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The influence of compensation and competence on employee performance with job satisfaction as a mediation variable at the BKKBN central office

Yonhy Librata Yudha ^{1*}, Eddy Sanusi Silitonga ², Djoko Setyo Widodo ³

¹⁻³ Universitas Krisnadwipayana Jakarta, Indonesia

* Corresponding Author: Yonhy Librata Yudha

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Abstract

This study aims to analyze the effect of compensation and competence on employee performance with job satisfaction as a mediating variable. The research sample was BKKBN Head Office employees with a total of 141 respondents. The sampling technique uses a simple random sampling technique. Data analysis used path analysis. The results showed that: there is a significant effect of compensation on employee job satisfaction, 2) there is a significant effect of employee competence on employee job satisfaction, 3) there is a significant effect of compensation on employee performance, 4) there is a significant effect of employee competency on employee performance, 5) there is a significant effect of job satisfaction on employee performance, 6) there is no significant effect of compensation on employee performance through job satisfaction, 8) there is no significant effect of employee competence on employee performance with job satisfaction, 7) there is a significant effect of compensation and competence on job satisfaction and 9) there is a significant influence between compensation, competence and job satisfaction on employee performance. Job satisfaction is not an intervening variable for system improvement and employee competence for improving employee performance.

Keywords: Competence, Compensation, Job Satisfaction, Employee Performance

Introduction

The management of human resources in an organization is very important to be priority in management. The era of the industrial revolution 4.0 demands that workers now have adequate capabilities to increase human resources. Referring to the Global Competitiveness Report 2012-2013 data (for overall index), Indonesia is ranked 50 out of 144 countries or has worsened (four) rankings compared to the 2011-2012 period, which was in position 46 out of 144 countries (Tambunan, 2016) ^[38]. Discussion about competitiveness is not a matter of production output but in terms of the quality of human resources or the level of worker performance.

The performance of employees in Indonesia, especially in the public sector, continues to be in the spotlight. Government performance is currently measured through government agency performance assessments conducted by the Ministry of State Apparatus Empowerment and Bureaucratic Reform (KEMENPAN & RB). This annual assessment aims to determine the extent to which government agencies are implementing the achievement of objectives, while at the same time encouraging increased performance accountability. This evaluation is expected to encourage central and regional government agencies to consistently improve the achievement of agency performance as mandated in the National Medium-Term Government (RPJMN) plan. This accountability score is divided into seven categories, from AA (very satisfactory) to D (very insufficient) overall. In general, the Ministry of PAN and Bureaucratic Reform assesses that the performance accountability achievements of ministries/agencies have improved. However, the proportion of institutions that fall into the satisfactory category from the assessment of the Ministry of PAN and Bureaucratic Reform is still far below the sufficient category. also contributed to the failure to achieve the performance of related work units.

According to Widodo (2015) ^[9], many factors can affect performance both directly and indirectly, including work motivation, facilities and infrastructure, compensation systems, workability, organizational culture, leadership, and individual competence. If all of these things can be implemented properly, employee performance will increase. Meanwhile, according to Siagian (2008) ^[32], employee performance is influenced by salary, work environment, organizational culture, leadership, work motivation, work discipline, work discipline, and job satisfaction.

Performance is the result of work that can be achieved by a person or group of people in an organization both quantitatively and qualitatively following their respective authorities and responsibilities to achieve the goals of the organization concerned legally, not violating laws and following morals and ethics (Moeheriono, 2012) ^[22]. Rivai and Sagala (2014) ^[28] stated that performance refers to the level of success in carrying out tasks and the ability to achieve the goals that have been set. In other words, performance is the result of work achieved by someone in carrying out the tasks assigned to him following established criteria.

