

EFFECT OF COMPETENCY AND COMPENSATION ON *EMPLOYEE ENGAGEMENT* AND THEIR IMPACT ON PERFORMANCE OF ORGANIC EMPLOYEES PT. PELABUHAN INDONESIA IV (PERSERO) SAMARINDA BRANCH

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Abstrak

Penelitian ini bertujuan untuk mengetahui pengaruh kompetensi dan kompensasi terhadap *employee engagement* dan dampaknya pada kinerja pegawai. Kompetensi menjadi hal yang sangat penting yang harus diperhatikan dalam mengelola sumber daya manusia dalam perusahaan, karena kompetensi berarti kemampuan seseorang dalam melakukan suatu pekerjaan berdasarkan keterampilan atau keahlian sehingga membuahkan hasil yang baik. Penelitian ini dilakukan pada PT Pelabuhan Indonesia IV yang merupakan Badan Usaha Milik Negara (BUMN) yang bergerak di bidang pengelolaan pelabuhan laut dan pelayanan transportasi laut. Jenis penelitian yang digunakan adalah penelitian deskriptif dengan pendekatan kuantitatif. Sampel yang digunakan adalah 69 responden yang merupakan Pegawai Organik PT Pelabuhan Indonesia IV (persero) cabang Samarinda dengan menggunakan sampel menggunakan Nonprobability sampling dengan metode Sampling Kuota dengan teknik Analisis data yang digunakan adalah analisis jalur/path analysis. Hasil penelitian menunjukkan bahwa variabel kompetensi secara parsial berpengaruh signifikan terhadap *employee engagement*, variabel kompensasi secara parsial berpengaruh signifikan terhadap *employee engagement*, variabel kompetensi secara parsial berpengaruh signifikan terhadap kinerja pegawai, variabel kompensasi secara parsial berpengaruh signifikan terhadap

kinerja pegawai, variabel *employee engagement* secara parsial berpengaruh signifikan terhadap kinerja pegawai. PT Pelabuhan Indonesia IV (Persero) cabang Samarinda diharapkan dapat menjaga kualitas pegawai berdasarkan kompetensi dan keahlian dibidangnya masing-masing sehingga dapat meningkatkan kinerja sesuai dengan yang diharapkan perusahaan. Atasan juga dapat menjaga hubungan dengan pegawai dengan memberikan pelatihan, saran, dan mengevaluasi hasil kerja pegawai agar dapat secara efektif meningkatkan kinerja pegawai. Selanjutnya bagi perusahaan dapat mempertabahkan sistem pemberian kompensasi dan tunjangan yang diterima pegawai agar meningkatkan loyalitas kerja pegawai sehingga meningkatkan kualitas kinerja kepada perusahaan.

Kata Kunci: Kompetensi, Kompensasi, Employee Engagement, Kinerja

Abstract

This study aims to determine the effect of competence and compensation on employee engagement and their impact on employee performance. Competence is an essential thing that must be considered in managing human resources in the company because it means a person's ability to do a job based on skills or expertise to produce good results. This research was conducted at PT Pelabuhan Indonesia IV, a State-Owned Enterprise (BUMN) engaged in managing seaports and sea services. The type of research used is descriptive research with a quantitative approach. The sample used is 69 respondents who are Organic Employees of PT Pelabuhan Indonesia IV (Persero) Samarinda branch by using a sample through non-probability sampling with the Quota Sampling method and path analysis as the data analysis technique. The results show that the competence variable partially had a significant effect on employee engagement, the compensation variable partially had a significant effect on employee engagement, the competence variable partially had a significant effect on employee performance, the compensation variable partially had a significant effect on employee performance, and the employee engagement variable partially had an effect significant to employee performance. PT Pelabuhan Indonesia IV (Persero) Samarinda branch is expected to maintain the quality of employees based on competence and expertise in their fields respectively to improve performance as expected by the company. Also, the superiors can maintain relationships with employees by providing training, advice, and evaluating employee work results to improve employee performance effectively. Furthermore, the company can maintain a system of providing compensation and benefits received by employees to increase employee work loyalty to improve the quality of performance to the company.

Keywords: Competence, Compensation, Employee Engagement, Performance

INTRODUCTION

A company or organization is often required to adapt to an environment surrounding circumstances. Especially in this increasingly advanced level of business competition, every organization is highly mobilized to maintain its survival so that the company or organization can continue to run and meet the needs of all members of the organization and the needs of its customers. One of them is Human Resources (HR) as an essential factor for its operational success in facing competition. The HR is an essential aspect in question, namely the integrated ability of individuals thinking power and physical power because HR is the spearhead in the company's development to manage all assets and matters regarding the image and performance of the company or organization.¹

In order to realize a company's goals does not solely depend on modern equipment and complete and sophisticated infrastructure but relies on human resources who do and carry out the work. The organization will be said to be successful if the performance of the organization's employees is good. Performance does not only arise because an employee completes his work; it will be seen from its results. Completing the work cannot run well if the work is not by the unique skills or abilities. The qualified competencies possessed by employees are also an essential factor in the success of the resulting performance; this is also closely related to the level of *engagement employees in their work*.²

¹ Bohlander dan Snell, *Principles of Human Resources Management*, 15 ed. (Canada: Nelson Education Ltd, 2010).

