

## **The Effect Competency, Compensation And Innovation On Job Satisfaction And Employee Performance In Regional Device Organizations In Mamuju**

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### **Abstract**

The purpose of this study is to examine and analyze empirically the effect of competence, compensation and organizational innovation on employee performance; and competence, compensation and organizational innovation on employee performance through job satisfaction. The design of this study used a survey method with cross-sectional data collection through questionnaires. Determination of the sample using simple random sampling with the number of respondents 288 employees in regional organizations in Mamuju Regency. The analytical method used in testing the hypothesis is Structural Equation Modeling (SEM) with Amos. The results of the study provide evidence that competence has a positive and significant effect on employee job satisfaction; compensation has a positive and significant effect on employee job satisfaction; organizational innovation has a positive and significant effect on employee job satisfaction; competence has a positive and significant effect on employee performance; compensation has a positive and significant effect on employee performance; organizational innovation has a positive and insignificant effect on employee performance; competence has a positive and significant effect on employee performance through job satisfaction; compensation has a positive and significant effect on employee performance through job satisfaction; organizational innovation has a positive and significant effect on employee performance through job satisfaction.

**Keywords: competence, organizational innovation compensation, job satisfaction, and employee performance.**

### **I. Introduction**

In organizations, compensation issues are very complex but the most important thing for employees and the organization itself. The provision of compensation to employees must have a logical and rational basis. However, the humane emotional factors should not be ignored. Compensation is very important for the employee himself as an individual, because the amount of compensation is a reflection or measure of the value of the employee's work itself. On the other hand, the size of the compensation can affect the work performance, motivation and job satisfaction of employees. If compensation is given appropriately and correctly, employees will get job satisfaction and be motivated to achieve organizational goals. However, if the compensation provided is inadequate or inappropriate, employee performance, motivation, and job satisfaction will decrease. In Polewali Mandar Regency, there are several employees who are dissatisfied with the incentives they receive based on the duties and responsibilities of the work given, causing these employees to be less responsible in carrying out work and the time of attendance at the office is not according to regulations, coming and going home from work is not on time. According to Swasto (2011: 79) "Compensation is everything that employees receive as compensation for the contribution of energy and thoughts that have been donated to the organization.

Research (Rosmaini & Tanjung, 2019) proves that partial competence has a positive and insignificant effect on employee performance, but inconsistency findings were found by Irma Mulyasari (2019) who found that competence had a positive and significant effect on employee performance. Research (Wijaya et al., 2020) proves that competence has a positive and significant effect on job satisfaction, but inconsistency findings were found by (Sihombing et al., 2016) who found that competence had no significant effect on job satisfaction. (Sukidi & Wajdi, 2017) proves

that competence has a positive and significant effect on job satisfaction and employee performance, but inconsistent findings were put forward by (Rosmaini & Tanjung, 2019) which proves that competence has a positive and insignificant effect on employee performance, job satisfaction positive and significant effect on employee performance.

The success of employee performance in government agencies also depends on the compensation system. There have been many studies that have proven it. According to (Hasibuan, 2010:117), compensation has a very close relationship with employee performance. The higher the compensation given to employees, the higher the work performance that can be achieved. According to (Siagian, 2010:253), said that if the members of the organization are dissatisfied with the compensation they receive, the impact on the organization is very negative. This means that the dissatisfaction is not resolved properly, it is a natural thing if members of the organization express a desire to get a reward that is not only greater, but also fairer. For the government, compensation affects macroeconomic stability, namely the unemployment rate, inflation, purchasing power and economic development, as well as the country's politics and society. Wages determine the amount of tax a government receives and its ability to provide public services for its citizens. The amount of income tax collected by the government determines the government's ability to provide social security to employees while at work and in their old age.

Research (Sukidi & Wajdi, 2017) proves that compensation has an effect on job satisfaction, but inconsistency findings were found by (Veri & Rahayu, 2017). The results show that the compensation factor has no significant effect on job satisfaction. Research (Nguyen et al., 2020a) proves that compensation has a positive effect on employee performance, but inconsistent findings are put forward by (Juliningrum & Sudiro, 2013) which suggests that compensation has not been able to contribute to work motivation and performance. This means that salaries, incentive payments, bonuses, allowances, insurance, recreation have no impact on employee performance. PTIIK UB employees still need self-recognition (self-actualization) and status as permanent employees. Research (Sukidi & Wajdi, 2017) proves that compensation has a positive and significant effect on job satisfaction and employee performance. However, inconsistent findings were put forward by (Lisnawati et al., 2017) who found that there was a direct and indirect effect of compensation variables on organizational performance in the Aceh Education and Training Personnel Agency (BKPP) through the intervening variable of job satisfaction. According to (Rivai, 2011) factors that can affect employee job satisfaction are intrinsic and extrinsic factors. Extrinsic factors involve things that come from outside the employee, including work facilities. Work facilities are supporting facilities in the company's physical activities. The increasing development of the technological environment brings the consequences of changes in the internal conditions of the organization. Changes in the situation that occur require adjustments between the internal environment such as motivation, creativity and behavior in the organization with the development of the technological environment (Widodo, 2008). Research (Astuti et al., 2019) found that organizational innovation has a significant and positive effect on employee job satisfaction. However, inconsistent findings were found by (Subramanian & Nilakanta, 1996) that innovation has a negative effect on employee performance. Herzberg with his theory of job satisfaction states that job satisfaction is related to Motivator-Hygiene factors (Kreitner & Kinichi, 2005). Motivating factors are related to jobs that offer achievement, recognition, challenging work, responsibility and prospects for advancement. While the hygiene factors related to organizational policies, supervision, salary, work relations and working conditions. It is concluded that hygiene factors can only eliminate dissatisfaction, and are not able to increase job satisfaction, while motivator factors will be able to increase job satisfaction, if these factors exist.

## **Ii. Literature Review**

### **1. Competence**

Gordon (in Sutrisno, 2011:204) explains several aspects contained in the concept of competence including knowledge, namely awareness in the cognitive field. Understanding (understanding) is the depth of cognitive and affective ownership by the individual. Ability (skill) which is something that is owned by the individual to carry out the task or work assigned to him. Value is a standard of behavior that has been believed and psychologically has been integrated in a person. Attitude (attitude), namely feelings of pleasure - not happy, (likes-dislikes) or reaction to a stimulus that comes from outside and interest (interest), is a person's tendency to do an action. Grand theory based on the opinion of Mondy and Noe (1993: 320) compensation can be divided into two types, namely financial compensation and non-financial compensation. Financial compensation consists of direct financial compensation and indirect financial compensation.

### **2. Organizational Innovation**

Hurley and Hult (1998) in Kusumo, (2006: 22) define innovation as a company mechanism to adapt in a dynamic environment, therefore companies are required to be able to create new thoughts, new ideas and offer new ideas. innovative products and improved service that satisfies customers. On the other hand, product innovation according to Galbraith, 1973; Schon, 1967 (in Lukas and Ferrell, 2000: 240) is defined as the process of using new technology into a product so that the product has added value. The same opinion is that Technology is the result of man's learned and acquired knowledge or his technical skills regarding how to do things well (Khalil in Dauda, 2000: 1). Technology acquisition, use and maintenance are key determinants for survival in all organizations. On the other hand, Quinn (in Dauda, 2000:2) argues "that it is incumbent on any organization to monitor technological changes, train and motivate employees to innovate, because technology covers every aspect of all organizations". It is the duty of every organization to monitor changes in technology, train and motivate employees to innovate because technology covers all aspects of all organizations. Drucker in Hutauruk (2010: 3) emphasizes that specifically, systematic innovation means monitoring seven sources of innovation opportunities. The first four sources are contained within the organization, both business and community service institutions, or within the organization. Furthermore, the second three sources are changes that occur outside the organization. Continuous innovation, including improving products and services to face ever-changing consumer demand, dynamic public services, and a competitive competitive climate. The technology used is then adapted and updated in newer and better ways, to carry out the organization and management.

