

Effect Of Merit System And Work Achievement On Employee Competence At PT. Purnatarum Murni Rahayu Bandung

Hari Imbrania* & Iwan Setiawan

Management, STIE Gema Widya Bangsa, Bandung, Indonesia

Abstract

Purnatarum Murni Rahayu is engaged in providing Liquid Petroleum Gas (LPG) services for the Greater Bandung area, as a company that functions as storage, the employees are required to have good competence, this is related to employee performance and employee recruitment planning. This study aims to determine whether the merit system variable has a significant effect on employee competence and whether work performance has a significant effect on employee competence. The research method used is descriptive, verification, namely by describing each variable and testing the three variables with a quantitative (statistical) approach which is then analyzed and compared with existing theories and problems to conclude. Simultaneously the magnitude of the effect of the merit system and work performance is 67.4% on competence while other factors are not examined (epsilon) but affect competence at 33.6%. The results of the study which are based on the partial hypothesis state that the merit system and work performance variables can be detected from the magnitude of the influence of each factor consisting of the merit system factor (X1) of 32.1%, work performance factor (X2) of 5%, to the competence of employees at PT. Purnatarum Murni Rahayu. This study concludes that the merit system has an effect on employee competence and work performance has a more dominant influence on employee competence than the merit system

Keywords: Merit System; Work Performance; Competence

1. Introduction

In improving employee competence, an integrated system is needed, so the company must have a good plan in the process of improving the competence of its employees. The first thing that affects the process of increasing competence is the process of hiring employees, in this process the company must be able to sort and select prospective employees who have the ability and interest in their fields, then the management of employee resources is carried out in the form of work performance appraisals so that employees have a measure in producing output in his work. (Sedarmayanti, 2017) suggests "the HR appointment system is a procedure and method in the acceptance, appointment, and promotion of HR carried out by authorized officials in the organization/company with various considerations". (Hasibuan, 2008) suggests "with a good selection process, employees who are accepted or placed will be of higher quality so that the coaching, development, and management of employees will be better. Selection for each new employee acceptance must be carried out carefully, honestly, and objectively to obtain qualified employees and the right placements. The results of previous research conducted by (Huda, 2017) with the title Implementation of the Merit System Support the Design of a Compensation System, with the key words being job analysis, job evaluation, job performance appraisal, merit system, and merit increase. Significantly on work performance appraisal. Work achievement is also an important thing in the company because in carrying out every activity or activity the company must refer to a formal and structured system so that it can be used to measure the abilities or competencies of employees in the company.

According to (Sedarmayanti, 2017), the merit system is "a system of hiring workers based on talent, skills, and work performance according to predetermined criteria. In this system, there are rules of the game in the form of laws, and regulations that must be guided together in appointing employees, the process of appointing employees must go through several stages until they pass the selection, so that employees have the abilities and skills that match the requirements of the position. (Sedarmayanti, 2017) suggests that "the assessment of work performance must be guided by a formal

* Corresponding author.

E-mail address: hariimbrani1@gmail.com

and structured system that has been established by the company, used to measure, assess, influence work-related traits, behavior and results, including attendance levels".

According to Panggabean quoted by (ASTRA, n.d.), performance is "a condition of a group where there are clear and fixed goals that are felt to be important and integrated with individual goals so that all components in the group aim to achieve the goals of the company". (Setiyoningsih, 2011) defines performance as "a work achieved by a person in carrying out the tasks assigned to him based on skills, experience, and sincerity and time".

Bernardin in (Sedarmayanti, 2017) "performance is a record of the results produced or (generated) on certain work functions/activities for a certain period. Performance is a result, not character traits and behavior. According to Moekijat quoted by Siswandi (2012: 5) "an employee with high performance has positive attitudes such as joy, cooperation, pride in the service, obedience to obligations and the loyalty of the employee".

Cash and Fischer quoted by (Setiyoningsih, 2011) argue that "performance is often called performance or result which is defined by what has been produced by individual employees. Performance is influenced by work performance (Organizational performance) itself which includes work development (organizational development), compensation plan (compensation plan), communication system (communication system), managerial style (managerial style), work structure (organization structure), policies and procedures (policies and procedures). Robbins quoted by (Setiyoningsih, 2011) suggests another term for performance is "human output which can be measured by productivity, absenteeism, turnover, citizenship, and satisfaction".

According to Spencer and Spencer quoted by Moehariono in (Busro, 2018) "competence is the underlying characteristic of a person related to the effectiveness of individual performance in work or individual basic characteristics that have a causal relationship or as a cause-effect with criteria that are used as a reference, effective or performing. excellent or superior at work or in certain situations".