² Muhyidin Abdillah dan Sopia Laila Nugraha, "Manajemen Pengembangan Sumber Daya Manusia Berbasis Pendidikan Literasi Di Pesantren Baitul Kilmah Bantul", *Jurnal MD*, Vol. 5, No. 1 (2019).

Employee performance reflects company performance,³ of course, to improve performance, there is feedback that the company must give to employees as a form of remuneration. The remuneration in question is compensation. Of course, the compensation received by employees must be appropriate and equal to the amount of the contribution made to the company. It can improve performance quality and have high morale, and the resulting performance will be maximized. Compensation is a reward received by employees in the form of money or facilities that employees can use to meet their survival. Humans do something because there is a reward that is expected to meet their needs. The compensation referred to here is divided into two, namely, Financial Compensation and Non-Financial Compensation. Employee performance can also be affected by Employee Engagement. Previous research revealed that workers with high levels of engagement tend to spend more time doing productive work, trying their best, and getting more work done than other employees. Previous research on hypothesis testing shows that employee engagement has a positive and significant effect on performance. Thus, the higher the employee engagement, the easier it will be to realize or develop employee performance.⁴

One of them is a company engaged in the port sector, namely PT Pelabuhan Indonesia IV (Persero) or Pelindo IV, located at Jl. Niaga Timur Samarinda, East Kalimantan. PT Pelindo IV is a State-Owned Enterprise (BUMN) engaged in managing seaports and sea transportation services. In

³ Shofi'unnafi, S. "Pengaruh Pelatihan Dan Motivasi Terhadap Kinerja Karyawan PT. Bank Perkreditan Rakyat Chandra Mukti Artha Yogyakarta". *Muhammadiyah Riau Accounting and Business Journal* 1 (2), 2020. 063-071. <https://doi.org/10.37859/mrabj.v1i2.1874>.

⁴ Andhika Wahyudiono, "Islam, Sumber Daya Manusia, Dan Motivasi Kerja: Dinamika Kinerja Perangkat Desa Se-Kecamatan Wongsorejo Banyuwangi," *Jurnal MD* 3, no. 2 (2017): 199–211.

this case, the researcher conducted initial observations by interviewing the HR division's Assistant Manager of Human Resources and General Affairs and Staff. In the initial observation, there are 6 Work Units in PT Pelabuhan Indonesia IV (Persero) Samarinda branch, namely HR and General, Ship Services, Engineering, Finance, PBAU (Goods and Various Business Services), TPB (Transformation and Business Development). In this case, employees are divided into two parts, namely Organic Employees and Outsourcing Employees. Based on this, the researcher focuses on examining only Organic Employees because they are permanent employees who are the company's overall responsibility. Each work unit at PT Pelindo IV Samarinda branch has different competencies because it requires experts in their respective fields.

Competence is an essential thing that must be considered in managing human resources in the company because competence means a person's ability to do a job based on skills or expertise to produce good results. The following is data for organic employees of PT Pelindo IV Samarinda branch based on their education level:

Table 1. Organic Employee Data based on Education

Level	Information	Work Unit						Total
		HR and General	Ship Service	Engineering	Financial	PBAU	TPB	
SMA	SMA/ekivalent	0	9	1	1	4	0	15
Diploma	DIII	0	2	0	3	0	0	5
Bachelor	S1	6	7	7	8	7	5	40
	S2	1	0	0	0	0	0	1
Nautics	D	0	1	0	0	0	0	1
	V	0	1	0	0	0	0	1
	IV	0	1	0	0	0	0	1
	III	0	10	0	0	0	0	10

	II	0	8	0	0	0	0	8
Engine ring	V	0	1	0	0	0	0	1
Total		7	40	8	12	11	5	83

Source: Total HR strength of PT Pelabuhan Indonesia IV (Persero) Samarinda branch period up to October 2020

The data above shows that the employees educational background has adjusted to the type of work and divisions at the PT Pelindo IV Samarinda branch. It can be concluded that employees at the undergraduate level (S1) are more dominant in Education. Many special workers graduated from Nautika and Teknika who came from special schools related to the port sector.

As one of the largest SOEs in Indonesia, the PT Pelabuhan Indonesia IV Samarinda branch is very concerned about its employee's welfare and work loyalty. This is realized by a salary and reward system for employees and managers in each work unit. This is also in line with previous research, which suggests that compensation has a significant effect on employee engagement; the pay level dimension is the dimension that has the most vital relationship.⁵ The statement shows that if the perception of salary satisfaction is high, the employee's dedication to the company will be high with low relationship closeness. This is a company policy in maintaining loyalty to employees, increasing work productivity, and individually advancing the performance of these employees.

The reward system given by PT Pelindo IV Samarinda is by providing bonus than the basic salary such as the 13th salary, giving THR and others. It is felt by employees and managers of each work unit. As for the special facilities provided by PT Pelindo IV Samarinda to each

⁵ Dinar Nur Affini dan Ngadino Surip, "Pengaruh Kompensasi dan Kepuasan kerja Terhadap Employee Engagement Yang Berdampak Pada Turnover," *Jurnal Manajemen Ilmiah Bisnis* 4, no. 1 (2018): 117–131.

