement. According to McClelland, the characteristics of high achievers have three general characteristics, namely:

- a) Employees who perform tasks by showing a high orientation, among others, are willing to accept a relatively high risk as well.
- b) Likes the performance of the achievement of goals that are realistic but challenging, and progress in the work.
- c) Want feedback on the success of work as a form of recognition of his achievements. (Suwatno, 2013: 178)

# 3) ERG theory (Existence, Relatedness, Growth)

ERG theory states that there are three categories of individual needs, namely Existence, Relatedness, and Growth, namely:

- a) Existence Needs, these needs are related to the physical existence of employees, such as eating, drinking, clothing, breathing, salary, working conditions.
- b) Relatedness Needs, interpersonal needs, namely satisfaction in interacting in the work environment.
- c) Growth Needs, namely the need to develop and improve personally. This relates to the abilities and skills of employees. (Rivai, 2009: 884)

#### b. Process Motivation Theory

The approach used in this theory is a causal approach (cause and effect) how a person works and the results he will get. Included in the theory according to (Rosidah, 2009:242) are:

# 1) Victor H. Vroom's Theory of Hope

Victor H. Vroom's theory cited by (Sedarmayanti, 2011:237) discusses the relationship between efforts to carry out work with performance expectations of the work, the theoretical basis is: and performance results. So that it can be seen that the purpose of work is to realize the

- a) Expectations are opportunities given for behavior to occur.
- b) Value is a value caused by certain behavior so that the work done can be positive or negative according to the behavior of the employee himself.

c) Linkage is the individual's perception that the first outcome is related to the next outcome. It means whether working effectively will fulfill their wants and needs as expected.

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2) Theory of Justice (Equity Theory)

Fairness theory helps understand how an employee reaches the conclusion that he or she is being treated fairly or unfairly. The feeling that he is being treated fairly or unfairly is a subjective thought that he gets. So this subjective feeling will ultimately affect work motivation (Rosidah, 2009:239)

3) Reinforcement Motivation Theory

The theory of reinforcement (reinforcement theory) was first put forward by a psychologist B.F. Skinner, who stated that past behavior affects future actions. Reinforcement theory argues that individual behavior (response) to certain situations (stimuli) is the cause of certain consequences. If the consequences are positive then in the future there will be a similar repetition in a similar situation. Means that this reinforcement is related to the repetition of events. For example, people will obey the rules, because if they obey the rules, their work performance will increase because the action will get a reward (Bangun, 2012:324).

#### **Purpose of Giving Motivation**

The objectives of providing motivation (Hasibuan, 2017: 146) are:

- a. Improve employee morale and job satisfaction
- b. Increase employee productivity
- c. Improve employee discipline
- d. Maintaining company stability
- e. Streamlining employee procurement
- f. Creating a good working atmosphere and relationship
- g. Increase loyalty, creativity and participation

# Competence

Competence is a basic character of a person who has an indication of how to behave or think in a wide range of situations and lasts for a long time. Competence can be said to be a basic behavior that describes the motives, personal characteristics, and knowledge or skills possessed by someone with high performance in the workplace.

The terms competence, "competence", and "competent" which in Indonesian are translated as competence, skills, and empowerment which refer to conditions of capable and appropriate quality. The English dictionary describes the word "competence" as a state of being suitable, adequate, or suitable. The definition of competence in the workplace refers to the understanding of a person's suitability for his job. However, in the context of work, competence has two different meanings, based on how the framework of the company is.

Competence can be defined as behavior, knowledge, skills, and motivation that play a major role in the success of carrying out a job. Competence can also be interpreted as an intelligent, responsible action that a person has as a condition to be considered capable by the community in carrying out tasks in a particular field of work (Suhariadi, 2013: 40).

Competence is an ability to carry out or perform a job or task based on skills and knowledge and supported by the work attitude required by the job. (Wibowo, 2016:271)

The competence of each employee is one of the important capital for a company. Employees who have good competency potential will have a positive impact on the production process because they have good performance. Each employee has different competencies so that the manager's job is to monitor and continuously improve the competence of each employee based on their competencies. Wibowo (2007:324) states that

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competence is an ability to carry out or do a job based on skills and knowledge and supported by the work attitude required by the job.