According to Spencer and Spencer in (Edy, 2017), competence is "an underlying characteristic of an individual associated with the results obtained in a job". Meanwhile, (Sedarmayanti, 2017) states that "competence is a combination of knowledge, skills, and behaviors that are used to improve performance, or conditions/quality that are adequate/highly qualified, can perform certain roles". French and Crunkilton in (Edy, 2017) say that "competence is the mastery of a task, the skills, attitudes, and appreciation needed to support success".

Understanding competence in public and private organizations is needed, especially to answer the demands of the organization, where there are very fast changes, the development of very complex and dynamic problems, and the uncertainty of the future in the order of people's lives. Competence is an ability based on skills and knowledge that is supported by work attitude and its application in carrying out tasks and work in the workplace that refers to the work requirements set.

Characteristics of competence according to Spencer and Spencer in (Edy, 2017), there are five aspects, namely:

- 1) Motives (Motives) are something where a person consistently thinks so that he takes action. For example, people who have achievement motivation consistently develop goals that challenge themselves and take full responsibility for achieving these goals and expect feedback to improve themselves.
- 2) Traitstraitsthat make people behave or how someone responds to something in a certain way. For example, self-confidence, self-control, stress, or fortitude.
- 3) Self-concept is the attitude and values that a person has. Attitudes and values are measured through tests to respondents to find out how values a person has, and what is interesting for someone to do something. For example, someone who is assessed as a leader should have leadership behavior so that there is a need for a test on leadership ability.
- 4) Knowledge (Knowledge), is information that a person has for a particular field. Knowledge is a complex competency. Scores on knowledge tests often fail to predict HR performance because they do not measure what knowledge and skills are supposed to be on the job. The knowledge test measures the test taker's ability to choose the most correct answer, but can't see if someone can do the job based on the knowledge they have.
- 5) Skill is the ability to carry out a certain task both physically and mentally. For example, a computer programmer makes a program related to HR SIM.

Gordon in (Edy, 2017), explains some of the concepts contained in competence as follows:

- 1) Knowledge (Knowledge), namely awareness in the cognitive field. For example, an employee knows how to identify learning, and how to do good learning according to the needs that exist in the company.
- 2) Understanding (Understanding), namely the depth of cognitive, and affective which is owned by the individual. For example, an employee in carrying out learning must have a good understanding of the characteristics and working conditions effectively and efficiently.
- 3) Ability (Skill), is something that is owned by an individual to carry out the tasks or work assigned to him. For example, the ability of employees to choose work methods that are considered more effective and efficient.
- 4) Value (Value), is a standard of behavior that is believed and psychologically has been integrated into a person. For example, the standard of employee behavior in carrying out their duties (honesty, openness, democracy, etc.).
- 5) Attitude is a feeling (happy-not happy, like-dislike) or a reaction to a stimulus that comes from outside. For example, reactions to economic crises, feelings toward salary increases, and so on.
- 6) Interestperson's tendency to do an action. For example, doing a work activity

Currently, the concept of competence has begun to be applied in various aspects of human resource management, although most of them are in the areas of training and development, recruitment and selection, and remuneration systems.

Ruky in Sutrisno (2016:208), suggests that the concept of competence is becoming increasingly popular and has been widely used by large companies for various reasons, namely:

- 1) Clarify work standards and expectations to be achieved. In this case, the competency model will be able to answer two basic questions: what skills, knowledge, and characteristics are needed in the job, and what behaviors have a direct effect on job performance? These two things will help a lot in reducing subjective decision-making in the HR field.
- 2) Employee selection tool. The use of standard competencies as a selection tool can help organizations to select the best candidates for employees. By being clear about the effective behavior expected of our employees, we can aim for selective targets and reduce unnecessary recruitment costs. This is done by developing a behavior required for each job function and focusing the selection interview on the behavior sought.
- 3) Maximize productivity. The demand to become a “lean” organization requires us to look for employees who can be developed in a targeted manner to fill gaps in skills so that they can be mobilized vertically and horizontally.
- 4) The basis for the development of the remuneration system. The competency model can be used to develop a remuneration (reward) system that will be considered fairer. The remuneration policy will be more targeted and transparent by linking as many decisions as possible to a set of expected behaviors that an employee displays.
- 5) Facilitate adaptation to change. In an era of rapid change, the nature of a job is changing rapidly and the need for new skills is constantly increasing. The competency model provides a means of determining what skills are needed to meet these ever-changing needs.
- 6) Align work behavior with organizational values. The competency model is the easiest way to communicate values and what things should be the focus of employee performance

In addition to the above definitions or definitions, the State Civil Service Agency (2003) cited by Sudarmanto in (Hamadi, 2012) defines competence as "the abilities and characteristics possessed by a Civil Servant in the form of knowledge, skills, and behavioral attitudes needed in carrying out their duties. position, so that the civil servant can carry out his duties professionally, effectively, and efficiently."