President Director and Manager, namely private cars, and official houses, all of which are borne by the company. According to Article 1 of Law Number 13 of 2003 concerning Manpower. "Wages are the rights of workers/laborers that are received and expressed in the form of money as compensation from the entrepreneur or employer to the workers/laborers that are determined and paid according to a work agreement, agreement or statutory regulation, including allowances for workers/laborers and their families for a job and service that has been or will be performed".⁶ Viewed from the other side, PT Pelindo IV Samarinda is considered capable of providing a sense of security to its workers such as wages or salaries according to the UMR, high security, and providing bonuses to employees who will work overtime past regular working hours. This also impacts the high level of engagement employees of the PT Pelindo IV Samarinda branch.

From the results of this study, it is hoped that it can be used as a reference or consideration for various parties, especially for the leadership and management of PT Pelabuhan Indonesia IV (Persero) Samarinda Branch to find out what factors might affect employee performance and the level of employee engagement, competency implementation as well as financial and non-financial compensation provided to employees. This research is intended for companies to find out how vital human resources are for the company's smooth operation. It is necessary to feel engaged in employees' minds when working to improve performance through competence from within the employee and the provision of compensation from the company by the work and ability of employees to complete their work to achieve the company's goals. The company will also be able to

⁶ Abdillah dan Nugraha, "Manajemen Pengembangan Sumber Daya Manusia Berbasis Pendidikan Literasi Di Pesantren Baitul Kilmah Bantul."

condition the quality of human resources and the work environment to match what is desired to improve company performance.

Based on the preliminary description and literature review, the alleged hypotheses in this study can be described as in Figure 1:

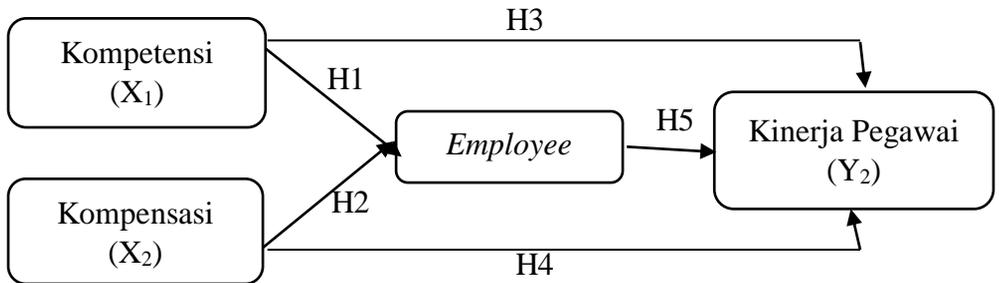


Figure 1. Hypothesis Framework

H1: It is suspected that there is a positive and significant influence between competence on employee engagement

H2: It is suspected that there is a significant positive effect of compensation on Employee Engagement

H3: It is suspected that there is a positive and significant influence between competence on employee performance.

H4: It is suspected that there is influence a positive and significant correlation between compensation on employee performance

H5: Presumably, there is a positive and significant correlation between employee engagement on employee performance

This studi use literature about competence, compensation employee engagement and employee performance. Competence of each employee to help hone the skills and expertise of employees who will encourage, motivate skills and empowerment refers to the state or the qualities of being able and appropriate, which underlie behaviour that describes the motives, personal characteristics, self-concept, values, knowledge or skills brought by a person who is a superior performer.⁷ Compensation is the

⁷ Muhammad Riyanda, “Pengaruh Kompetensi dan Disiplin Kerja terhadap Kinerja Pegawai pada Dinas Perizinan Kota Yogyakarta” (Universitas Negeri Yogyakarta, 2017).

overall remuneration received by employees as a result of carrying out work in the organization in the form of money or other, which can be in the form of salaries, wages, bonuses, incentives and other benefits such as health benefits, holiday allowances, meal allowances, leave and other benefits. Employees will feel safe if there is a guarantee of compensation that they receive periodically every month. The amount of compensation has been adjusted to the performance appraisal and position of an employee.⁸ Employee Engagement is how much commitment and maximum effort employees give to their place of work. Employee engagement is seen from the extent to which employees put extra effort into their work beyond the minimum limit to get work done in the form of additional time, brainpower and energy.⁹ Performance is the result of work that in quality and quantity can be achieved by an employee in carrying out tasks by the responsibilities given to employees.¹⁰

RESEARCH METHODS

This article uses a quantitative approach to research. Quantitative research is a method that aims to test specific theories by examining the relationship between variables.¹¹ From quantitative research, it will be seen that the relationship of variables to the object under study is a more causal model. In this study, there are independent and dependent variables. The research method used in the research method ex post facto quantitative to examine the causal relationship based on the observation of the effect and

⁸ T Octastefani, "Resensi Buku: Manajemen Sumber Daya Manusia Perspektif Integratif," *Jurnal MD* (2015): 265–271, <http://202.0.92.5/dakwah/JMD/article/viewFile/652/589>.