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Yudistira and Siwantara (2012) state that competence has a direct positive and significant effect on employee performance. This is supported by research from Sulistyaningsih (2009) which also shows that competence has a positive effect on employee performance.

#### **Competency Characteristics**

The characteristics of competence according to Spencer and Spencer (1993) quoted by (Sutrisno, 2011:206) consist of 5 (five) characteristics, namely:

- a. Motives (push) is something where someone consistently thinks so that he takes action. For example, someone who has achievement motivation consistently develops goals that provide a challenge to himself and takes full responsibility for achieving these goals and expects some kind of "feedback" to improve himself.
- b. Traits are traits that make people behave or how someone responds to something in a certain way. For example, such as self-confidence, self-control, and fortitude or endurance.
- c. Self Concept (self-concept) Is a person's attitudes and values. Attitudes and values are measured through tests to respondents to find out the value a person has and what is interesting for someone to do something. For example, someone who is judged to be a leader has leadership behavior so there needs to be a test on leadership ability.
- d. Knowledge (Knowledge) Is information that a person has for a particular field. Knowledge is a complex competency. The knowledge test measures the ability of participants to choose the most correct answer but cannot see whether someone can do the job based on the knowledge they have.
- e. Skills is the ability to carry out a certain task both physically and mentally. By knowing the level of competence, human resource planning results will be better.

# **Types of Competence**

Every organization expects and tries its best to be able to achieve the previously set performance goals. Although there are many factors that can influence the success or failure of achieving these goals, for the most part it is determined by the competence of the human resources contained therein. Both as lower, middle-class workers, and those who occupy leadership positions (Wibowo, 2013:94).

In line with the explanation of the definition of competence above, according to (Greenberg and Baron in Wibowo, 2013: 94) ability is the mental and physical capacity to realize various tasks, while Colquitt, LePine, and Wesson divide competence into three categories, namely cognitive, emotional, and physical.

Together these competencies show what people can do, what people can do. This is to distinguish the personality that shows what people are like, what that person is like. Based on the opinions above, it can be explained that there are various types of competencies, namely:

#### a) Intellectual competence

Intellectual competence is the competence needed to carry out mental activities, such as thinking, reasoning, and solving problems (Robbins, 2001:46). Every job has demands for different intellectual competencies. Because each particular job requires appropriate intellectual competence to get results effectively. According to (Robbins, 2001:47) there are five dimensions of intellectual competence, namely:

- a) Numerical intelligence (competence to count quickly and precisely).
- b) Verbal comprehension (competence to understand what is read or heard and the relationship between words).

c) Inductive reasoning (the competence to recognize a logical sequence in a problem and then solve the problem.

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- d) Deductive reasoning (competence to apply logic and judge the implications of an argument)
- e) Memory (competence to hold and recall past experiences)

#### b) Cognitive competence

This competency shows capabilities related to the application of knowledge in problem solving. Cognitive competence is very relevant to work, because it involves work that involves the use of information to make decisions and solve problems (Wibowo, 2013: 98).

- 1) Verbal ability, such as the ability to communicate ideas both by speaking and in writing.
- 2) Quantitative ability, the ability to choose and apply formulas to solve problems involving numbers.
- 3) Reasoning ability, is the ability related to understanding and solving problems using insight, rules and logic.
- 4) Spatial ability, this ability is related to visual abilities, such as being able to imagine how separate things will look when placed together in a certain way, for example an architect.
- 5) Perceptual ability, this ability relates to being able to pick up patterns of information quickly even though there is disturbing information, or even without enough information.

#### Compensation

Compensation is everything that is received either in the form of physical or non-physical. Compensation also means all compensation received by a worker/employee for services or results from his work in a company in the form of money or goods, either directly or indirectly. This term is closely related to financial rewards (financial rewards) given to someone on the basis of an employment relationship.

The existence of compensation provided by the company to employees certainly has a positive impact that is able to provide benefits, both for the company and employees. Well, here are the positive impacts that a company or organization can get:

- a. Motivate employees to always excel and work diligently.
- b. It can also be an attraction for qualified job seekers.
- c. The company's image looks better than competitors.
- d. Companies can get quality workers.
- e. Facilitate the administrative process and existing legal aspects.