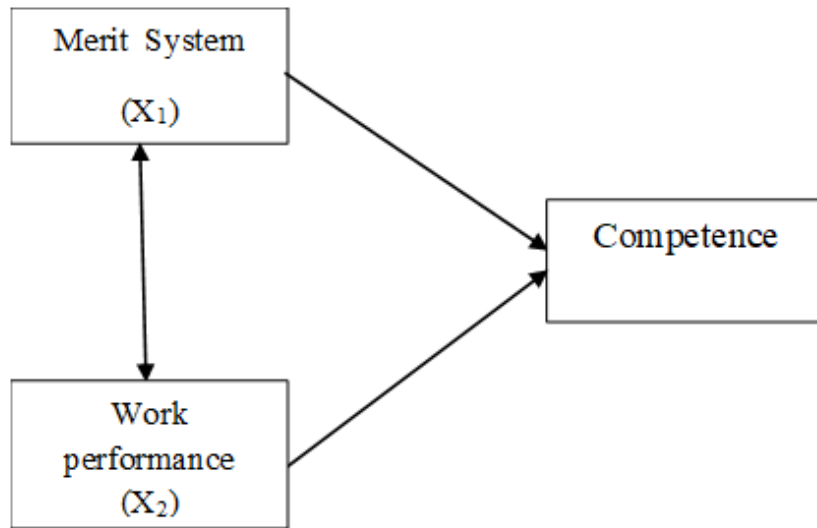


Figure 1. Conceptual Framework

Hypothesis

H1: Merit System (X₁) significant effect on Competence (Y).

H2: Work Performance (X₂), has a significant effect on Competence (Y)

2. Methods

This type of research is using the verification method according to (Sugiyono, 2017) which can be interpreted as research conducted on a particular population or sample to test the established hypothesis. Namely, the merit system variable (X_{1a}), work performance as a variable (X₂), and employee competence as a variable (Y), using the relevant statistical equipment. According to (Zuldafril & Lahir, 2012) "data is the subject from which data can be". According to (Sugiyono, 2018) which states that "primary data is a data source that directly provides data to data collectors, the primary data in this study is questionnaire data distributed to employees. Secondary data is a data source that does not directly provide data to data collectors, for example through other people or documents. And secondary data is research data obtained indirectly through intermediary media (obtained and recorded by other parties) such as book references, articles from mass media, journals, and data from the relevant agencies.

The data collection methods used in this study are: a) Questionnaire is a method of collecting data by giving questions to respondents with a questionnaire guide so that data on employee motivation and work discipline can be obtained. b) Observation is a research method in which the researcher makes direct observations on the object of research, and c) Literature Studies, is a method of collecting data by reading books, literature, journals, and references related to this research and previous research. related to the research being carried out. Before conducting data analysis, it is necessary to carry out the following stages of data processing techniques: Editing is a process of checking and adjusting obtained from research data to facilitate the process of coding and processing data with statistical techniques, Coding is an activity of marking in the form of numbers on answers from questionnaires to then be grouped into the same category. The goal is to simplify answers, Scoring is changing qualitative data into a quantitative form, and Tabulating is presenting the data obtained in tables so that readers are expected to see the research results. After the tabulating process was completed, it was processed using the SPSS 25 computer program. This study involved 34 respondents from a company in the city of Bandung. The sampling technique is total sampling. The questionnaire uses a Likert scale and collected data.

3. Result and Discussions

3.1. Classical Assumption

3.1.1. Multicollinearity Test

The results of this test aim to test whether the regression model found a correlation between independent variables. A good regression model should not correlate with independent variables.

Table 1. Multicollinearity Test Results

Model	Unstandardized Coefficients		Standardized		Collinearity Statistics		
	B	Std. Error	Beta	t	Sig.	Tolerance	VIEW
1 (Constant)	1.314	3.338	.419	.394	.696	.426	
Merit System	.411	.54	.456	2.67	.012	.426	490.169
Work Performance	.	.	.19	2.904	.007	.426	2.349

Looking at the results of the correlation between variables in the table above shows the Variance Inflation Factor (VIF) indicates there is no multicollinearity. because the value of the Variance Inflation Factor (VIF) does not exceed 10.