The National Population and Family Planning Agency (BKKBN) is a government agency appointed by the government through Law No. 52 of 2009 to carry out tasks in determining policies and strategies in the field of Population, Family Planning and Family Development (KKBP). formulate policies and implementation of the Population, Family Planning, and Family Development programs. Therefore BKKBN as a State Institution carrying out its duties must also manage 647 State Civil Apparatuses (ASN) that have different educational backgrounds and competencies. Moreover, after January 1 2018 BKKBN was again mandated to manage 15,000 fields functional staff or what can be called field officers. Family Planning/Family Planning Field Extension (PKB/PLKB), guided by the 2015-2019 development vision and mission, namely "the realization of an Indonesia that is sovereign, independent and has a personality based on cooperation: effective and efficient BKKBN employee performance is needed. To create effective and efficient BKKBN employee performance, one way is to provide compensation to employees who have done the work. According to Hasibuan (2017), Compensation is all income in the form of money, or goods directly or indirectly received by employees as compensation for services provided to the organization. Meanwhile, Fajar and Heru (2013) ^[1] define that all extrinsic rewards received by employees are in the form of wages or salaries, incentives or bonuses, and some allowances.

Compensation is very important for employees to stimulate them to do work beyond what the organization wants. Compensation is expected to be a stimulus in stimulating workers to carry out work following the goals and targets set by the organization, thus compensation becomes important concerning employee performance. The fact shows that compensation has a significant effect on performance, this is supported by the results of research conducted by Kurniawan *et al* (2016) ^[18] as well as the research conducted by Widyawati and Verawati (2018) stating that there is a positive influence on employee performance. In addition, this study also illustrates that a better compensation system for employees will increase satisfaction, which will ultimately increase individual performance. This condition is supported by the results of research conducted by Alwan and Djastuti (2018) ^[2] which states that there is an influence between

compensation on employee performance through work satisfaction.

Management and performance improvement is also carried out through increasing employee compensation, Palan (2012) ^[23] defines competence as a basic characteristic of a person who has a personal basis that has a relationship with the reference criteria for effectiveness and/or excellence in work or certain situations. The implications of employee competence on performance can be seen from the description that employee competence in the form of basic knowledge and skills of an employee can be a very effective capital in achieving organizational goals, employee competence in Indonesia continues to be in the spotlight, especially in the ability and expertise of employees in holding certain positions.

The results of a survey conducted by the National Civil Service Agency (BKN) in 2017 showed that the competency level of ASN was still low, the survey was conducted in 396 agencies, namely 26 provinces, 295 districts and 75 cities with the result that 7.04% of administrators had high potential and competence. While 32.28% competence is moderate and the rest are still at. and low competence. When administrator positions are projected to JPT Pratama, only 1.13% have high competence and potential, and 69.92% of administrator officials have low competence and the rest have medium potential. Meanwhile, for JPT Pratama only 4.17% are considered competent and have high potential. While 37.21% are in low and medium competence (<https://economy.okezone.com>: 2017). The conditions above illustrate that there is an influence between competence and employee performance. The better the competency an employee has, the better results in high performance.

The influence between competency and employee performance is supported by the results of research conducted by Geraldine and Belinda (2018) ^[10] and Vertasarim *et al* (2014) which state that competence has a positive and significant effect on employee performance. Work competence that is following the field of work of an employee can improve employee performance because competence is one of the factors that support employee job satisfaction which can ultimately improve employee performance. Research conducted by Ismiasih (2016) states that there is a significant influence between competence on employee job satisfaction. This shows that there is a relationship between competence and job satisfaction on employee performance. Priyono *et al* (2017) stated that there is a significant influence between competency on employee performance through job satisfaction as mediation/intervening.

Improving employee performance can also be done through the formation of job-satisfaction in employees. Job satisfaction shows the attitude of employees toward their work, so people with a high level of satisfaction show a positive attitude while dissatisfied people show a negative attitude toward their work. Increasing employee job satisfaction will increase employee performance in the end. Sari and Susilo (2018) and Lis and Yunus (2016) stated that there is an effect of job satisfaction on employee performance, where job satisfaction has a positive and significant effect on employee performance. The condition of job satisfaction for employees will affect the condition of employees in carrying out their work which in turn creates an increase in employee performance.