# **Compensation Goals of the Company for Employees**

In addition to the positive impacts that the company can get, of course the company also has a goal in providing compensation to its employees. The following are some of the compensation objectives of the company for its employees:

- a. Retaining Existing Outstanding Employees. The first goal is to keep employees who are considered potential and qualified to be able to keep working. It is also useful to prevent high employee turnover rates.
- b. Get Qualified Employees. One way for a company or organization to get qualified employees or prospective applicants is to provide a fairly competitive level of compensation compared to other companies/organizations.
- c. Ensuring Fairness in the Company. Another goal is to ensure fairness in the relationship between management and employees. It also aims as an organizational reward for what an employee has done or dedicated to the company. So, fairness in the provision of wages, bonuses, incentives, etc. in the company is absolutely considered by the company.

d. Efficient Costs. The purpose of this one is intended, if a company plans or implements a rational compensation program, it will help the company or organization to obtain and maintain human resources at a reasonable cost level. With competitive wages, incentives, bonuses, etc., the company will get a balance from the increased work ethic of employees.

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- e. Fulfilling Legal Administration. In the administration of compensation that should exist in every company there is also a legal limit set by the government in a law. So, this administrative procurement in a company also aims to fulfill administrative legality.
- f. Triggering Changes in Behavior and Attitudes for the Better. The company's expected goal from proper and fair compensation to employees is that employees can have good attitudes and behavior and can be profitable and affect work productivity. Good work, loyalty, experience, responsibility and other behaviors that can be increased thanks to being rewarded through the effective facilities of the company/organization.

Compensation can be referred to as an award or remuneration from the company to employees as remuneration for contributions made by employees to the company. For organizations/companies, compensation means appreciation to employees who have contributed to realizing common goals, through activities called work (Nawawi, 2003). That way, employee satisfaction with the compensation obtained is when the employee's attitude is happy with the large amount of compensation received, both in the form of money and other facilities as remuneration for the tasks and responsibilities that have been completed.

Compensation can be provided in different forms, such as salary, benefits, and other bonuses. Salary is a form of company remuneration to employees in the form of money in return for contributions that have been given by employees to the company to achieve its goals (Kadarisman, 2012). The salary level in a company is very important because it affects the company's ability to attract and retain employees who have competence and a competitive position in the product market.

Allowances are additional income provided by the company to its employees (Kaderisman, 2012). This allowance is given as a form of corporate social responsibility and service to its employees to provide a sense of security in their financial needs.

Bonus is incentive compensation. Bonuses will be obtained by employees who are able to work more so that the new production level can be exceeded (Kaderisman, 2012). Bonuses are given in the form of cash and are given on the basis of the amount of profit or evaluation of individual or company performance. Bonus and allowance payments are usually given together with salary payments in the same period. Salaries, benefits, and bonuses have a positive effect on employee performance.

#### **RESEARCH METHODS**

The method of writing this scientific article is to use the method of library research or literature review. Reviewing literature books in accordance with the theories discussed, especially in the scope of HRM. Besides that, analyzing reputable scientific articles and also scientific articles from unreputed journals. All scientific articles cited are sourced from Mendeley and Google Scholar. According to Creswell, John. W. (2014; 40) states that a literature review is a written summary of articles from journals, books, and other documents that describe theories and information both past and present, organizing the literature into topics and documents needed.

The type of data used by the author in this study is data obtained from library research. Literature research is a method used to collect data or sources related to the topics raised in the research. Then use descriptive analysis method to analyze the data obtained. Descriptive analysis method is done by describing the facts, then analyzing the facts, not only describing, but also providing adequate understanding and explanation.

#### DISCUSSION

#### **Employee Motivation and Performance**

Motivation and performance have been widely studied by previous researchers, one of which is Robbin (2008:222). According to Robbins (2008:222) it can be concluded that; (1) motivation is an urgent factor in a company that is useful as a tool in achieving the goals and objectives to be obtained; (2) Motivation has two main objectives, namely to meet personal needs and company goals; and (3) motivation will be effective if it is given to someone who has the confidence to continue to grow and become better in a company.

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Performance is a factor in achieving a goal in a company. To complete tasks and work, one should have high spirits and a certain level of ability. A person's readiness and skills are not effective enough to do something without a clear understanding of what will be done and how to do it. Employee performance is a very important thing in the company's efforts to achieve its goals.

There is one researcher named Winardi (2002:1) who states that the term motivation (motivation) comes from the Latin, namely movere which means to move (to move). Motivation is the driving force that creates a person's work spirit so that they want to work with all their power and efforts to achieve individual satisfaction.