### **3. Job Satisfaction**

Job satisfaction depends on the views and opinions of the group, which employees consider as a reference group that is used as a benchmark for assessing themselves and their environment. So employees will feel satisfied if the results of their work are in accordance with the interests and needs expected by the reference group. Basically a person at work will feel comfortable and have a sense of pleasure if at work he gets job satisfaction in accordance with what he wants. Satisfaction is a feeling experienced by a person, where he feels satisfied and has a sense of pleasure if what is expected has been fulfilled or what he received exceeds what he expected. Work is a person's effort to achieve goals by obtaining rewards or compensation from the results of work in the company where he works. Robbins (2010) states that job satisfaction is defined as an individual's general attitude towards his job. Employees can judge how satisfied or dissatisfied they are with their work.

### **4. Definition**

Performance Employee performance is how much employees contribute to the organization which includes output quantity, output quality, output period, attendance at work and comparative attitude. According to Mathis and Jackson (2001) employee performance is an activity carried out by employees which is influenced by the ability, motivation, support received, the existence of work carried out by employees, and employee relations with the company. Robbins (2003) in Thoyib (2005:10) suggests that another term of performance is human output which can be measured from productivity, absenteeism, *turnover, citizenship, and satisfaction*. Meanwhile, Baron and Greenberg (1990) in Thoyib (2005:10) suggest that individual performance is also called job performance, work outcomes, task performance. Bangun (2011) argues that the performance management system is a process for identifying, measuring, and evaluating the performance of employees in the company. Companies need to implement a good performance management system so that employees feel fair and comfortable in carrying out their work. Employee performance can be used as a basis for job promotions (job promotions), compensation increases, transfers, and job terminations. Through the performance appraisal process, it can be seen that the results of the organization, achieved or not achieved organizational goals. Lately, many companies fail to increase productivity because they do not implement a good performance management system, which results in low employee performance over a certain period. Based on the description above, it can be concluded that employee performance is closely related to the results of one's work in an organization, the results of the work can involve quality, quantity and timeliness. In essence, performance is a result or level of success achieved by employees in their field of work, in accordance with the responsibilities given.

**H1:** Research from (Wijaya et al., 2020) proves that job satisfaction has a positive and significant effect on employee performance, but inconsistency findings were found by (Sihombing F, 2016) who found that competence had no significant effect on job satisfaction

**H2:** Research (Sukidi & Wajdi, 2017) proves that competence has a positive and significant effect on job satisfaction and employee performance, but inconsistent findings were put forward by (Rosmaini & Tanjung, 2019) which proves that competence has a positive and insignificant effect on employee performance, job satisfaction has a positive effect and significant to employee performance.

**H3:** Research (Sukidi & Wajdi, 2017) proves that compensation has an effect on job satisfaction, but inconsistency findings were found by (Very Arinal, 2017). The results show that the compensation factor has no significant effect on job satisfaction.

**H4:** Research (Nguyen et al., 2020a) proves that compensation has a positive effect on employee performance, but inconsistent findings were put forward by (Juliningrum & Sudiro, 2013) who stated that compensation has not been able to contribute to work motivation and performance. This means that salaries, incentive payments, bonuses, allowances, insurance, recreation have no impact on employee performance. PTIIK UB employees still need self-recognition (self-actualization) and status as permanent employees.

**H5:** Research (Sukidi & Wajdi, 2017) proves that compensation has a positive and significant effect on job satisfaction and employee performance. but inconsistent findings were put forward by (Lisnawati, 2017) who found that there was a direct and indirect effect of compensation variables on organizational performance in the Aceh Education and Training Personnel Agency (BKPP) through the intervening variable of job satisfaction.

**H6:** Research (Astuti et al., 2019) finds that organizational innovation has a significant and positive effect on employee job satisfaction. However, inconsistent findings were found by (Subramanian & Nilakanta, 1996) that innovation has a negative effect on employee performance.

**H7:** Research (Sukidi & Wajdi, 2017) proves that job satisfaction has a positive and significant effect on job satisfaction and performance, but according to a survey conducted by Manpower Group

companies in the United States (US) and Canada in 2012 involving 411 workers in the US and Canada, as many as 19% are satisfied and 16% feel quite satisfied in their work.



Figure 1. Conceptual Framework

### III. Research Method

This research uses two approaches, namely descriptive approach (descriptive research) and explanatory research (explanatory research). Meanwhile, the explanatory approach is used to explain the effect of the independent variables on the intervening and dependent variables. This research was carried out in Polewali Mandar Regency. The data collection techniques used in this research are observation, interviews and questionnaires.

**Tabel 1. Population Research**

N o.	Unit Kerja	Seke rtaria t	Bidang /Bagian	Sub Bagian	Sek si	UP DT	Kelompok Jabatan Fungsional	Pop ulasi	Sam pel
1	Agency for Personnel, Education and Training	1	10	18	16	-	1	46	13
2	National Unity and Political Body	1	7	14	2	-	1	26	7
3	Finance Agency	1	14	25	4	-	1	45	13
4	Regional Disaster Management Agency	1	6	9	3	-	1	20	6
5	Revenue Agency	1	12	18	9	-	1	41	12
6	Research, Development and Planning Agency	1	14	19	9	-	1	44	12

7	Department of Marine Affairs and Fisheries	1	18	22	11	-	1	43	12
8	Department of Population and Civil Registration	1	14	16	4	-	1	36	10
9	public health Office	2	32	38	10	-	1	82	23
10	Office of Communication, Informatics, Statistics and Encoding	1	10	16	2	-	1	30	8
11	Department of Environment and Forestry	1	12	26	13	-	1	53	15
12	Department of Public Works and Spatial Planning	2	22	28	13	-	1	65	18
13	Community and Village Empowerment Service	1	6	12	9	-	1	29	8
14	Department of Youth, Sports and Tourism	1	10	15	5	-	1	32	9
15	One-Stop Integrated Service and Investment Service	1	8	12	3	-	1	25	7
16	Department of Education and Culture	1	28	26	6	-	1	62	17
17	Office of Population Control, Family Planning, Women's Empowerment and Child Protection	1	8	12	4	-	1	26	7
18	Department of Transportation	1	8	20	5	-	1	35	12
19	Department of Industry, Trade, Cooperatives, Small and Medium Enterprises	1	15	20	7	-	1	44	13
20	Library and Archives Service	1	6	8	8	-	1	24	7
21	Department of Agriculture and Food	1	8	12	3	-	1	25	7
22	Department of Housing, Settlement and Land	1	6	14	4	-	1	26	8

2 3	social services	1	6	16	3	-	1	27	8
2 4	Department of Transmigration, Manpower and Energy and Mineral Resources	1	14	12	4	-	1	32	9
2 5	the regional Secretariat	2	8	16	4	-	1	30	8
2 6	Secretariat of the Regional People's Representative Council	1	12	16	10	-	1	40	11
2 7	POLEWALI MANDAR REGENCY GOVERNMENT	1	10	12	5	-	1	29	8
	<b>Total</b>							1017	288

Source: BKPP Kabupaten Polewali Mandar

To prove the hypothesis used SEM (Structural Equation Modeling) analysis with the help of the AMOS 4.0 program. The use of SEM analysis in this research is to broaden the researcher's ability to explain and the efficiency of statistical analysis. Multiple regression, factor analysis, multivariate analysis of variance, discriminant analysis and other analytical techniques are only able to answer theoretical questions or are only able to test one relationship at a time, even though they are able to analyze multi-independent variables but still represent only a single relationship between the dependent variable and its independent variable.

