

Analysis Of Determinants Of Employee Performance On Employees Of PT. Telkom Indonesia Witel Medan

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ABSTRACT

The purpose of this study is to evaluate various aspects of the performance of employees of PT. Telkom Witel Medan, such as communication, compensation, competence, and job satisfaction. The population is all employees of PT. Telkom Witel Medan. For this study, the sample selection consisted of 80 people. The data analysis techniques used are *measurement model (outer model) and inner model* consisting of *convergent validity, dicriminant validity, model coloniality test, composite reliability, path coefficient, and R-Square* which is processed using *SEM – PLS (Structural Equation Modeling – Partial Least Square)*. Based on the *outer model and inner model* tests , no offensive variables were found. The results of this study show that: The following factors affect employee performance: communication affects employee performance, salary does not affect employee performance, competence does not affect employee performance, communication affects job satisfaction, salary affects job satisfaction, competency affects job satisfaction, job satisfaction affects employee performance, communication affects employee performance mediated by job satisfaction, salary affects employee performance mediated by job satisfaction.

Keywords:

Communication, Salary, Competence, Job Satisfaction, Employee Performance.

Introduction

Developments in the increasingly competitive business world require competition between companies to continue to maximize their overall performance. The company continues to strive to achieve the vision and mission that they have determined at the beginning to achieve the company's goals, and this is the company's benchmark to continue to improve the performance of available human resources.

The performance results of employees can be judged from the results of the quantity and quality carried out by Telkom WITEL Medan office employees, especially in the management data division and *survey drawing inventory* with the fields and responsibilities that have been given, so that the impact that occurs on employees will produce work that shows an improvement in the overall performance of the organization.



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The decline in employee performance at the Telkom WITEL Medan Office is influenced by several factors, namely Communication. In the world of work, smooth team communication can improve employee performance and of course benefit the company. (Yasir, 2020). This will result in each work unit developing sectoral pride due to the rigidity of this organizational communication process, which hinders the coordination process in each unit and ultimately hinders the achievement of goals.

There is another factor in influencing employee performance, namely salary. Where with the reason of rising inflation in Indonesia, employees feel that all their secondary, primary, and tertiary needs have not been fully met, which at this time are all expensive. In fact, they also said that the salary set should be in accordance with government regulations in order to feel motivated to work.

Employee competence, in addition to communication and compensation, is also a component that affects employee performance levels. Competence is very important for a company so that every employee can perform tasks and functions that are in accordance with their education or abilities. Many employees of the Telkom WITEL Medan Office rejected the job because they lacked confidence and felt that they could not do work in accordance with their field of duty, which showed low competence.

Several of the factors above affect the level and achievement of employee performance such as communication, salary and competencies that employees lack to create a sense of job satisfaction felt by Telkom WITEL Medan Office employees. What is often discussed among company and management psychologists is the job satisfaction felt by employees.

It is evident that many have discussed job satisfaction which is constantly changing with changes in the current organizational system which is carried out by surveys in large companies including agencies engaged in the government. Because it is considered beneficial to individuals, companies, organizations, and society in general, job satisfaction is considered attractive and important.

Literature review and hypothesis development

Communication

Essential to social and organizational life, organizational communication plays a crucial role in human existence and provides endless possibilities for both individuals and organizations (Sadovei, 2023).

One of the topics that is debated is another opinion about communication, where to convey something to a person, one will seek to define something through communication (Yasir, 2020). Some of the definitions of communication above can be concluded that communication of actions and events is carried out consciously and deliberately for the delivery of ideas, messages and information that are valuable and try to be defined correctly.

Salary



Employment in determining the definition of wages and salaries which according to Law Number 13 of 2003 belongs to Indonesian regulations, as for the content of Article 1 Paragraph 30, the word salary is interpreted as the rights given to workers in the form of money. Salary is a major component of compensation, which means the amount of money that employees will receive as compensation for the work they do (Farida, Zainal, & Aslinda, 2024). So, salary is the money that a company gives to its employees to fulfill the company's goals.