3.2. Autocorrelation Test

Test is used to test whether in a linear regression model there is a correlation between the error of use in period t and the error of the previous period. A good regression model is a regression that is free from autocorrelation

Table 2. Autocorrelation Test Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin- Watson
1	.821 ^a	.	674.653	2.090506 2.062	a

Source: Processed Data

Based on the table above, it can be seen that the Durbin Watson (DW) number is 2.062. When compared with the table value using a 5% confidence degree, the number of samples is 34 and the number of variables is 3, the DW value is 2,062 which is greater than the upper limit (du). So it can be concluded that there is no autocorrelation.

3.3. Normality test

Normality test was performed using the Kolmogorov-Smirnov test. The test criterion is that if the significance value of the Kolmogorov-Smirnov test is > alpha (0.05), then the residual data can be considered normally distributed (Imam, 2011). The calculation result is 1,000, which means 1,000 > 0.05, so it can be concluded that the residual data is normally distributed. As in the table 3.

3.4. Effect of Merit System and Work Performance on Competence at PT. Purnatarum Murni Rahayu

On the structure of the variable X to Y tested how much influence the Merit System and Work Performance on Competence. The analytical method used is correlation coefficient analysis, coefficient of determination, and multiple regression analysis. Based on the results of the correlation coefficient analysis can be explained as Table 4.

Based on the table 4 for the variable (X1) correlation coefficient of 0.765, means that the Merit System (X1) relationship with competence is a strong relationship.

Table 3. Normality Test
One-Sample Kolmogorov-Smirnov Test

		Unstandized Residual
N		34
	Mean	1.509099
Normal Parameters.b	Std. Deviation	.130
	Absolute	.109
Most ExtremeDifferences	Positive	-.130
	Negative	.756
Kolmogorov-Smirnov Z		.617
Asymp. Sig. (2-tailed)		
a. Test distribution is Normal		
b. Calculated from data		

Table 4. Correlation Coefficient

		Merit system	Work Performance	Competency
Merit System	Pearson Correlation	1.758	**	.765**
	Sig. (2-tailed)		.000	.000
	N	34	34	34
Work Performance	Pearson Correlation	.758**	1.774	**
	Sig. (2-tailed)	.000		.000
	N	34	34	34
Competency	Pearson Correlation	.765**	.774**	1
	Sig. (2-tailed)	.000	.000	
	N	34	34	34

Table 5. Correlation

coefficient Correlation coefficient (r)	Relationship level
0.00 < r < 0.199	Very low
0.20 < r < 0.399	Low
0.40 < r < 0.599	Medium
0.60 < r < 0.799	Strong
0.80 < r < 1,000	Very strong

As for the Work Achievement variable (X2), the correlation coefficient is 0.774, meaning that the relationship between Work Performance (X2) and Competence is strong. The results of the analysis of the coefficient of determination can be explained as Table 6.

The table 6 shows the coefficient of determination (R2) of 0.674 meaning that 67.4% of the competency variables can be explained by the merit system and work performance, which can also mean that the merit system and work performance have a high effect or strong to competence.

Table 6. Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin- Watson
1	.821 ^a	.	674.653	2.090506	2.062 a

Table 7. Value of Coefficient of Determination

Percentage	Information
< 4 %	Very low influence
5 – 16 %	Low but definite influence
17 – 49%	Low but significant
50 – 81%	High/strong
> 81%	Very strong influence

While the magnitude of the regression coefficient is shown in the table below:

Table 8. Regression

Model	Unstandardized Coefficients		Standardized			Collinearity Statistics	
	B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1 (Constant)	1.314	3.338		.394	.696		
Merit System	.411	.154	.419	2.667	.012	.426	490.169
Work Performance	,	,	456	2.904	.007	.426	2.349

The table describes the regression value of the merit system and works performance variables on competence. namely:

$$Y = 1.314 + 0.411X_1 + 0.490X_2$$

where:

$X_1 = Merit System$

$X_2 = Work Performance$

$Y = Competence$

From the equation it can be interpreted that if X is zero then Y is 1.314, if there are no two variables X then the competency variable has a value of 1.314 while $0.411X_1$ states that if each increase of one unit of variable X_1 (*merit system*) it will increase the value of the Y variable (competence) by 0.411, meaning that the merit system can contribute or increase competence and $0.490X_2$ states if each increase in one unit of variable X_2 (work performance) it will increase the value of variable Y (competence) by 0.490, meaning that work performance can contribute or increase competence by 0.490.