From the explanation above, it can be concluded that employee motivation and performance are two interrelated things. Where the more motivation an employee has, be it motivation to work, earn money and or support his family, the better the employee's performance at work. So it can be said that motivation and performance have a directly proportional relationship.

#### **Competence and Performance**

Competence and performance have been widely discussed by previous researchers, including Wibowo (2007: 324) which states that competence is an ability to carry out or perform a job based on skills and knowledge and supported by the work attitude required by the job. Meanwhile, Yudistira and Siwantara (2012) state that competence has a direct positive and significant effect on employee performance. This is supported by research from Sulistyaningsih (2009) which also shows that competence has a positive effect on employee performance.

Performance is a factor in achieving a goal in a company. To complete tasks and work, one should have high spirits and a certain level of ability. A person's readiness and skills are not effective enough to do something without a clear understanding of what will be done and how to do it. Employee performance is a very important thing in the company's efforts to achieve its goals.

From the explanation above, it can be concluded that employee competence and performance are two interrelated things. Where the more competence of an employee, where the competence supports to work better, the better the employee's performance at work. So it can be said that competence and performance have a directly proportional relationship.

#### **Compensation and Performance**

Compensation and performance have been widely studied by previous researchers, including Nawawi (2003) who said that for organizations/companies, compensation means rewards for employees who have contributed to realizing common goals, through activities called work. Then there is Kadarisma (2003) which states that Salary is a form of company remuneration to employees in the form of money in return for contributions that employees have given to the company to achieve its goals.

Performance is a factor in achieving a goal in a company. To complete tasks and work, one should have high spirits and a certain level of ability. A person's readiness and skills are

not effective enough to do something without a clear understanding of what will be done and how to do it. Employee performance is a very important thing in the company's efforts to achieve its goals.

From the explanation above, it can be concluded that employee compensation and performance are two interrelated things. Where the more compensation an employee receives, either directly or indirectly, the better the employee's performance at work. So it can be said that compensation and performance have a directly proportional relationship.

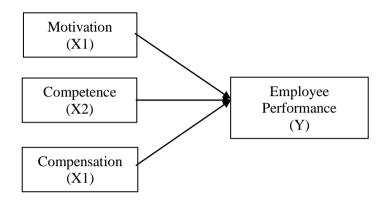


Figure 1: Conceptual Framework

Based on the conceptual framework picture above, this article discusses the effect of Motivation (x1), Competence (x2) and Compensation (x3) on Employee Performance (y1). Apart from the 3 factors that affect employee performance (y1), there are many other factors including::

- 1) Organizational Culture: (Harini et al., 2020), (Elmi et al., 2016) dan (Limakrisna et al., 2016),
- 2) Work discipline: (Elmi et al., 2016), (Ali, 1926), (Agussalim et al., 2016) dan (Anwar et al., 2020).
- 3) Employee engagement: (Riyanto, Pratomo, et al., 2017), dan (Riyanto, B, et al., 2017),
- 4) Governance: (Ansori & Ali, 2017), (No et al., 2017), (Agussalim et al., 2020), (Widodo et al., 2020), (Limakrisna et al., 2016) dan (Anwar et al., 2020)
- 5) Communication: (C.C. Widayati et al., 2020) dan (Christina Catur Widayati et al., 2020),
- 6) Leadership: (Limakrisna et al., 2016), (Bastari et al., 2020), (Anwar et al., 2020), (Ali et al., 2016), (Djoko Setyo Widodo, P. Eddy Sanusi Silitonga, 2017), (Chauhan et al., 2019) dan (Elmi et al., 2016).

#### **CONCLUSIONS AND SUGGESTIONS**

#### Conclusion

Based on the discussion above that motivation, competence and compensation have a relationship or influence on employee performance. Where the more motivation that exists in the employee, the better the performance, the more competencies employees have, the better the performance, and the more compensation given to employees, the better the performance. From this, it can be concluded that motivation, competence and compensation have an influence on employee performance, in this case a good and mutually reinforcing influence.

#### **Suggestion**

There are still many other factors that can affect employee performance or employee performance at all types and levels of the organization, therefore further studies are needed to

complement other factors that have not been mentioned in this article that can affect employee performance.

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