Besides being able to directly improve employee

performance, compensation and competency can also improve employee performance through job satisfaction as a mediating/intervening variable. In line with this, research conducted by Alwan and Djastuti (2018) ^[2] stated that there was a significant effect between compensation on performance and job satisfaction as an intervening variable. Meanwhile, research conducted by Prasyanto (2017) ^[27] states that there is a positive and significant influence between competency on performance and job satisfaction as an intervening/mediation. The description above shows that job satisfaction affects employee performance both as a direct binding variable and as a mediation or intervening effect on employee performance. Sutrisno (2012) ^[18] states that the more aspects of work that are following the wishes of the individual including appropriate compensation, the higher the level of satisfaction he feels, conversely the fewer aspects of work that are following individual wishes, the lower the level of satisfaction. the satisfaction he felt.

Literature Review

Employee Performance

Performance is the result of work that can be achieved by a person or group of people in an organization both qualitatively and quantitatively following the authority and duties of their respective responsibilities to achieve the goals of the organization concerned legally, not violating the law and following morals and ethics (Moeheriono 2012) ^[22]. Meanwhile, according to Mangkunegara (2016), performance comes from the word job performance or actual performance (work achievement or actual achievement achieved by a person). The definition of performance is the result of work in quality and quantity achieved by an employee in carrying out his duties following the responsibilities given to him. Performance is the result of a process that refers to and is measured over a certain period based on predetermined conditions and agreements (Edison, 2016). Performance can also be interpreted as work performance or work implementation or performance results (Suwatno and Donni, 2013) ^[37]. Smith added that "Performance is output derived from processes, human otherwise," which means that performance is the result of a process carried out by humans (Suwatno and Donni, 2013) ^[37]. Meanwhile, Torang (2016) ^[40] says "Performance is the quantity and or quality of the work of individuals or groups within the organization in carrying out basic tasks and functions that are guided by norms, standard operating procedures, criteria and measures that have been set or that apply in the organization". It is clear that performance is closely related to achieving goals through an adequate process. Uno and Lamatenggo (2014) ^[3] argues that "Performance is the result of an employee's work during a certain period compared to various possibilities, for example, standards, targets, or criteria that have been determined in advance and have been mutually agreed upon". According to Simanjuntak (2015), performance is influenced by:

1. Quality and ability of employees, matters related to education/training, mental and physical condition of employees.
2. Work ethic, work motivation, attitude, and mental and physical condition of employees.
3. Supporting facilities, namely matters relating to the work environment (work safety, occupational health, production facilities, technology) and matters relating to employee welfare (wages/salaries, social security, job

security).

4. Supra facilities, namely matters relating to government policy and industrial relations management.

Compensation

According to Hasibuan (2017), compensation is all income in the form of money, direct or indirect goods received by employees in return for services provided to the company. Fajar and Heru (2013) ^[1] define compensation as all extrinsic rewards received by employees in the form of wages or salaries, incentives or bonuses, and several allowances. Extrinsic rewards are rewards that are controlled and distributed directly by the organization and are tangible in nature. Based on this definition, we understand that compensation is the income provided by the organization to workers for the products produced in their work, both material and non-material. Wibowo (2016) Compensation is the number of packages offered by the organization to workers in return for using their workforce.

Hasibuan (2012) ^[13] in general that compensation indicators include:

1. Salary/wages, which are money given every month to employees as remuneration for their contributions and are also based on working hours.
2. Incentives are financial rewards given directly to employees whose performance exceeds the specified standard.
3. Allowances are compensation given to certain employees as a reward for their sacrifice.
4. Facilities are supporting facilities provided by the organization.

Competence

Palan (2012) ^[23] states that competency can be defined as a basic characteristic of a person that has a relationship with the reference criteria of effectiveness and/or excellence in a particular job or situation. The meaning of competence here is an ability to carry out or carry out a job or task that is based on skills and knowledge and is supported by the work attitude required by the job.