Competence

Competence, which comes from the English root word "competency", which means "to compete", can be defined as a person's ability to compete or the mental ability to compete. Competence, according to Becker, Huselid, and Ulrich, is defined as expertise and ability, or knowledge (skills), and personality identity of a person that has a direct impact on his or her performance style. (Bairiziki, 2020).

Opinion (Rohida, 2018) says that competence is defined as expertise and skills in carrying out tasks or roles while integrating one's knowledge based on previous experience and learning. Therefore, the above opinion concludes that, competence can be defined as knowledge, skills, or expertise that can be done based on knowledge and experience that has been learned that can help in doing work with the goal of

Job Satisfaction

Job satisfaction means that the feelings that arise are positive that employees have about their tasks, which is considered as evidence of gratitude for their work achievements. (Haris, Effendi, & Darmayanti, 2023). According to (Rahmawati, Sa'adah, & Chabibi, 2020) Job satisfaction is the behavior and feelings of employees towards things that cause a sense of pleasure and displeasure related to their duties and their values. Job satisfaction is also defined as a feeling of happiness and satisfaction that is positive in a person for a job well done.

As a conclusion from some of the definitions above, job satisfaction can be interpreted as positive things, happiness, and satisfaction resulting from the work that a person does by fulfilling the required values.

Employee Performance

The term or concept of "performance" is often used in various discussions, especially about improving the performance of human resources or organizations. Performance will always be an issue because performance is a major factor in the success or failure of an organization. All organizations pay attention to the performance of workers because it greatly affects the company (Prahendratno & Al., 2023).

The decision is that performance is the process of doing work both individually and in groups in the form of quality and quantity that affects the success or failure of an organization.

H1 : The Influence of Communication on Employee Performance



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Improving communication can be done by exchanging information, ideas and conducting effective communication can improve employee performance. Harmonious and polite communication to superiors between employees rejuvenates them to perform the tasks required by the company. In research (Susilowati & Nuswantoro, 2019) said that communication significantly affected employee performance, but other studies showed that communication did not affect employee performance in this study (Akbar, Saroh, & Zunaida, 2018).

H2: Effect of Salary on Employee Performance

The component that affects employee performance is salary. Studies have shown that salary affects employee performance, and employees who receive a salary that matches their job will be more motivated to perform better. As in the research (Alfian & Rahmana, 2023) As a result, salary has a positive effect on employee performance, and salary can encourage them to improve the quality of their performance. It is not the same as the results of the research conducted by (Haeruddin, 2017) said employee performance was not significantly affected by salary.

H3 : The Effect of Competence on Employee Performance

In the study conducted (Muslimah, 2016) In various organizations and companies, competencies that include knowledge, skills, and behaviors are positively and significantly related to employee performance. Inversely proportional to the results of research conducted by (Salvano, Naadu, & Hara, 2023) The result is insignificant competence in influencing employee performance.

H4: The Effect of Communication on Job Satisfaction

According to research, communication has a positive relationship of significant influence on the satisfaction level of employees working in an organization with their jobs. (Munir, Fachmi, & Sani, 2020).

H5: The Effect of Salary on Job Satisfaction

The salary coefficient shows that employee job satisfaction will increase if the salary value increases, and vice versa, if the salary coefficient value decreases, and the job satisfaction felt by employees will decrease. Research conducted (Hidayatullah, 2019) is salary has a significant effect on employee satisfaction.

H6 : The Effect of Competence on Job Satisfaction

Studies show that competence affects job satisfaction. In a study, "the competency aspect in this study was proven to have a significant influence on job satisfaction" (Krisnawati & Bagia, 2021). As a result, it can be concluded that competence and job satisfaction are positively correlated.