This study aims to determine the effect of the merit system and work performance on competence. This study uses 2 (two) variables X and 1 (one) variable Y. Overall hypothesis testing using the F test has a significance value of 0.000 when compared to an alpha of 0.05 the results are smaller so that the merit system variable (X_1) and work performance (X_2) has a great influence on competence. As in the table 9.

Table 9. F ANOVA Test

ANOVA ^b					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	281.315	2	140.657	32.046	.000a
Residual	136.068	31	4.389		
Total	417.383	33			

a. Predictor : (Constant) , Job Performance, Merit System

b. Dependent Variable: Competence

Source: processed data

Between the two X variables tested, the work performance variable (X2), has a beta coefficient value greater than the merit system variable coefficient (X1) which is 0.490. This shows that the work performance variable (X2) has the most dominant influence on the competency variable compared to the independent variable merit system (X1).

In the partial test using the t test, it was obtained for each variable as follows: the significance level of the merit system effect on competence is 0.012. when compared to an *alpha* of 0.05, the significance level is smaller when compared to *alpha*, meaning that there is an effect of merit system to competence. And the level of significance for the effect of work performance on competence is 0.007, meaning that there is an effect of work performance on competence. As shown in the table 10.

Table 10. t test

Model	Unstandardized		Standardized		Sig.	Collinearity Statistics	
	B	Std. Error	Beta	t		Tolerance	VIF
1 (Constant)	1.314	3,338		.394	.696		
Merit System	.411	.154	.419	2.667	.012	.426	490.169
Work Performance	.	.	.456	2.904	.007	.426	2.349

a. Dependent Variable: Competence

Source: processed data

So, it can be concluded that the better the merit system and work performance, the more competence will increase.

4. Conclusion

Based on the research process, it can be seen the influence and relationship between variables through quantitative analysis (statistical) testing with path analysis techniques, it can be stated that simultaneously and partially based on research hypothesis testing regarding the effect of the merit system and work performance on employee competencies, it is tested and validated with the conclusion as follows: The merit system implemented at PT. Purnatarum Pure Rahayu is tall. Employee performance at PT. Purnatarum Murni Rahayu is high. Competence of employees produced at PT. Purnatarum Pure Rahayu is tall. The results of the study show that the merit system and work performance assessment have an effect

References

- ASTRA, P. T. (n.d.). *MEMBANGUN KINERJA KARYAWAN MELALUI MOTIVASI KERJA, KEPUASAN KERJA DAN KOMITMEN ORGANISASI PADA PT. ASTRA INTERNATIONAL DI SEMARANG* Supriyani Mahmud.
- Busro, Muhamamad. (2018). *Teori-teori manajemen sumber daya manusia*. Prenada Media.
- Edy, Sutrisno. (2017). *Manajemen Sumber Daya Manusia (Cetakan ke-9)*. Jakarta, Kencana.
- Hamadi, Hamadi. (2012). *Manajemen Sumber Daya Manusia Kekepalasekolahan*. Yogyakarta: CV. Budi Utama.
- Hasibuan, HMSP. (2008). *Organisasi dan motivasi: dasar peningkatan produktivitas*.
- Huda, Afton Ilman. (2017). *Implementasi Metode Merit System pada Penetapan Bonus Karyawan Penjualan di PT Graha Central Indo Jember Berbasis Web*. UNIVERSITAS MUHAMMADIYAH JEMBER.
- Imam, Ghozali. (2011). *Aplikasi analisis multivariate dengan program IBM SPSS 19*. Semarang: Badan Penerbit Universitas Diponegoro, 68.
- Sedarmayanti, Perencanaan. (2017). *Pengembangan Sumber Daya Manusia*. Bandung: PT Refika Aditama.
- Setiyoningsih, Erlin. (2011). *Pengaruh Motivasi, Kemampuan dan Kinerja terhadap Kepuasan Kerja Karyawan dengan Kompensasi sebagai Variabel Moderator (Studi pada Poultry Shop UD. Jatinom Indah, Kanigoro, Blitar)*. Universitas Brawijaya.
- Sugiyono. (2018). *Metode Penelitian Kuantitatif, Kualitatif, dan R&D*. Bandung: Alfabeta.
- Sugiyono, P. D. (2017). *Metode penelitian bisnis: pendekatan kuantitatif, kualitatif, kombinasi, dan R&D*. Penerbit CV.

Alfabeta: Bandung, 225.

Zuldafrial & Lahir, M. (2012). Penelitian kualitatif. *Surakarta: Yuma Pustaka.*