Definition of competence from Wibowo (2017) ^[45] states that competence is an ability to carry out or carry out a job or task that is based on skills and knowledge and is supported by the work attitude demanded by the job, thus, competence shows skills or knowledge that is characterized by professionalism in a particular field as the most important thing, as the superior of that field. According to Sutrisno (2016) ^[7] argues, that competence is a basic characteristic of a person that allows him to provide superior performance in certain jobs, roles, or situations. Competence is an individual characteristic that underlies performance or behavior in the workplace. Individual performance in organizations is influenced by knowledge, abilities, and attitudes as well as work style, personality, interests, basics, values, attitudes, beliefs, and leadership style (Wibowo, 2017) ^[45].

Individual competence is the ability and skills to do work. Everyone's competence is influenced by several factors that can be grouped into two groups, namely work abilities and skills as well as motivation and work ethic (Simanjuntak, 2014). In line with this research locus, Sutrisno described that: "Competence in public organizations is needed, especially to respond to organizational demands, where there are very rapid changes, the development of very complex and dynamic problems and the uncertainty of the future in the

order of people's lives."

Palan (2012) ^[23] reveals that competency characters or indicators consist of:

1. Knowledge. Knowledge refers to information and learning outcomes, such as a surgeon's knowledge of human anatomy.
2. Skills. Expertise refers to a person's ability to perform an activity, such as the skill of a surgeon to operate.
3. Self-concept and values. Self-concept and values refer to one's attitudes, values and self-image. An example is self-confidence, a person's belief that he can succeed in a situation, such as a surgeon's confidence in carrying out a difficult operation.
4. Personal Characteristics. Personal characteristics refer to the physical characteristics and consistency of responses to situations or information. Good eyesight is a necessary personal characteristic for surgeons, as is self-control and the ability to remain calm under pressure.
5. Motive. Motives are emotions, desires, psychological needs, or other drives that trigger action. For example, surgeons with a high interpersonal orientation take personal responsibility for working closely with other members of the team. It is clearly illustrated that competency characteristics are characterized by the presence of certain characteristics in individuals related to achieving individual and organizational performance.

Job Satisfaction

Job satisfaction is a form of one's feelings towards his work, work situation and relationship with his work. Hasibuan stated that "Job satisfaction is an emotional attitude that is pleasant and loves one's job. This attitude is reflected by work morale, discipline, and work performance." (Hasibuan, 2013) ^[12]. Job satisfaction is an important element that must exist in the character of employees, with individual job satisfaction being able to relate well to the work environment and other individuals so that work can be carried out properly and according to organizational goals. According to Suwarno and Priansa (2011), "job satisfaction is the way individuals feel about their work resulting from the individual's attitude towards the various aspects contained in the job".

The same understanding was also put forward by Wibowo (2011) where it was stated that "job satisfaction is the positive or negative degree of one's feelings about various aspects of work tasks, workplace and relationships with fellow workers". Meanwhile, another opinion states that "job satisfaction is a pleasant or unpleasant emotional state with which employees view their work" (Handoko, 2012). According to Sutrisno (2014), job satisfaction is quite an interesting and important issue, because it has proven to have great benefits for the interests of individuals, industry and society. For individuals, research on the causes and sources of job satisfaction allows for efforts to increase their happiness in life.

According to Hasibuan (2013) ^[12], the indicators of job satisfaction for an employee are as follows:

1. Enjoying their work, employees are aware of the direction they are going, have reasons for choosing their

goals, and understand how to work. In other words, an employee likes his job because he can do it well.

2. Loving his job, in this case, the employee does not just like his job but is also aware that the job is what he wants.
3. Positive work morale is an inner agreement that arises within a person or organization to achieve certain goals following the specified quality.
4. Work discipline is conditions that are created and formed through a process of a series of behaviors that show the values of obedience, obedience, loyalty, order, and order.
5. Work performance is work results achieved by a person in carrying out the tasks assigned to him based on skill and sincerity as well as time.