⁹ Febriansyah dan Ginting, *Tujub Dimensi Employee Engagement*.

¹⁰ Wilson Bangun, *Manajemen Sumber Daya Manusia*, ed. Tim Peritel (Jakarta: Erlangga, 2012).

¹¹ John W. Cresswell, *Research Design Pendekatan Kualitatif, Kuantitatif dan Mixed* (Yogyakarta: Pustaka Pelajar, 2013).

looking for the cause through data collection.¹² From these variables, then look for how much influence the independent variable has on the variable dependent.¹³ Data collection techniques in this study include observation, documentation, interviews, and questionnaires.¹⁴

Data analysis methods used include Validity test, Reliability test, Classical Assumption test, Partial t-test, correlation coefficient test, Determination coefficient, and Path Analysis. The samples in this study were Organic Employees with 82 Organic Employees and 1 CPDMT employee. Moreover, the remaining 50 other people are employees *Outsourcing*. In this case, the study uses 83 Organic Employees made into the population because Organic Employees are company employees, including workers on probationary periods who are appointed/determined by the company with a Port Worker Identification Number (NIPP). The ones used in this research are Organic Employees, who are the company's overall responsibility. The sample used is 69 respondents due to the Pandemic situation, so researchers are very limited to conducting research. At the same time, the remaining 50 other employees are outsourcing employees who are contract employees supplied from outsourcing workforce providers who were not included in this study.

RESULTS AND DISCUSSION

The analysis is part of a regression model that can analyze causal relationships between one variable and another. Here is the interpretation

¹² A K Wardani dan U Nadzifah, "Manajemen Pengorganisasian Sumber Daya Manusia Di Lembaga Kepemudaan Islam: Studi Di Lakpesdam-Nu Kota Yogyakarta," *Jurnal MD* (2020): 25–49, <http://ejournal.uin-suka.ac.id/dakwah/JMD/article/viewFile/1801/1328>.

¹³ Sugiyono, *Metode Penelitian Kuantitatif, Kualitatif, dan R&D*, ed. MT Dr. Ir. Sutopo, S.Pd, 1 ed. (Bandung: ALFABETA, 2019).

¹⁴ Hana Septi Kuncaraningsih dan M Rasyid Ridla, "Good Corporate Governance Di Badan Amil Zakat Nasional," *Jurnal Membangun Profesionalisme Keilmuan* (2015): 97–115.

of the results of the path analysis, and data processing were analyzed using SPSS version 26.

1. Analysis of Structural Equation

a. Substructure 1

The first analysis by following equation Regression Model with the following models: $Y_1 = P_{Y_1X_1} + P_{X_1Y_1X_2}X_2 + \epsilon_1$

Table 2. Test Results Path Analysis X_1 and X_2 Against Y_1
(Coefficient of Determination (R^2))

Model Summary				
Model	R	R Square	Adjusted R Square	Std. The error of the Estimate
1	.889 ^a	.790	.784	4,568
a. Predictors: (Constant), Compensation, Competence				

Source: Processed Data from SPSS 26 (2021)

Based on the output 26 in table 2, Model Summary, the R Square value is 0.790 or 79%. It can be concluded that the contribution of the magnitude of the influence between the Independent Variables, namely Competence (X_1) and Compensation (X_2), with the variable Employee Engagement (Y_1), is 79%. At the same time, the remaining 21% is determined or explained by the other variables that are not included in this study.

Table 3. Path Analysis Test Results X_1 and X_2 Against Y_1 (Partial)

Coefficients					
		Unstandardized Coefficients		Standardized Coefficients	
Model	B	Std. Error	Beta	t	Sig.
.149	5,629	3,851		1,462	(Constant)
Competence	.147 .584.000			8,137	1,198
Compensation	.149 .400 5,566 .000				.831

a. Dependent Variable: Employee Engagement

Source: Processed Data from SPSS 26 (2021)

Based on the results of data processing in Table 3, the results of the partial Path Analysis test calculation are obtained as follows: Rejection Criteria H_0 if t count is more significant than t table or $/2: nk-1$: First, coefficient = 0.584. The t-count value is 8.137, while the t-table 1.996 is obtained from $/2: nk-1$ ($0.05/2: 69-2-1 = 0.025: 66$) from the calculation, it can be seen that the t-count is $8.137 > t$ table 1.996 with a significance level of 95% ($\alpha 0.05$), the significance number (P Value) is $0.000 < 0.05$, then H_0 is accepted, which means that the Competency Variable (X_1) partially has a significant effect on Employee Engagement (Y_1). The second coefficient = 0.400. The t-count value is 5.566 while the t-table 1.996 is obtained from $/2: nk-1$ ($0.05/2: 69-2-1 = 0.025: 66$) from the calculation, it can be seen that the t-count $5.566 > t$ table 1.996 with a significance level of 95% ($\alpha 0.05$), the significance number (P Value) is $0.000 < 0.05$ then H_0 is accepted which means that the Compensation Variable (X_2) partially has a significant effect on Employee Engagement (Y_1).

b. Substructure 2

First analysis by following equation Model Regression models as follows: $Y_2 = P_{Y_2X_1}X_1 + P_{Y_2X_2}X_2 + \epsilon_1$