H7 : The Effect of Job Satisfaction on Employee Performance

A study shows that if an employee feels satisfaction with their job, it will have an impact on their performance. As with research (Bahri, Hasibuan, & Pasaribu, 2022) said that job satisfaction affects employee performance.

H8 : The Influence of Communication on Employee Performance through Job Satisfaction.



A study by (Munir et al., 2020) found that when job satisfaction serves as mediation, discipline and communication affect performance indirectly because of employee satisfaction with their work.

H9 : The Effect of Salary on Employee Performance through Job Satisfaction.

A study (Kafi, Arief, & Soleha, 2023) found that workers' wages greatly affect their performance, and job satisfaction determines that.

H10 : The Effect of Competence on Employee Performance through Job Satisfaction.

Results of the research (Fitriani, E. H. J. FoEh, & Manafe, 2022) found that job satisfaction affects employee performance.

1. Independent Variable (X1) :Communication
2. Independent Variable (X2) :Salary
3. Independent Variable (X3) :Competence
4. Dependent Variable (Y) : Employee Performance
5. Intervening Variable (Z) : Job Satisfaction

Results of research and discussion

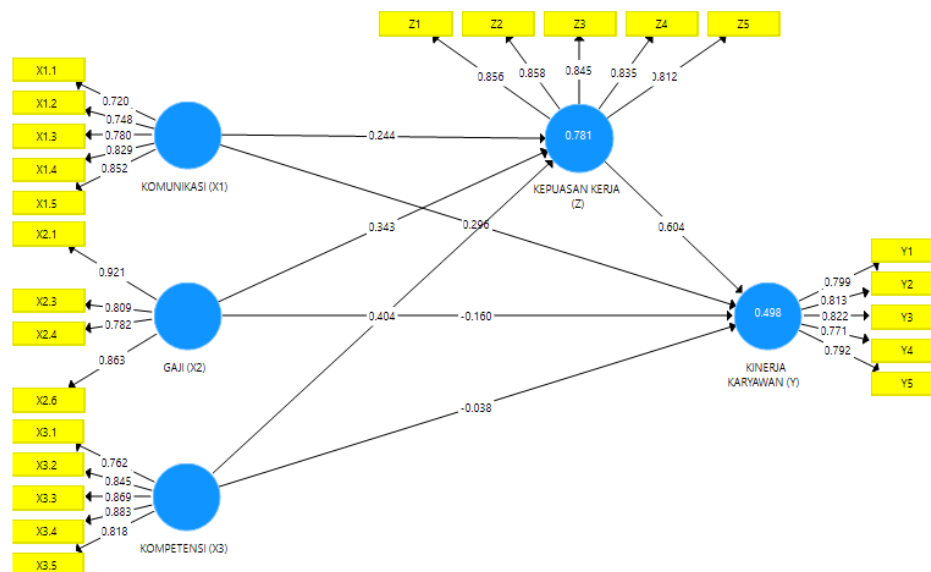


Figure 1. Data Processing Results

Table 1. Value *Loading Factor*

Variable	Indicators	<i>Loading Vactor</i>	<i>Rule of Thumb</i>	Conclusion
Communication (X1)	X1.1	0,720	0,700	Valid
	X1.2	0,748	0,700	Valid
	X1.3	0,780	0,700	Valid
	X1.4	0,829	0,700	Valid
	X1.5	0,852	0,700	Valid
Salary (x2)	X2.1	0,921	0,700	Valid



	X2.3	0,809	0,700	Valid
	X2.4	0,782	0,700	Valid
	X2.6	0,863	0,700	Valid
Competencies (X3)	X3.1	0,762	0,700	Valid
	X3.2	0,845	0,700	Valid
	X3.3	0,869	0,700	Valid
	X3.4	0,883	0,700	Valid
	X3.5	0,818	0,700	Valid
Employee Performance (Y)	Y1	0,799	0,700	Valid
	Y2	0,811	0,700	Valid
	Y3	0,823	0,700	Valid
	Y4	0,770	0,700	Valid
	Y5	0,794	0,700	Valid
Job Satisfaction (Z)	Z1	0,857	0,700	Valid
	Z2	0,859	0,700	Valid
	Z3	0,845	0,700	Valid
	Z4	0,834	0,700	Valid
	Z5	0,811	0,700	Valid