## IV. Result

### A. Characteristic of Research Respondents

**Tabel 2. Characteristics of Respondents Based on Personal Identity**

No.	Respondents	Klasifikasi	Number of Respondents	
			F	%
1	Gender	Man	178	61,80%
		Woman	110	38,19%
2	Age	20-30	68	23,61%
		31-40	102	35,41%
		41-50	76	26,38%
		51>	42	14,58%
3	Education	SMP	18	6,25%
		SMA	62	21,52%
		S1	181	62,84%
		S2	24	8,33%
		S3	3	1,04%
4	Working Hours	1-5 Years	26	9,02%
		6-10 Years	53	18,40%
		11-20 Years	88	30,55%
		21-30 Years	97	33,68%

		Di atas 30 Years	24	8,33%
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Source: processed Primary data 2022

Based on table 2 above, it is known that of the 288 respondents involved in this study as many as 178 people were male respondents. While the rest of 110 people are female respondents.

## B. Description of the Research Variables

### 1. Competence (X1)

**Table 3. Recapitulation of Respondents' Answers about Variables Competence**

		Respondents' Answers					Mean
		STS	TS	CS	S	SS	
X1.1	F	0	0	26	150	112	4.29
	%	0%	%	9%	52,1%	39%	
X1.2	F	0	0	37	131	120	4.28
	%	0%	%	12,8	45,5	41,7	
X1.3	F	0	0	38	182	68	4.10
	%	0%	0%	13,2%	63,2%	23,6	
X1.4	F	0	0	26	161	101	4.26
	%	0%	0%	9%	55,9%	35,1	
<b>Mean</b>							<b>4,21</b>

Source: processed Primary data 2022

Based on the results of the descriptive analysis in table 3 above, it was informed that of the 288 civil servants gathered as regional apparatus organizations (OPD) in Mamuju Regency, at most 150 respondents agreed that they had basic knowledge related to their work. A total of 26 respondents stated that they quite agree that they have basic knowledge related to their work. And 112 respondents stated that they strongly agree that they have basic knowledge related to their work. The average item is 4.29 indicating that most of the respondents agree that they have basic knowledge related to their work.

### 1. Compensation (X2)

Based on the results of research conducted on 288 respondents who have the status as regional police organizations, the characteristics of the respondents are obtained according to the average value of the compensation variable indicator, which can be seen in table 8 below, as follows:

**Table 4. Recapitulation Respondents' Answers about Compensation Variables**

		Respondents' Answers					Mean
		STS	TS	CS	S	SS	
X2.1	F	0	0	153	127	8	3,49
	%	0%	0%	53,1%	44,1	2,8	
X2.2	F	0	0	125	118	45	3,72
	%	0%	0%	43,4%	41%	15,6%	
X2.3	F	0	0	126	99	63	3,78
	%	0%	0%	43,8%	34,4%	21,9%	
X2.4	F	0	0	123	129	36	3,69
	%	0%	0%	42,7%	44,8%	12,5%	
X2.5	F	0	0	44	193	51	4,02
	%	0%	0%	15,3%	67%	17,7%	
X2.6	F	0	0	68	175	45	3,92

	%	0%	0%	23,6%	60,8%	15,6%	
<b>Mean</b>							<b>3,76</b>

Source: processed Primary data 2022

Based on the results of the descriptive analysis in table 4 above, it was informed that of the 288 civil servants who were gathered as regional apparatus organizations (OPD) in Mamuju Regency, at most 153 respondents stated that they quite agreed that they felt the work unit where they worked, in providing salaries every year. month has been able to meet the daily needs of employees. 127 respondents agreed that they felt that the work unit where they worked, in providing a salary every month, had been able to meet the daily needs of employees. And 8 respondents stated that they strongly agree that they feel that the work unit where they work, in providing salaries every month, has been able to meet the daily needs of employees. The average item is 3.49, indicating that most respondents agree that they feel that the work unit in which they work, in providing salaries every month, has been able to meet the daily needs of employees.

### 1. Organizational Innovation (X3)

**Table 5. Recapitulation of Respondents' Answers about Organizational Innovation Variables**

		Respondents' Answers					Mean
		STS	TS	CS	S	SS	
X3.1	F	0	8	34	210	36	3,95
	%	0%	2,8%	11,8%	72,9%	12,5%	
X3.2	F	0	0	55	209	24	3,89
	%	0%	0%	19,1%	72,6%	8,3%	
X3.3	F	0	0	37	213	38	4,00
	%	0%	0%	12,8%	74%	13,2%	
X3.4	F	0	0	102	178	8	3,67
	%	0%	0%	35,4%	61,8%	2,8%	
<b>Mean</b>							<b>3,87</b>

Source: processed Primary data 2022

Based on the results of the descriptive analysis in table 5 above, it was informed that of the 288 civil servants who were gathered as regional apparatus organizations (OPD) in Mamuju Regency, at most 210 respondents agreed that the work unit where they worked always developed technological innovations with the right system. -completely new to the organization. 36 respondents stated that they strongly agree that the work unit where they work always develops technological innovation with a completely new system in the organization. A total of 34 respondents stated that they quite agree that the work unit where they work always develops technological innovation with a completely new system in the organization. The average item of 3.95 indicates that most respondents agree that the work unit where they work always develops technological innovation with a completely new system in the organization.

### 1. Job Satisfaction (Z)

Based on the results of research conducted on 288 respondents with the status of regional apparatus organizations in Mamuju Regency, the characteristics of the respondents were obtained in accordance with the average value of the job satisfaction variable indicators, which can be seen in table 10 below, as follows:

**Table 6. Recapitulation of Respondents' Answers on Job Satisfaction Variables**

		Respondents' Answers					Mean
		STS	TS	CS	S	SS	
Z1.1	F	0	0	15	178	95	4,27
	%	0%	0%	5,2%	61,8%	33%	
Z1.2	F	0	0	31	161	96	4,22
	%	0%	0%	10,8%	55,9%	33,3%	
Z1.3	F	0	0	35	204	49	4,04
	%	0%	0%	12,2%	70,8%	17%	
Z1.4	F	0	0	34	217	37	4,01
	%	0%	0%	11,8%	75,3%	12,8%	
Z1.5	F	0	0	14	148	126	4,38
	%	0%	0%	4,9%	51,4%	43,8%	
<b>Mean</b>							<b>4,18</b>

Source: processed Primary data 2022

Based on the results of the descriptive analysis in the table above, it is informed that of the 288 civil servants gathered as regional apparatus organizations (OPD) in Mamuju Regency, at most 178 respondents agreed that they were satisfied with the responsibilities given to them. 95 respondents agreed that they were satisfied with the responsibilities given to them. And 15 respondents stated that they quite agree that they are satisfied with the responsibilities given to them. The average item is 4.27, indicating that most of the respondents agree that they are satisfied with the responsibilities given to them.