Research Methods

Time and Location of Research

This research took place at the Office of the National Population and Family Planning Agency (BKKBN). Time the research will be carried out from November 2021 to January 2022.

Research Design

This study uses a quantitative approach, according to Sugiyono (2018) quantitative research is a research method based on the positivism philosophy, used to examine certain populations or samples, where data collection uses research instruments, data analysis is quantitative/statistical in nature with the aim of testing hypotheses which have been set.

Population and Sample

The population according to Sugiyono (2018) is a generalization area consisting of objects/subjects that have certain qualities and characteristics that are determined by researchers to be studied and then conclusions drawn. The population in this study were all Central BKKBN employees, totaling 674 people spread across seven deputies.

The sample is part of the number and characteristics possessed by the population. The definition of a sample according to Sugiyono (2018) is part of the number and characteristics possessed by the population. The sample was taken from the population using a tolerable error rate percentage of 7.5%. On this basis, the total population in this study was all BKKBN employees, totaling 674 employees, and the percentage of leeway used was 7.5%. Calculation results can be rounded to achieve conformity. Based on the calculation above, the sample who became respondents in this study was adjusted to as many as 141 people, or around 21.79% of the population.

Research Result

1. There is a Simultaneous Significant Influence Between Compensation and Competence on Employee Job Satisfaction at the BKKBN Head Office

Based on the results of multiple linear regression calculations, it is known that the results of the path diagram are as follows:

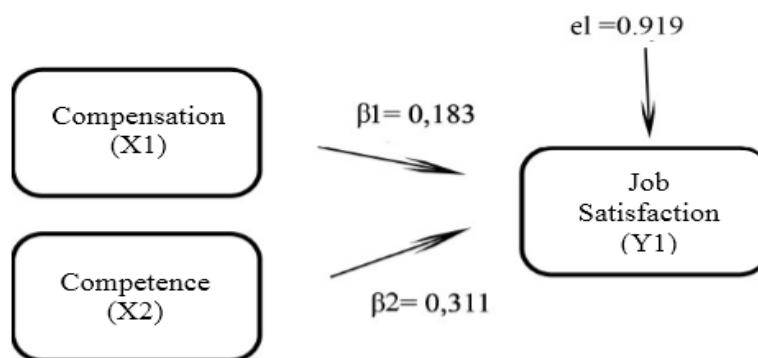


Fig 1: The Simultaneous Effects of Compensation (X1) and Competence (X2) on Job Satisfaction (Y1)

Regression Equation

Based on the diagram above, the following equation is obtained: $KEP = 0.183 KPS + 0,311 KPT + 0.919 \epsilon_1$. Based on the equation above, it can be concluded that there is an influence between compensation and competency on employee job satisfaction at the BKKBN head office with a beta coefficient value of each 0.183 and 0,311. Simultaneous test results through the F-test showed that the F_{sig} value = $0.000 < 0.050$ so the accepted hypothesis decision is H_a where there is a significant simultaneous effect between

compensation (X1) and competence (X2) on job satisfaction (Y1) for BKKBN head office employees.

2. There is a Simultaneous Significant Influence Between Compensation on Employee Job Satisfaction at the BKKBN Head Office

Based on the results of multiple linear regression calculations, it is known that the results of the path diagram are as follows:

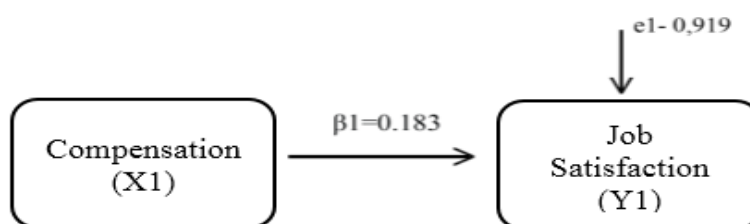


Fig 2: The Effect of Compensation (X1) on Job Satisfaction (Y1)

Regression Equation

Based on the diagram above, the following equation is obtained: $KEP = 0.183 KPS + 0.919 + \epsilon_1$. Based on the equation above, it can be concluded that there is an influence between compensation on employee job satisfaction at the BKKBN head office with a beta coefficient value of 0.183. The results of the t-test show that the value of $t_{sig} = 0.024 < 0.050$ so the accepted hypothesis decision is H_a , where

compensation (X1) affects job satisfaction (Y1) of BKKBN head office employees.