Table 2. *Path Coefficients Values* Direct Influence

<i>Path Coefficients</i>	Original Sample	Sample Average	STDEV	T Statistics	P Values	Ket
X2 -> Z	0,343	0,338	0,082	4,176	0,000	Significant
X2 -> Y	-0,160	-0,156	0,155	1,027	0,152	Insignificant
Z -> Y	0,604	0,583	0,199	3,302	0,001	Significant
X3 -> Z	0,404	0,403	0,089	4,545	0,000	Significant
X3 -> Y	-0,038	-0,020	0,150	0,251	0,401	Insignificant
X1 -> Z	0,244	0,251	0,107	2,274	0,012	Significant
X1 -> Y	0,296	0,303	0,155	1,909	0,028	Significant

Table 3. *Path Coefficients Values* of Indirect Influence

<i>Path Coefficients</i>	Original Sample	Sample Average	STDEV	T Statistics	P Values	Ket
X2 -> Z -> Y	0,207	0,202	0,096	2,152	0,016	Significant
X3 -> Z -> Y	0,244	0,237	0,100	2,444	0,007	Significant
X1 -> Z -> Y	0,147	0,140	0,071	2,068	0,020	Significant

The results of the data analysis showed that the P-value was $0.000 < 0.05$ (significant), which showed that communication had a significant positive effect on employee performance; This shows that the communication carried out by the



employees shows that the performance they produce will be better. In addition, the P-value is $0.152 > 0.05$ (insignificant), which indicates that salary has a negative and insignificant impact.

Data analysis shows that the competence of employees in the Data Management and Inventory Drawing Survey Division of PT. The Medan Telecommunication Area (WITEL) must be improved. In the relationship of competence to employee performance, it has a P-value of $0.401 > 0.05$. Where the result is a value greater than 0.05 which means that competence does not have a significant effect on the performance of its employees. This will help improve the performance of employees because their performance will be better if their competence is good.

In the data analysis, it was found that the P-value was $0.031 < 0.05$ (significant), which showed that job satisfaction was positively and significantly influenced by communication; The results show that smooth and good communication will increase employee job satisfaction. In addition, it was found that the P-value was $0.008 < 0.05$ (significant), which indicates that job satisfaction is positively and significantly influenced by salary. Data analysis showed that the P-value was $0.005 < 0.05$ (significant), indicating that skills had a positive and significant impact on job satisfaction. So, if employees have good competence, they will also be more satisfied with their work.

The results in the processing of this study analysis showed that job satisfaction significantly affected employee performance with a score of $(0.001 < 0.05)$. Data analysis found that the P-value of $0.020 < 0.05$ (significant) for the relationship between the influence of communication on employee performance and job satisfaction mediated the relationship between these variables. P-niali $0.016 < 0.05$ (significant) for the relationship between the influence of salary on employee performance and job satisfaction can mediate the relationship significantly, P-value $0.007 < 0.05$ for the relationship between the influence of competence on employee performance and job satisfaction can mediate the relationship significantly.

Conclusion

Based on the results of the discussion about data processing, researchers can conclude that they can answer the following research questions:

In the results of data analysis using the PLS-SEM method, in the relationship of direct variables to employee performance, there is only communication that can affect it. For salary and competence cannot affect it. For the relationship of direct variables on the job satisfaction variable, nothing is influential, communication, salary, and competence can affect job satisfaction

In the relationship of indirect variables, the results were obtained that job satisfaction as a mediator could mediate the relationship between the variables of



communication, salary, and competence to employee performance and the results were significantly positive.

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