### 1. Employee Performance (Y)

**Table 7. Recapitulation of Respondents' Answers on Performance Variables**

		Respondents' Answers					Mean
		STS	TS	CS	S	SS	
Y1.1	F	0	0	25	212	51	4,09
	%	0%	0%	8,7%	73,6%	17,7%	
Y1.2	F	0	0	54	156	78	4,08
	%	0%	0%	18,8%	54,2%	27,1%	
Y1.3	F	0	0	29	219	40	4,03
	%	0%	0%	10,1%	76%	13,9%	
Y1.4	F	0	0	38	212	38	4
	%	0%	0%	13,2%	73,6%	13,2%	
Y1.5	F	0	0	26	177	85	4,20
	%	0%	0%	9%	61,5%	29,5%	
Y1.6	F	0	0	26	162	100	4,25
	%	0%	0%	9%	56,3%	34,7%	
<b>Mean</b>							<b>4,10</b>

Source: processed Primary data 2022

Based on the results of the descriptive analysis in table 7 above, it is informed that of the 288 civil servants gathered as regional apparatus organizations (OPD) in Mamuju Regency, at most 212 respondents agreed that the quality of their work was in accordance with the expectations of the organization. As many as 51 respondents agreed that the quality of their work was in accordance with

the expectations of the organization. And 25 respondents stated that they quite agree that the quality of their work is in accordance with the expectations of the organization. The average item is 4.09, indicating that most of the respondents agree that the quality of their work is in line with the expectations of the organization.

#### A. Research Instrument Test

Testing the validity of a questionnaire instrument aims to measure whether or not a questionnaire instrument is valid. A questionnaire is said to be valid if the questions or questions in the questionnaire are able to reveal something that is being measured. To ensure this, an item/indicator analysis will be carried out using a high correlation method indicating the suitability between the item function and the overall measuring function. Or the instrument can be said to be valid (Ghozali, 2006).

#### 1. Competency Variables Competency

##### Construct Validity Test

**Table 8 Loading Factor Values Competency Construct Indicators**

			Estimate
KOM4	<---	Competency	,797
KOM3	<---	Competency	,675
KOM2	<---	Competency	,976
KOM1	<---	Competency	,616

##### Test Reliabilitas Konstruk Competency

**Table 9. Result Nilai CR dan AVE Konstruk Competency**

Variebel	Indikator	$\lambda$	Validitas	AVE	CR	Reliabilitas
Competency	KOM1	<b>0.616</b>	valid	0.606	0.856	reliabel
	KOM2	<b>0.976</b>	Valid			
	KOM3	<b>0.675</b>	Valid			
	KOM4	<b>0.797</b>	Valid			

The results of the calculation of the AVE value of the Leadership construct have exceeded 0.5 and the CR value of the exogenous construct has exceeded 0.7. This shows that all indicators in the Leadership construct are reliable.

#### 1. Compensation Variables Compensation

##### Construct Validity Test

**Table 10. Loading Factor Values Compensation Construct Indicators**

			Estimate
KOMP4	<---	Compensation	,903
KOMP3	<---	Compensation	,862
KOMP2	<---	Compensation	,865
KOMP1	<---	Compensation	,747
KOMP5	<---	Compensation	,856
KOMP6	<---	Compensation	,836

The estimation results of the SEM model in table 10 show that all indicators in the compensation construct have a loading factor value  $> 0.5$ , which means that all indicators in the compensation construct are valid and can be used to measure the compensation construct.

##### Compensation Construct Reliability Test

**Table 11. Calculation Results of CR and AVE Values Compensation Construct**

Variebel	Indikator	$\lambda$	Validitas	AVE	CR	Reliabilitas
Compensation	KOMP1	<b>0.747</b>	valid	0.716	0.938	Reliabel
	KOMP2	<b>0.865</b>	Valid			
	KOMP3	<b>0.862</b>	Valid			
	KOMP4	<b>0.903</b>	Valid			
	KOMP5	<b>0.856</b>	Valid			
	KOMP6	<b>0.836</b>				

The results of the calculation of the AVE value of the compensation construct have exceeded 0.5 and the CR value of the compensation construct has exceeded 0.7. This shows that all indicators in the compensation construct are reliable.

### 1. Organizational Innovation Variables

#### Test the Validity of Organizational Innovation Constructs

**Table 12. Loading Factor Value of Organizational Innovation Construct Indicators**

			Estimate
IO3	<---	Organizational Innovation	,610
IO2	<---	Organizational Innovation	,698
IO1	<---	Organizational Innovation	,886
IO4	<---	Organizational Innovation	,554

The estimation results of the SEM model in table 16 show that all indicators in the organizational innovation construct have a loading factor value  $> 0.5$ , which means that all indicators in the exogenous construct are valid and can be used to measure the organizational innovation construct.

#### Organizational Innovation Construct Reliability Test

**Table 13. Calculation Results of CR and AVE Values for Organizational Innovation Constructs**

Variebel	Indikator	$\Lambda$	Validitas	AVE	CR	Reliabilitas
Organizational Innovation	IO1	<b>0.886</b>	Valid	0.588	0.787	Reliabel
	IO2	<b>0.698</b>	Valid			
	IO3	<b>0.61</b>	Valid			
	IO4	<b>0.554</b>	Valid			

The results of the calculation of the AVE value of the Organizational Innovation construct have exceeded 0.5 and the CR value of the exogenous construct has exceeded 0.7. This shows that all indicators in the Organizational Innovation construct are reliable.

### 1. Job Satisfaction Variables Job

#### Satisfaction Construct Validity Test

**Table 14. Loading Factor Values Job Satisfaction Construct Indicators**

			Estimate
KK4	<---	Job Satisfaction	,795

			Estimate
KK3	<---	Job Satisfaction	,574
KK2	<---	Job Satisfaction	,619
KK1	<---	Job Satisfaction	,601
KK5	<---	Job Satisfaction	,690

The estimation results of the SEM model in table 14 show that all indicators in the Job Satisfaction construct have a loading factor value of  $> 0.5$ , which means that all indicators in the exogenous construct are valid and can be used to measure the Job Satisfaction construct.

### Reliability Test of Job Satisfaction Constructs

**Table 15. Results of Calculation of CR and AVE Values of Job Satisfaction Constructs**

Variebel	Indikator	$\Lambda$	Validitas	AVE	CR	Reliabilitas
<b>Job Satisfaction</b>	KK1	<b>0.601</b>	Valid	0.536	0.792	Reliabel
	KK2	<b>0.619</b>	Valid			
	KK3	<b>0.574</b>	Valid			
	KK4	<b>0.795</b>	Valid			
	KK5	<b>0.69</b>	Valid			

The results of the calculation of the AVE value of the Job Satisfaction construct have exceeded 0.5 and the CR value of the exogenous construct has exceeded 0.7. This shows that all indicators in the Job Satisfaction construct are reliable.