Table 4. Test Results Analysis Line X_1, X_2 to Y_2
(Coefficient of Determination (R^2))

Model Summary				
Model	R	R Square	Adjusted R Square	Std. The error of the Estimate
1	.784 ^a	.614	.603	4279
a. Predictors: (Constant), Compensation, Competence				

Source: Results of SPSS 26 Data Processing (2021)

Based on the results of SPSS 26 Data Processing in table 4, Model Summary, the R Square value is 0.614 or 61.4%. It can be concluded that the contribution level of influence between independent variables, namely Competence (X_1) and Compensation (X_2) on employee performance (Y_2) on Organic Employees PT Pelabuhan Indonesia IV (Persero), amounted to 61.4% Samarinda branch. At the same time, the remaining 38.6% was determined or explained by the other variables that are not included in this study.

Table 5. Path Analysis Test Results Y_1 to Y_2
(Coefficient of Determination(R^2))

Model Summary				
Model	R	R Square	Adjusted R Square	Std. The error of the Estimate
1	.848 ^a	.720	.716	3620
a. Predictors: (Constant), Employee Engagement				

Source: SPSS 26 Data Processing Results (2021)

Based on SPSS 26 Data Processing results in table 5, Model Summary, the R Square value is 0.720 or 72%. So, it can be

concluded that the contribution of the magnitude of the influence between Employee Engagement (Y_1) on Employee Performance (Y_2) at the Organic Employees of PT Pelabuhan Indonesia IV (Persero) Samarinda branch is 72%. In comparison, the remaining 28% is determined or explained by the other variables that are not included in this study.

Table 6. Path Analysis Test Results X_1 and X_2 against Y_2 (Partial)

Model	Coefficients				
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
.007	10,060	3,608		2,788	(Constant)
Competence	.138	.472.000		4,851	.669
Compensation	.140	.398.000		4,084	.572

a. Dependent Variable: Performance

Source: Results of Data Processing SPSS 26 (2021)

Based on the results of SPSS calculations in table 6, the results of the partial path analysis test calculations are as follows. The first, coefficient = 0.472. The t-count value is 4.851, while the t-table 1.996 is obtained from $/2:nk-1$ ($0.05/2: 69-2-1 = 0.025: 66$) from the calculation, it can be seen that the t-count is $4.851 < t$ table 1.996 with a significance level of 95% ($\alpha 0.05$), the significance value (*P Value*) is $0.000 > 0.05$, then H_0 is accepted which means that the Competency Variable (X_1) partially has a significant effect on employee performance (Y_2). The second, coefficient = 0.398. The t-count value is 4.084 while the t-table 1.996 is obtained from $/2: nk-1$ ($0.05/2: 69-2-1 = 0.025: 66$) from the calculation, the t-count $4.084 < t$ table 1.996 with 95% significance level ($\alpha 0.05$), Figures significance (*P value*) of $0.000 > 0.05$ then H_0 is accepted,

which means variable Compensation (X_2) is partially significant effect on employee performance (Y_2).

Table 7. Path Analysis Test Results Y_1 Against Y_2 (Partial)

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
8,033.009		2,967		2,707	(Constant)
Employee Engagement	.045	.848			.586
	13,119				
		.000			

a. Dependent Variable: Performance

Source: Results of Data Processing SPSS 26 (2021)

The third coefficient = 0.848. The t-count value is 13,119, while the t-table 1.996 is obtained from $/2: nk-1$ ($0.05/2 : 69-2-1 = 0.025: 66$) from the calculation, it can be seen that the t-count $13,119 < t$ table 1.996 with a 95% significance level (α 0.05), Figures significance (*P value*) of $0.000 < 0.05$ then H_0 is rejected, which means variable *Employee Engagement* (Y_1) is partially significant effect on employee performance (Y_2).

2. X_1 and X_2 Correlation Analysis

Table 8. Path Analysis Test Results (Cor. Variables X_1 and X_2)

		Competence	Compensation
Competence	Pearson Correlation	1	.620**
	Sig. (2-tailed)		.000
	N	69	69
Compensation	Pearson Correlation	.620**	1
	Sig. (2-tailed)	.000	
	N	69	69

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

Source: Data Processing Results SPSS 26 (2021)

Based on the results of data processing in Table 8, the value of the Correlation Coefficient. Between the Competency variable (X_1) and the Compensation variable (X_2) is 0.620 with a significance value of $0.000 < 0.05$. It can be concluded that there is a significant and robust relationship between Competence (X_1) variables with variable compensation (X_2).

3. Direct, Indirect and Total Effects

Path analysis takes into account the direct and indirect effects viewed based on the path diagram. Direct is the effect of one independent variable on the dependent variable without going through other dependent variables. At the same time, the indirect effect is a situation where the independent variable affects the dependent variable through another variable called the intervening variable.