3. There is a Significant Influence Between Competence on Employee Job Satisfaction at the BKKBN Head Office

Based on the results of multiple linear regression calculations, it is known that the results of the path diagram are as follows:

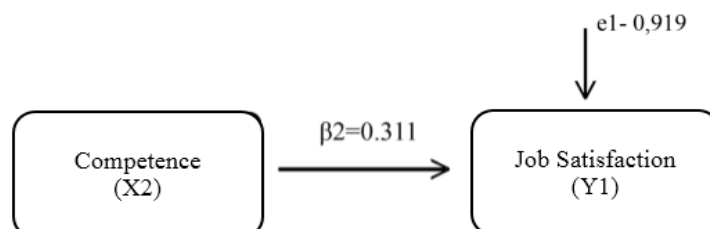


Fig 3: The Effect of Competence (X2) on Job Satisfaction (Y1)

Regression Equation

Based on the diagram above, the following equation is obtained: $KEP = 0.311 KPT + 0.919 \epsilon_1$. Based on the equation above, it can be concluded that there is an influence between compensation on employee job satisfaction at the BKKBN head office with a beta coefficient value of 0.311. The results of the t-test show that the value of using = $0.024 < 0.050$ so the accepted hypothesis decision is H_a , where competence (X2) influences job satisfaction (Y1) for

BKKBN head office employees.

4. There is a simultaneous Significant Influence Between Compensation, Competence, and Job Satisfaction on Employee Performance at the BKKBN Head Office

Based on the results of multiple linear regression calculations, it is known that the results of the path diagram are as follows:

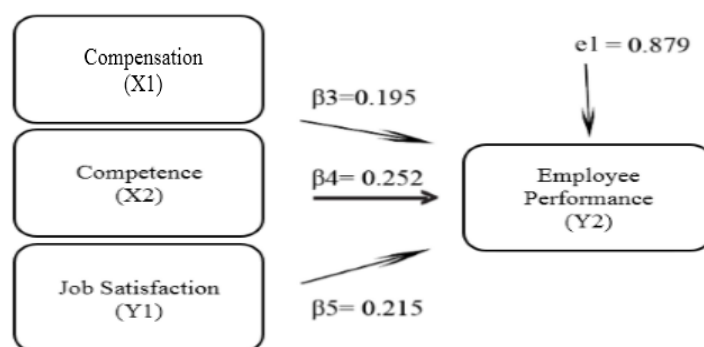


Fig 4: The Effect of Compensation (X1), Competence (X2) and Job Satisfaction (Y1) on Employee Performance (Y2)

Regression Equation

Based on the diagram above, the following equation is obtained: $KIN = 0.195 KPS + 0.252 KPT + 0.215 KEP + 0.879\epsilon_2$. Based on the above feeling, it can be concluded that there is an influence between compensation on employee job satisfaction at the BKKBN head office with beta coefficient values of 0.195, 0.252, and 0.215, respectively. The results of the F test showed that the F-sig value = $0.000 < 0.050$ so that the decision on the hypothesis accepted is H_0 rejected or H_a Accepted, where there is a significant influence between

compensation (X1), Competence (X2), and Job Satisfaction (Y1) on Employee Performance (Y2) at BKKBN head office employee.