## 2. Performance Variables of Performance

### Construct Validity Test

**Table 16. Loading Factor Value of Performance Construct Indicators**

			Estimate
KIN2	<---	Performance	,714
KIN1	<---	Performance	,668
KIN3	<---	Performance	,667
KIN4	<---	Performance	,784
KIN5	<---	Performance	,918
KIN6	<---	Performance	,934

The estimation results of the SEM model in table 20 show that all indicators in the Performance construct have a loading factor value of  $> 0.5$ , which means that all indicators in the exogenous construct are valid and can be used to measure the Performance construct.

### 3. Performance Construct Reliability Test

**Table 17. Calculation Results of CR and AVE Values for Performance Constructs**

Variebel	Indikator	$\Lambda$	Validitas	AVE	CR	Reliabilitas
<b>Performance</b>	KIN1	<b>0.668</b>	Valid	0.622	0.906	Reliabel
	KIN2	<b>0.714</b>	Valid			
	KIN3	<b>0.667</b>	Valid			
	KIN4	<b>0.784</b>	Valid			
	KIN5	<b>0.918</b>	Valid			
	KIN6	<b>0.934</b>	Valid			

The results of the calculation of the AVE value of the Job Satisfaction construct have exceeded 0.5 and the CR value of the exogenous construct has exceeded 0.7. This shows that all indicators in the Performance construct are reliable.

A. Examination of Structural Equation Model (SEM) Assumptions

In this study, the relationship between variables will be analyzed using the *Structural Equation Modeling* (SEM) analysis technique. The stages in SEM analysis include the prerequisite test for SEM analysis, measurement model testing and structural model testing.

C. Competency Construct Confirmatory Factor Analysis

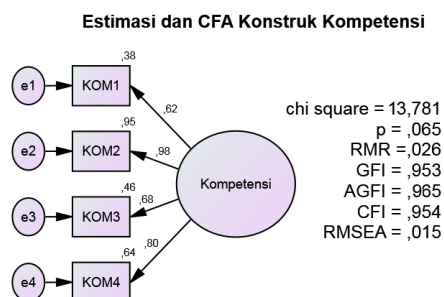


Figure 2. Competency construct Confirmatory Factor Analysis The

results of the feasibility test for the Competency construct confirmatory factor analysis model are shown in table 18 below:

Table 18. Feasibility Test Results for the Competency Construct Confirmatory Factor Analysis model

Goodnes of Fit Indeks	Cut-off Value	Hasil analisis	Evaluasi Model
Chi square (df = 300)	< 341.395	13.781	Good
Probability	≥ 0,05	0.65	Good
RMR	≥ 0.05	0.26	Good
GFI	≥ 0.90	0,953	Good
AGFI	≥ 0.90	0,965	Good
CFI	≥ 0.95	0,954	Good
RMSEA	≤ 0.08	0,015	Not good

Source: processed Primary data 2022

When viewed from the Goodness of fit, six indicator items meet the requirements, namely Chi-square, Probability, RMR, GFI, AGFI, CFI. Based on the analysis above, it can be stated that carrying out the model modification has been able to increase the model suitability (Goodness of fit). Because there are more than four indicators that meet the goodness of fit requirements, the model is considered good (good of fit). This is in accordance with Solimun, (2002) and Solimun (2006).

Table 19. Standardized Regression Weight on Competency Construct Confirmatory Factor Analysis

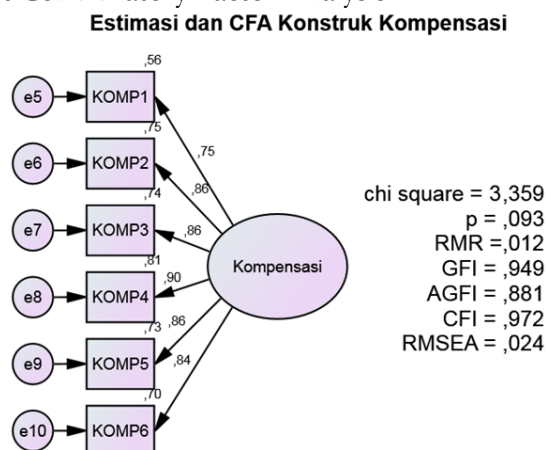
	Estimate	S.E.	C.R.	P	Keterangan
KOM4 <--- Competency	1,271	,127	10,036	0,00	Signifikan
KOM3 <--- Competency	1,055	,118	8,959	0,00	Signifikan
KOM2 <--- Competency	1,686	,159	10,604	0,00	Signifikan
KOM1 <--- Competency	1,000	-	-	-	Fix

Source: processed Primary data 2022

From the results of data processing in the table above, it is also seen that each indicator or dimension forming the latent variable shows good results, namely the CR value is above 1.50 with P less than 0.05, all loading factor values (std estimate) for each -each indicator is greater than 0.5. With

these results, it can be said that the indicators that form the latent variables of the competency construct have been shown to be strong indicators in measuring the latent variables. Furthermore, based on this confirmatory factor analysis, the research model can be used for further analysis without modifications or adjustments.

1. Compensation Construct Confirmatory Factor Analysis



**Figure 3. Confirmatory Factor Analysis of the Compensation Construct**

results of the feasibility test of the Confirmatory Factor Analysis model of the Compensation construct are shown in table 20 below:

**Table 20. Feasibility Test Results of the Confirmatory Factor Analysis Model of the Compensation Construct**

Goodnes of Fit Indeks	Cut-off Value	Hasil analisis	Evaluasi Model
Chi square (df = 300)	< 341.395	3,359	Good
Probability	≥ 0,05	0.93	Good
RMR	≥ 0.05	0.12	Good
GFI	≥ 0.90	0,943	Good
AGFI	≥ 0.90	0,881	Good
CFI	≥ 0.95	0,972	Good
RMSEA	≤ 0.08	0,24	Not Good

Source: processed Primary data 2022

When viewed from the Goodness of fit, six indicator items meet the requirements, namely Chi-square, Probability, RMR, GFI, AGFI, CFI. Based on the analysis above, it can be stated that carrying out the model modification has been able to increase the model suitability (Goodness of fit). Because there are more than four indicators that meet the goodness of fit requirements, the model is considered good (good of fit).

**Table 21. Standardized Regression Weight in Confirmatory Factor Analysis of the Compensation Construct**

	Estimate	S.E.	C.R.	P	Keterangan
KOMP4 <--- Kompensasi	1,472	,102	14,441	0,00	Signifikan
KOMP3 <--- Kompensasi	1,568	,113	13,863	0,00	Signifikan
KOMP2 <--- Kompensasi	1,438	,103	13,944	0,00	Signifikan
KOMP1 <--- Kompensasi	1,000	-	-	-	Fix
KOMP5 <--- Kompensasi	1,240	,090	13,769	0,00	Signifikan

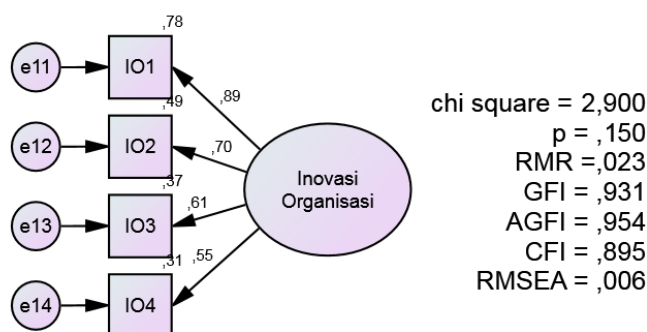
KOMP6 <--- Kompensasi	1,231	,093	13,206	0,00	Signifikan
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Source: processed Primary data 2022

From the results of data processing in the table above, it is also seen that each indicator or dimension forming the latent variable shows good results, namely the CR value is above 1.50 with P less than 0.05, all loading factor values (std estimate) for each -each indicator is greater than 0.5. With these results, it can be said that the indicators forming the latent variable of the compensation construct have been shown to be strong indicators in measuring the latent variable. Furthermore, based on this confirmatory factor analysis, the research model can be used for further analysis without modifications or adjustments.