Table 9. Direct Effect, Indirect Effect and Total Effect

Variable Exogenous	Variable Endogenous	Direct Effect	Indirect Effect	Total Effect	P-Value	Description
Competence (X_1)	<i>Employee Engagement</i> (Y_1)	0.584	0.495	1.079	0.000	Significant
Compensation (X_2)	<i>Employee Engagement</i> (Y_1)	0.400	1	0.739	0.000	Significant
Competence (X_1)	Performance Officer (Y_2)		0	0	0.000	Significant
Compensation (X_2)	Performance Officer (Y_2)	0.398	0	0.398	0.000	Significant
Employee Engagement (Y_1)	Performance Officer (Y_2)	0,848	0	0,848	0,000	Significant

Source: Data Processing SPSS (version 26), 2021

4. Line Diagram (Path Diagram)

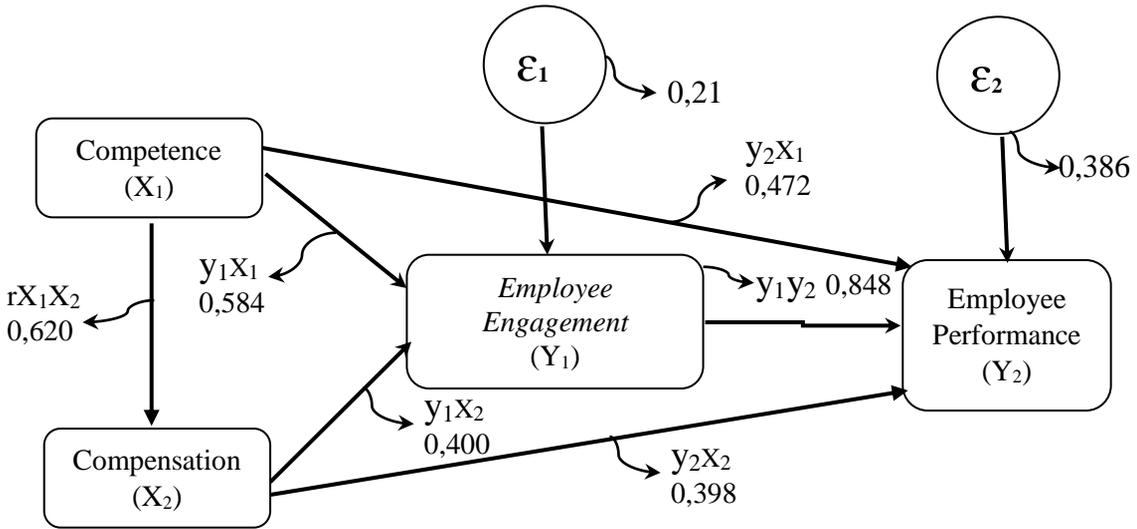


Figure 2. Diagram Path (*Path Diagram*)

The Structural Equation describes the causal relationship between the variables studied, which is expressed in mathematical equations. The following is a structural equation model.

Substructure 1 $Y_1 = 0,584X_1 + 0,400X_2 + \epsilon_1$

Substructure 2 $Y_2 = 0,472X_1 + 0,398X_2 + 0,848Y_1 + \epsilon_2$

5. Model Accuracy

Accuracy hypothetical model of this research data is measured from a relationship coefficient of determination (R^2) in both equations the model results are as follows:

$$\begin{aligned}
 R^2_{\text{model}} &= 1 - (1 - R^2) (1 - R^2) \\
 &= 1 - (1 - 0,790) (1 - 0,614) \\
 &= 1 - (0,21) (0,386) \\
 &= 1 - 0,081/0,919 \\
 &= 91,9\%
 \end{aligned}$$

The result of the calculation of the model's accuracy is 91.9% which explains that the contribution of the model to explain the structural relationship of the four variables studied is 91.9%, while the rest is 8, 1% is explained by other variables not included in this study.

Discussion

The main objective of this study is to examine the effect of Competence and Compensation on *Employee Engagement* and its Impact on Organic Employee Performance at the PT Pelabuhan Indonesia IV (Persero) Samarinda branch.

The test results Effect of Competence (X_1) of the *Employee Engagement* (Y_1) on Employee Organic PT Pelindo IV (Persero) branch Samarinda.

Based on an analysis of the research findings, note that Competence (X_1) partially affects *employee engagement* (Y_1). The results of this study are in line with research conducted by Mety Titin which states that competence has a significant effect on *Employee Engagement*.¹⁵ Competence has a significant effect on *employee engagement* because the competencies possessed by organic employees of the PT Pelindo IV Samarinda branch are relatively good. High competence, in this case, strongly supports *employee engagement* so that employees will carry out the assigned work seriously because of their attachment to the existing company. It also means that the competency conditions of PT Pelindo IV Samarinda branch employees that support *employee engagement* are by the theories that have been studied so far. The magnitude of the relationship is due to the obedient and reluctant attitude of the employees always to be obedient and loyal to the company.

¹⁵ Mety Titin Herawaty dan Cepi Cahyadi, "Pengaruh Penilaian Kinerja dan Kompetensi terhadap Employee Engagement PT. Smart Solution Bekasi," (2020).