5. There is a Significant Influence Between Compensation and Employee Performance at the BKKBN Head Office.

Based on the results of multiple linear regression calculations, it is known that the results of the path diagram are as follows:

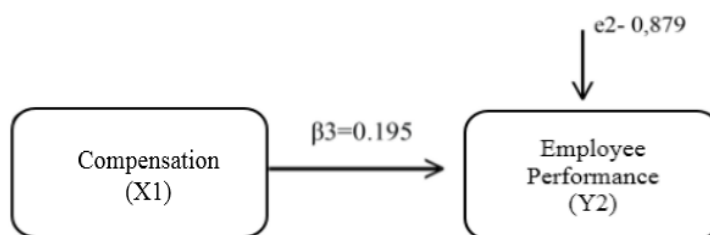


Fig 5: The Effect of Compensation (X1) on Employee Performance (Y2)

Regression Equation

Based on the diagram above, the following equation is obtained: $KIN = 0.195 KPS + 0.879\epsilon_2$. Based on the equation above, it can be concluded that there is an influence between compensation on employee performance at the BKKBN head office with a beta coefficient of 0.195. The results of the t-test show that the value of t-sig = $0.014 < 0.050$ so the accepted hypothesis decision is H_a , where there is a

significant effect between compensation (X1) on employee performance (Y2) for BKKBN head office employees.

6. There is a Significant Influence Between Competence on Employee Performance at the BKKBN Head Office

Based on the results of multiple linear regression calculations, it is known that the results of the path diagram are as follows:



Fig 6: The Effect of Competence (X2) on Employee Performance (Y2)

Regression Equation

Based on the diagram above, the following equation is obtained: $KIN = 0.252 KPT + 0.879\epsilon_2$. Based on the equation above, it can be concluded that there is an influence between competence on employee performance at the BKKBN head office with a beta coefficient of 0.252. The results of the t-test show that the value of t-sig = $0.002 < 0.050$ so the accepted hypothesis decision is H_a , where there is a significant influence between Competence (X2) on

Employee Performance (Y2) for BKKBN head office employees.

7. There is a Significant Influence Between Job Satisfaction on Employee Performance at the BKKBN Head Office

Based on the results of multiple linear regression calculations, it is known that the results of the path diagram are as follows:



Fig 7: The Effect of Competence (X2) on Employee Performance (Y2)

Regression Equation

Based on the diagram above, the following equation is obtained: $KIN = 0.215 KEP + 0.879e2$. Based on the equation above, it can be concluded that there is an influence between competence on employee performance at the BKKBN head office with a beta coefficient of 0.215. The results of the t-test show that the value of $t\text{-sig} = 0.002 < 0.050$ so the accepted hypothesis decision is H_a , where there is a

significant influence between Satisfaction (Y1) on Employee Performance (Y2) for BKKBN head office employees.

8. There is a Significant Influence Between Compensation and Employee Performance through Job Satisfaction as Mediation at the BKKBN Head Office

Based on the tests carried out, the equation diagram is obtained as follows:



Fig 8: The Effect of Compensation (X1) and Employee Performance (Y2) through Job Satisfaction (Y1) as Mediation

Test the variable Job Satisfaction (Y1) as an Intervening Variable through the following equation:

$$KIN = 0.195 KPS$$

$$KIN = 0.195 KPS \times 0.215 KEP$$

The result of multiplying the path coefficient value β_{Y1X1} and β_{Y2X1} is $0.183 \times 0.215 = 0.0393$, when compared, the indirect effect = 0.0393 is smaller than the direct effect = 0.195, meaning that the Job Satisfaction variable (Y1) is not

an intervening variable between Compensation variables (X1) on employee performance variables (Y2).

9. There is an Influence of Competence on Employee Performance through Job Satisfaction as mediation at the BKKBN Head Office

Based on the tests carried out, the equation diagram is obtained as follows:

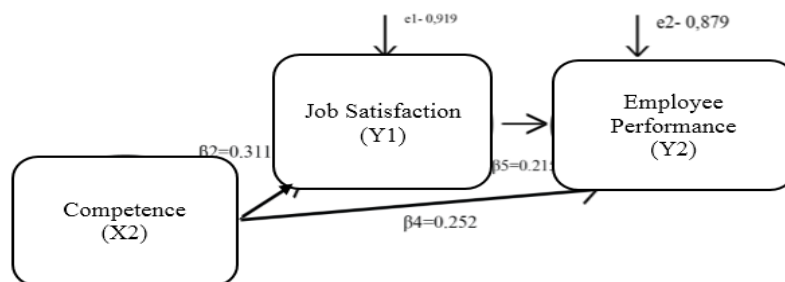


Fig 9: The Effect of Competence (X2) and Employee Performance (Y2) through Job Satisfaction (Y1) as Mediation