### 1. Organizational Innovation Constructs Confirmatory Factor Analysis

#### Estimasi dan CFA Konstruk Inovasi Organisasi



**Figure 4. Confirmatory Factor Analysis of Organizational Innovation Constructs** The results of the feasibility test of the confirmatory factor analysis model of the Organizational Innovation construct are shown in table 22 below:

**Table 22. Feasibility Testing Results of the Confirmatory Factor Analysis Model of Organizational Innovation Constructs**

Goodnes of Fit Indeks	Cut-off Value	Hasil analisis	Evaluasi Model
Chi square (df = 300)	< 341.395	2,900	Good
Probability	$\geq 0,05$	0.150	Good
RMR	$\geq 0.05$	0.23	Good
GFI	$\geq 0.90$	0,931	Good
AGFI	$\geq 0.90$	0.954	Good
CFI	$\geq 0.95$	0.895	Not Good
RMSEA	$\leq 0.08$	0.006	Good

Source: processed Primary data 2022

Awthen viewed from the Goodness of fit, six indicator items meet the requirements, namely Chi-square, Probability, RMR, GFI, AGFI, RMSEA. Based on the analysis above, it can be stated that carrying out the model modification has been able to increase the model suitability (Goodness of fit). Because there are more than four indicators that meet the goodness of fit requirements, the model is considered good (good of fit).

**Table 23. Standardized Regression Weight on Confirmatory Factor Analysis of Organizational Innovation Constructs**

			Estimate	S.E.	C.R.	P	Keterangan

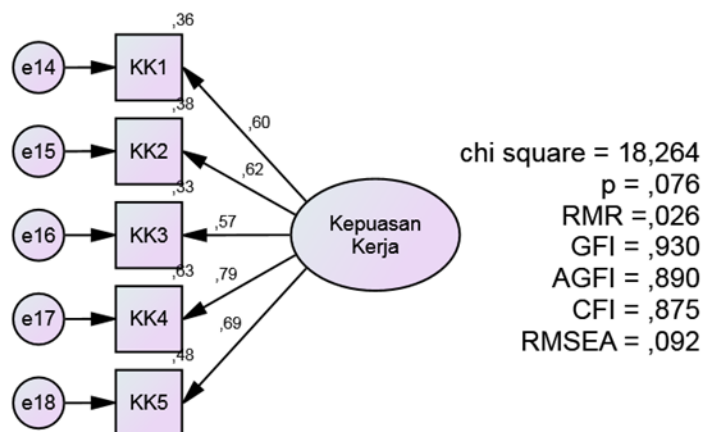
IO3	<---	Organizational Innovation	,598	,063	9,477	0,00	Signifikan
IO2	<---	Organizational Innovation	,709	,086	8,210	0,00	Signifikan
IO1	<---	Organizational Innovation	1,000	-	-	-	Fix
IO4	<---	Organizational Innovation	,564	,087	6,501	0,00	Signifikan

Source: processed Primary data 2022

Dimensions forming latent variables show good results, namely the CR value is above 1.50 with P less than 0.05, all loading factor values (std estimate) for each indicator are greater than 0.5. With these results, it can be said that the indicators forming the latent variables of the Organizational Innovation construct have shown to be strong indicators in measuring the latent variables. Furthermore, based on this confirmatory factor analysis, the research model can be used for further analysis without modifications or adjustments.

#### 1. Confirmatory Factor Analysis of Job Satisfaction Construct

##### Estimasi dan CFA Konstruk Kepuasan Kerja



**Figure 5. Confirmatory Factor Analysis of Job Satisfaction Construct.** The results of the feasibility test of the confirmatory factor analysis model of the Job Satisfaction construct are shown in table 24 below:

**Table 24. Feasibility Testing Results of Confirmatory Factor Analysis Model of Job Satisfaction Construct**

Goodnes of Fit Indeks	Cut-off Value	Hasil analisis	Evaluasi Model
Chi square (df = 300)	< 341.395	18,264	Good
Probability	$\geq 0,05$	0.76	Good
RMR	$\geq 0.05$	0.26	Good
GFI	$\geq 0.90$	0,930	Good
AGFI	$\geq 0.90$	0.890	Good
CFI	$\geq 0.95$	0.875	Not Good
RMSEA	$\leq 0.08$	0.092	Good

Source: processed Primary data 2022

Indicators that meet the requirements are Chi-square, Probability, RMR, GFI, RMSEA. Based on the analysis above, it can be stated that carrying out the model modification has been able to increase the model suitability (Goodness of fit). Because there are more than four indicators that meet the goodness of fit requirements, the model is considered good (good of fit).

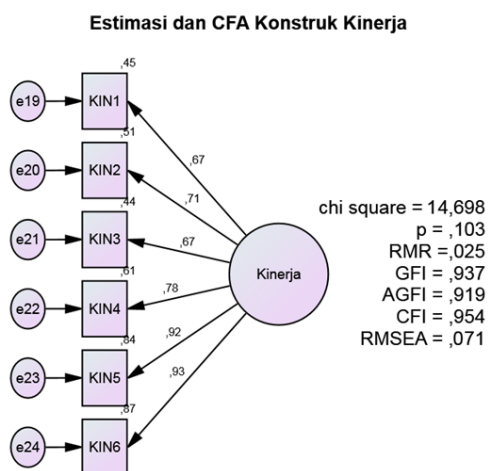
**Table 25. Standardized Regression Weight in Confirmatory Factor Analysis of Job Satisfaction Constructs**

	Estimate	S.E.	C.R.	P	Keterangan
KK4 <--- Job Satisfaction	1,104	,151	7,308	0,00	Signifikan
KK3 <--- Job Satisfaction	,876	,140	6,245	0,00	Signifikan
KK2 <--- Job Satisfaction	1,123	,155	7,257	0,00	Signifikan
KK1 <--- Job Satisfaction	1,000	-	-	-	Fix
KK5 <--- Job Satisfaction	1,210	,152	7,967	0,00	Signifikan

Source: processed Primary data 2022

Shows good results, namely the CR value is above 1.50 with P less than 0.05, all loading factor values (std estimate) for each indicator are greater than 0.5. With these results, it can be said that the indicators that form the latent variables of the Job Satisfaction construct have been shown to be strong indicators in measuring the latent variables. Furthermore, based on this confirmatory factor analysis, the research model can be used for further analysis without modifications or adjustments.

1. Construct Performance Confirmatory Factor Analysis



**Figure 6. Confirmatory Factor Analysis of the Performance construct. The results of the feasibility test of the confirmatory factor analysis model of the Performance construct are shown in table 26 below:**

Goodnes of Fit Indeks	Cut-off Value	Hasil analisis	Evaluasi Model
Chi square (df = 300)	< 341.395	14,698	Good
Probability	≥ 0,05	0.103	Good
RMR	≥ 0.05	0.25	Good
GFI	≥ 0.90	0,937	Good
AGFI	≥ 0.90	0.919	Good
CFI	≥ 0.95	0.954	Good

RMSEA	≤ 0.08	0.071	Not Good
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Source: processed Primary data 2022

When viewed from the Goodness of fit, six indicator items meet the requirements, namely Chi-square, Probability, RMR, GFI, AGFI, CFI. Based on the analysis above, it can be stated that carrying out the model modification has been able to increase the model suitability (Goodness of fit). Because there are more than four indicators that meet the goodness of fit requirements, the model is considered good (good of fit).