Another thing that influences employees is to feel that the current experience, Education, knowledge, and skills can have a strong and positive influence on employees. Employees feel comfortable with the work done at the PT Pelindo IV Samarinda branch. A sense of attachment arises and, in the end, has a spirit of pride and comfort with the company and its attributes. This is also because most employees at PT Pelindo IV are employees who still have relatively long experience. However, the company still must make more strenuous efforts from the leaders to fulfill the employees' aspirations to create a good perception of the ideal organizational commitment that supports the performance of employees and ideal employees by what is expected by the company can be appropriately realized. It is realized that the competence of employees has been relatively good until now, but continuous improvement is still needed.

Effect of Compensation (X_2) on *Employee Engagement* (Y_1) Organic Employees of PT Pelindo IV (Persero) Samarinda branch.

Through the Regulation of the Board of Directors of PT Pelabuhan Indonesia IV (Persero) Number: PD 57 of 2010 Dated October 19, 2010, regarding the Provision of Benefits: Structural Position Allowance is an allowance given to employees who hold and occupy positions structurally based on class position. The amount of allowance is the structural monthly obtained by Position class 3 to Class 10. Achievement Allowance is an allowance given to employees or prospective employees of a variable nature, based on the number of attendances in carrying out duties in the company. The amount of monthly achievement allowance obtained by Position class 3 to Class 16 Position. Regional Allowance is an allowance given to employees with a certain amount based on the level of cost in each region. The magnitude of the regional benefits of each different region is calculated based on the Consumer Price Index (CPI), the minimum Wage

Provincial (UMP), and the results of a survey of Directors on some prices regarding the prices of essential commodities.

Based on the analysis of the research findings, note that Compensation (X_2) partially significant effect on *employee engagement* (Y_1). The results of this study are in line with research conducted by Affini and Strip which states that compensation has a significant effect on *Employee Engagement*.¹⁶ This research is also in line with research conducted by Ajeng, which states that Financial Compensation has a significant effect on *Employee Engagement*.¹⁷ These results indicate that the compensation provided both financially and non-financial to organic employees of PT Pelindo IV Samarinda branch has been going well. Appropriate compensation is crucial because it will lead to a high level of *employee engagement* and job satisfaction and improve employee performance. It can be seen from the research results, which show that compensation has a strong relationship with the level of *engagement of an employee*. This shows that if the perception of an employee's salary satisfaction is significant, then the employee's desire to remain in the company will be even greater with a relatively close solid relationship. Compensation for PT Pelindo IV Samarinda branch is quite well implemented. Especially in terms of timeliness of salary payments, the salary given is by the position, duties, and responsibilities carried out.

Moreover, the provision of financial and non-financial compensation to organic employees of PT Pelindo IV Samarinda branch is fair because it is adjusted to their responsibilities, duties, and positions. The provision of Merit income, structural position allowances, achievement allowances as

¹⁶ Affini dan Surip, "Pengaruh Kompensasi dan Kepuasan kerja Terhadap Employee Engagement Yang Berdampak Pada Turnover."

¹⁷ Ajeng Ekowati Lestari, "Pengaruh Kompensasi terhadap Employee Engagement dimediasi oleh Kepuasan Kerja pada Karyawan PT.XYZ," 2018.

per the position and function of the employee's position, and regional allowances have been adjusted to the IHK and UMK of the city of Samarinda. Giving salaries in a timely and fair manner will make employees feel comfortable to remain in the company. From all forms of financial and non-financial compensation, it has been running and meets the compensation criteria that meet the requirements in compensation theory. In its implementation, PT Pelindo IV Samarinda branch provides compensation which has been going well.

Effect of Competence (X₁) on Employee Performance (Y₂) Organic Employees of PT Pelindo IV (Persero) Samarinda branch.

Based on the analysis of the research findings, it is known that Competence (X₁) partially has a significant effect on Employee Performance (Y₂). Sudarmanto revealed that competence consists of several factors that influence it, including beliefs and values, expertise/skills, experience, personal characteristics, motivation, emotional issues, and intellectual capacity, which will affect the work results of the work produced.¹⁸ The results of this study are certainly not in line with Salahuddin's research which states that competence has a positive but not significant effect on employee performance. Competence can be obtained through education and work experience, which is closely related to the abilities, skills, and expertise of employees working according to their positions to affect the resulting performance. Based on these results indicate that competence has a significant effect on employee performance. Pelindo IV Performance Management which is monitored through the assessment of the Performance Appraisal Value of each PT Pelindo IV

¹⁸ Sudarmanto, *Kinerja dan Pengembangan Kompetensi SDM (Teori, Dimensi Pengukuran, dan Implementasi dalam Organisasi*, ed. Eka Adinugraha, 4 ed. (Yogyakarta: Pustaka Pelajar, 2018).

employee illustrates that each employee has a different Monthly Work Plan according to their Competencies. Each monthly work plan is assessed according to the weight and target by the Head of each Work Unit, which will then produce a Performance Competency Assessment. This certainly makes it easier for leaders to find out the performance of each employee's competence every month.