Test the variable Job Satisfaction (Y1) as an Intervening Variable through the following equation:

$$KIN = 0.252 KPT$$

$$KIN = 0.311 KPT \times 0.215 KEP$$

The result of multiplying the value of the path coefficient β_{Y1X1} with β_{Y2X1} is $0.311 \times 0.215 = 0.0668$, when compared, the indirect effect = 0.0393 is smaller than the direct effect = 0.195, meaning that the variable Job satisfaction (Y1) is not an intervening variable between compensation variables (X1) on employee performance

variables (Y2).

Conclusions and Recommendations

Based on the results of the data analysis that has been done, the conclusions obtained are as follows:

- Collectively it is proven that the higher the provision and compensation system through salary/wages as well as benefits and other facilities, as well as the better the arrangement of the employee competency improvement system, the higher the job satisfaction of BKKBN head

- office employees at work.
2. Partially it is also proven that a better management system and the level of compensation through wages/salaries as well as benefits and other facilities will increase the level of employee satisfaction in working at the central BKKBN office.
 3. Partially it is also proven that the higher the level and system of Competency arrangement for employees in organizational units, the higher the satisfaction of employees working with the central BKKBN.
 4. Simultaneously (together) it is proven that the higher and better the compensation system, the better and higher the employee competency system and the better the level of employee job satisfaction within the BKKBN head office.
 5. Partially it is also proven that the higher and better the employee compensation system through wages/salaries as well as benefits and other facilities will increase the performance improvement of employees at the BKKBN head office.
 6. Partially it is also proven that the better the competency management system and the higher the employee competency, the better the performance level of BKKBN head office environment employees.
 7. Partially it is also proven that the higher the level of employee satisfaction, the better the level of employee performance in the BKKBN head office.
 8. Testing job satisfaction as an intervening variable on the effect of compensation on employee performance shows that job satisfaction of BKKBN employees is not a variable capable of increasing the high value of the influence exerted on improving the performance of BKKBN head office employees.
 9. Testing job satisfaction as an intervening variable on the effect of competence on employee performance shows that job satisfaction of BKKBN employees cannot add to the high value of the influence given to improving the system and employee competence on improving the performance of BKKBN head office employees.

Recommendations

Head of BKKBN head office management to pay attention to and improve as follows:

1. Maintaining and improving the system and providing compensation through additional pocket money and honorarium on activity/project budgets for employees to increase job satisfaction and performance of BKKBN head office employees.
2. Maintain and improve the employee competency improvement system through competence-building activities, especially outside BKKBN institutions, not technical short courses in domestic and foreign educational institutions to increase job satisfaction and performance of BKKBN head office employees.
3. Make adjustments to employee competencies in places/positions/positions that are following organizational units, to increase job satisfaction and performance of BKKBN head office employees
4. To increase the utilization of competencies that will ultimately have an impact on organizational performance, management must facilitate input/suggestion screening through employee surveys regarding the compensation system and competencies for employees related to work and welfare to improve employee job satisfaction within

the BKKBN.

5. Concerning the development of hard and soft skills for employees within the BKKBN, it is necessary to develop competencies based on tacit knowledge and explicit knowledge while taking into account the condition of the influence of individual abilities of millennial and centennial generations in absorbing developments in information technology.
6. BKKBN Management cq. Personnel bureau to encourage the creation of conditions in which BKKBN employees work following the main tasks and functions that have been technically described (cascading) in employee performance targets (SKP) and or Determination of Individual Performance to support the achievement of work units and the BKKBN organization in general.

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