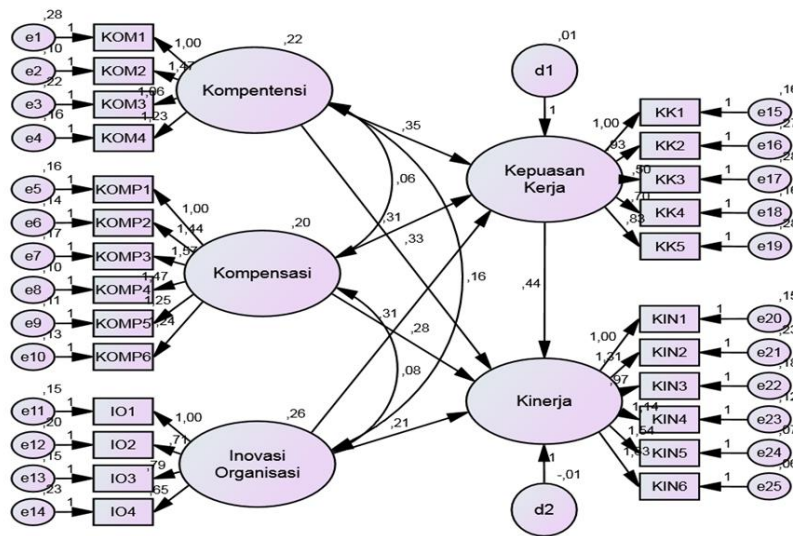
**Table 27. Standardized Regression Weight in Confirmatory Factor Analysis of Performance Constructs**

	Estimate	S.E.	C.R.	P	Keterangan
KIN2 <--- Kinerja	1,356	,134	10,114	0,00	Signifikan
KIN1 <--- Kinerja	1,000	-	-	-	Fix
KIN3 <--- Kinerja	1,027	,110	9,324	0,00	Signifikan
KIN4 <--- Kinerja	1,199	,112	10,698	0,00	Signifikan
KIN5 <--- Kinerja	1,631	,135	12,063	0,00	Signifikan
KIN6 <--- Kinerja	1,718	,138	12,462	0,00	Signifikan

Source: processed Primary data 2022

With these results, it can be said that the indicators forming the latent variable of the Performance construct have shown to be strong indicators in measuring the latent variable. Furthermore, based on this confirmatory factor analysis, the research model can be used for further analysis without any modification or adjustments.

### C. Analisis Structural Equation Model (SEM)



chi square = 51,112; p = ,000; RMR =,044; GFI = ,755  
AGFI = ,754; CFI = ,732; RMSEA = ,126

**Figure 7. The results of the Structural Equation Model (SEM) Phase 1**

Test of the model hypothesis shows that this model is in accordance with the data or fit to the data used in the study as shown in table 28 below:

**Table 28. Feasibility Testing Results of the Structural Equation Models (SEM)**

Goodnes of Fit Indeks	Cut-off Value	Hasil analisis	Evaluasi Model
-----------------------	---------------	----------------	----------------

Chi square (df = 300)	< 341.395	51.112	Not Good
Probability	$\geq 0,05$	0.000	Not Good
RMSEA	$\leq 0.08$	0.126	Not Good
GFI	$\geq 0.90$	0.755	Not Good
AGFI	$\geq 0.90$	0.754	Not Good
TLI	$\geq 0.95$	0.871	Not Good
CFI	$\geq 0.95$	0.732	Not Good
NFI	$\geq 0.95$	0.815	Not Good
RMR	$\leq 0.05$	0.044	Not Good
CMIN/DF	$\leq 2.00$	13.023	Not Good

Source: processed Primary data 2022

The probability value in this analysis shows a value below the significance limit of 0.000 or below 0.05, this value indicates that there is a difference between the sample covariance matrix and the estimated population covariance matrix. Another goodness of fit measure also shows a less good condition where GFI and AGFI have not reached the value of 0.90.

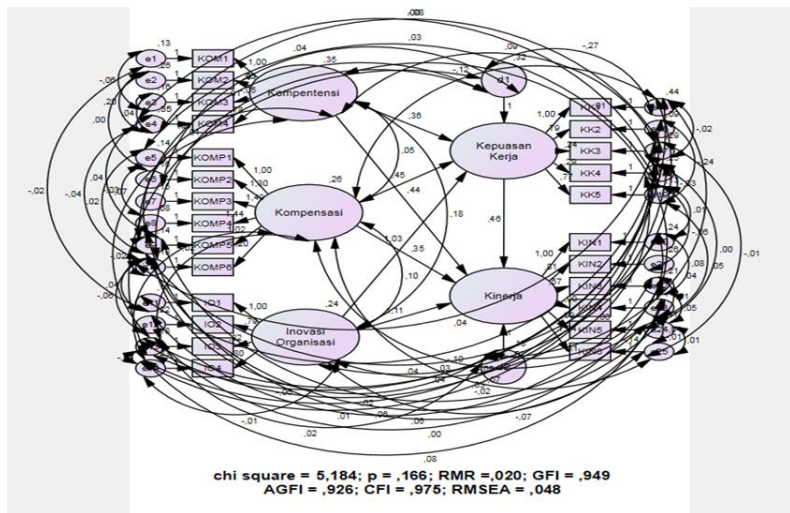


Figure 8. Structural Equation Model (SEM) Phase 2

Table 29. Comparison of model fit index with cut - off value (Model 2 (final))

Goodnes of Fit Indeks	Cut-off Value	Hasil analisis	Evaluasi Model
Chi square (df = 300)	< 341.395	5.184	Good
Probability	$\geq 0,05$	0,166	Good
RMSEA	$\leq 0.08$	0,048	Good
GFI	$\geq 0.90$	0,949	Good
AGFI	$\geq 0.90$	0,926	Good
TLI	$\geq 0.95$	0,910	Not Good
CFI	$\geq 0.95$	0,975	Good
NFI	$\geq 0.95$	0,960	Good
RMR	$\leq 0.05$	0,020	Good
CMIN/DF	$\leq 2.00$	2,137	Not Good

Source: processed Primary data 2022

Based on Table 29 above, it is shown that after the *Modification Indices* model 2 (final) had met the *Goodness Of Fit test*, namely the suitability of the model with the cut-off value, from the ten criteria for the suitability of the existing model, model 2 (final) has met 8 (eight) criteria for model suitability.