This shows that employees are already at the level of graduates or skills/skills that are per their duties and responsibilities within the PT Pelindo IV Samarinda branch. Many employees are experts and work by their current graduates and positions, as can be seen from the data on the strength of the HR of PT Pelindo IV (Persero) Samarinda branch based on the education level of the employees working based on previous work experience and also per previous education levels. In the Ship Service Work Unit section, employees must have a marine diploma or Nautika and Teknika by the technical work carried out. The ability of employees to carry out the tasks and work assigned by the company affects the competence of employees, which in the end the resulting performance will be excellent because they have previous experience. However, the company must also continue to make efforts and improvements to hone the competence of employees by providing competency pieces of training to support the work of employees according to their duties and positions.

Effect of Compensation (X_2) on Employee Performance (Y_2) Organic Employees of PT Pelindo IV (Persero) Samarinda branch

Based on the analysis of the research findings, it is known that compensation (X_2) partially has a significant effect on employee performance (Y_2). According to research Dharmawan, several factors influence the provision of compensation, including performance. Compensation can be seen from the amount of performance contributed

by employees to the company. The higher the level of expenditure, the greater the compensation provided by the company to its employees.¹⁹

The results of this study are certainly in line with research conducted by previous studies, which stated that financial and non-financial compensation had a significant effect on employee performance. Financial compensation in the form of salaries, bonuses, incentives, and allowances received by employees is adjusted to the conditions in the field. Salaries are given on time, where the suitability of wages given to employees is appropriate. As expected, wages can meet daily needs and incentives if there are excess working hours or overtime can meet employees' encouragement and work expectations so that they are motivated to improve performance as well as the benefits and old-age benefits provided by PT Pelindo IV (Persero) Samarinda branch are per the employee's position in the company. Financial compensation in the form of promotional opportunities, facilities, and the work environment can also encourage and motivate employees to work hard. Procurement of annual bonuses, health facilities, and holiday allowances (THR) also motivate employees to work hard to improve performance outcomes for the company. The company provides opportunities for employees to be promoted to higher positions by the employee's performance. Work facilities and a comfortable and safe work environment make employees enthusiastic in working to produce satisfactory performance in the end.

Effect of Employee Engagement (Y_1) on Employee Performance (Y_2) Organic Employees of PT Pelindo IV (Persero) Samarinda branch

Based on the analysis of the research findings, it is known that based

¹⁹ I Made Yusa Dharmawan, "Pengaruh Kompensasi dan Lingkungan Kerja Non Fisik terhadap Disiplin dan Kinerja Karyawan Hotel Nikki Denpasar" (Universitas Udayana, 2011).

on the results of SPSS version 26, data processing proves that Employee Engagement (Y_1) partially has a significant effect on Employee Performance (Y_2). The results of this study are in line with research conducted by Salahuddin, which states that Employee Engagement has a positive and significant effect on employee performance.²⁰ Thus, the higher the Employee Engagement owned by the PT Pelindo IV Samarinda branch employees, the easier it will be to develop and improve employee performance. Employees who have passion, dedication, and complete attention to work are proven to improve their performance. The interviews conducted by researchers with several employees show that the employee turnover rate is shallow and even non-existent. Employees feel at home and do not want to change places; it can be seen from employees who show pride in the institution. Employees who feel interested and comfortable with their work will have a higher level of engagement with the company so that the performance provided is also significant and sustainable. Therefore, PT Pelindo IV Samarinda branch should improve employees further to be engaged in the organization and maintain it. If employee performance increases, the goals of the organization will be achieved effectively.

CONCLUSION

From the discussion above, it can be concluded that competence has a positive and significant effect on Employee Engagement, Compensation has a significant positive effect on Employee Engagement, Competence has a significant positive effect on Employee Performance, Compensation has a significant positive effect on Organic Employee Performance, Employee Engagement has a significant positive effect on Employee Performance

²⁰ Shalahuddin, "Pengaruh Kompetensi, Komitmen Organisasional dan Employee Engagement Terhadap Kinerja Pegawai PDAM Tirta Khatulistiwa Pontianak."

Organic PT Pelabuhan Indonesia IV (Persero) Samarinda branch. This reveals that the variables of Competence, Compensation, Employee Engagement, and Organic Employee Performance at PT Pelabuhan Indonesia (Persero) Samarinda branch have been running well. All variables have a positive and significant effect starting from competence, compensation or salary/wages provided, level of engagement, or employee interest in the company and where he works so that the resulting performance impact on the company is satisfactory.

Based on the research findings, it is recommended that the leadership of PT Pelindo IV Samarinda branch pay attention to and prioritize employee competence and engagement to improve performance. Employee performance improvement can be made by conducting training, maintaining the compensation system, improving employee engagement to make it more effective. Efforts to improve performance will be better if prioritized on competence and engagement, especially in building employee engagement with the company. Most employees expect to last a long time always to work and contribute until retirement at PT Pelindo IV Samarinda branch. In the future, the company can maintain the quality of employees based on their respective competencies and expertise to improve performance as expected by the company. Superiors can also maintain relationships with employees by providing competency improvement training, giving awards to employees every month, which is assessed from Performance Appraisal, providing discussion and suggestion space, and evaluating employee work results to improve employee performance effectively. Furthermore, the company can maintain a system of providing employee compensation and benefits to significantly increase employee morale and continuous work loyalty with quality performance results to the company.

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