## F. Hypothesis Testing

**Table 30. Significance Test Results Regression Weights: (Group number 1 - Default model)**

			Estimate	S.E.	C.R.	P	Label
Job satisfaction	<---	Competence	0,324	0,093	3,763	0,00	par_14
Job satisfaction	<---	Compensation	0,310	0,088	3,534	0,001	par_16
Job satisfaction	<---	Organizational Innovation	0,311	0,111	2,820	0,005	par_18
Performance	<---	Job satisfaction	0,440	0,097	4,557	0,00	par_6
Performance	<---	Competence	0,312	0,131	2,557	0,011	par_15
Performance	<---	Compensation	0,256	0,108	2,583	0,010	par_17
Performance	<---	Organizational Innovation	0,201	0,115	1,843	0,067	par_19

### a. Direct and Indirect Effects

In this study, job satisfaction variable acts as an intervening variable that mediates the effect of competence, compensation and organizational innovation variables on employee performance. The results of testing the direct and indirect effects based on the results of calculations using the SEM-AMOS software are in tables 38 and 39 below:

**Table 31. Direct Effects of Exogenous Variables on Endogenous**

	Kompetensi	Kompensasi	Inovasi Organisasi	Kepuasan Kerja	Kinerja Pegawai
Kepuasan Kerja	,324	,310	,311	,000	,000
Kinerja	,312	,256	,201	,440	,000

Source: Processed AMOS Products (Appendix), 2022

**Table 32. Indirect Effects of Exogenous Variables on Endogenous**

	Kompetensi	Kompensasi	Inovasi Organisasi	Kepuasan Kerja	Kinerja Pegawai
Kepuasan Kerja	,000	,000	,000	,000	,000
Kinerja	,144	,172	,153	,000	,000

Source: Processed AMOS Products (Appendix), 2022

**Table 33. Sobel test results**

Jalur	T Value	P Value	Kesimpulan
KOM → KK → KIN	2,901	0.0037	Signifikan memediasi
KOMP → KK → KIN	2,792	0,0052	Signifikan memediasi
IO → KK → KIN	2,397	0,0164	Signifikan memediasi

Source: Processed AMOS Products (Appendix), 2022

Based on the standardized estimate path image of the Full Model 2 (Final) Structural Relationship and the Sobel Test to see the direct and indirect effects, it is shown that the results of the structural model

suitability analysis are built as a basis for analyzing a relationship between latent variables and hypothesis testing with the aim of knowing the relationship between The hypothesized latent variables and the significance level of the causality relationship are shown in the following table:

**Tabel 33. Test Hipotesis Dircet Effect and Indirect Effect**

Hi p	Variabel			P-Valu e	Direct Effect	Indire ct Effect	Total Effect	Keteranga n
	Eksogen	Interveni ng	Endogen					
1	Competence (X1)	-	Job satisfaction (Z)	0,000	0,324	-	0,324	Signifikan
2	Compensatio n (X2)	-	Job satisfaction (Z)	0,000	0,310	-	0,310	Signifikan
3	Organizational Innovation (X3)	-	Job satisfaction (Z)	0,005	0,311	-	0,311	Signifikan
4	Competence (X1)	-	Employee performance (Y)	0,011	0,312	-	0,312	Signifikan
5	Compensatio n (X2)	-	Employee performance (Y)	0,010	0,256	-	0,256	Signifikan
6	Organizational Innovation (X3)	-	Employee performance (Y)	<b>0,067</b>	<b>0,201</b>	-	<b>0,201</b>	<b>InSignifikan</b>
7	Job satisfaction (Z)	-	Employee performance (Y)	0,000	0,440	-	0,440	Signifikan
Peran Variabel Mediasi dengan Uji Sobel								
8	Kompetensi (X1)	Job satisfacti on (Z)	Employee performance (Y)	0.0037	0,312	0,144	0,456	Signifikan
9	Kompensasi (X2)	Job satisfacti on (Z)	Employee performance (Y)	0,0052	0,256	0,172	0,428	Signifikan
10	Organizational Innovation (X3)	Job satisfacti on (Z)	Employee performance (Y)	0,0164	0,201	0,153	0,354	Signifikan

Source: processed Primary data 2022

## Discussion

### 1. The Effect of Competence on Employee Job Satisfaction in Regional Apparatus Organizations in Mamuju Regency.

The collaboration of competency indicators in terms of knowledge, skills, experience and attitudes which is reflected by most of the employees in Regional Apparatus Organizations in Mamuju Regency is very good so that a sense of satisfaction is attached to the employees. However, this does not mean that employees should be satisfied quickly, competence must be continuously improved so that they are able to keep pace with the development of technology that moves faster. The results of this study are in line with previous studies that examine how the influence of competence in increasing employee job satisfaction such as research conducted by (Wijaya et al., 2020) proves that competence has a positive and significant effect on job satisfaction, but it is different from research (Sihombing et al. , 2016) who found that competence had no significant effect on job satisfaction.

## **2. The Effect of Compensation on Employee Job Satisfaction in Regional Apparatus Organizations in Mamuju Regency.**

According to (Gugup Kismono, 2011:177) in implementing the compensation policy, it is necessary to study the existence of regulations regarding compensation with the aim of being able to provide compensation to employees in a fair and structured manner so that it will facilitate payroll administration and to motivate employees to excel. According to (Gugup Kismono, 2011:177) in implementing the compensation policy, it is necessary to study the existence of regulations regarding compensation with the aim of being able to provide compensation to employees in a fair and structured manner so that it will facilitate payroll administration and to motivate employees to excel. The results of this study are in line with previous studies that examine how the effect of compensation in increasing employee job satisfaction such as research conducted by Research (Sukidi & Wajdi, 2017) proving that compensation has an effect on job satisfaction, but it is different from research conducted by (Veri & Rahayu, 2017). 2017) The results show that the Compensation factor has no significant effect on Job Satisfaction.

## **3. The Effect of Organizational Innovation on Employee Job Satisfaction in Regional Apparatus Organizations in Mamuju Regency.**

To be able to show satisfactory organizational performance or not, strategic organizational changes are needed. The way organizations work that still adheres to the "as usual" principle will no longer be adequate in the future, in the midst of local and domestic, even regional and global competition. Organizations that want to increase their productivity and effectiveness, ultimately face various problems that arise in the future, need innovative ways of thinking and acting. Organizational innovation is a demand from organizational transformation which is no longer merely organizational development when an organization has not been able to display satisfactory performance, or is unable to adapt to changes in the external environment that is so competitive, and the scale of the organization is still small and growing rapidly. The results of this study are in line with previous research that examines how the influence of organizational innovation in increasing employee job satisfaction such as research conducted by (Astuti et al., 2019) found that organizational innovation has a significant and positive effect on employee job satisfaction. In contrast to the research found by (Subramanian & Nilakanta, 1996) innovation has a negative effect on employee performance.

## **4. The Influence of Competence on Employee Performance in Regional Apparatus Organizations in Mamuju Regency.**

According to Sedarmayanti (2017: 211), competence is a combination of knowledge, skills, and behaviors that are used to improve performance or circumstances or qualities that are adequate or of very high quality, having the ability to perform certain roles. The results of this study are in line with previous research that examines the influence of competence in improving employee performance, such as research conducted by Irma Mulyasari (2019) which found that competence has a positive and significant effect on employee performance. In contrast to research conducted by (Rosmaini & Tanjung, 2019) proving that partial competence has a positive and insignificant effect on employee performance.

#### **5. The Effect of Job Satisfaction on Employee Performance in Regional Apparatus Organizations in Mamuju Regency.**

Basically a person at work will feel comfortable and have a sense of pleasure if at work he gets job satisfaction in accordance with what he wants. Satisfaction is a feeling experienced by a person, where he feels satisfied and has a sense of pleasure when what is expected has been fulfilled or what he received exceeds what he expected. Work is a person's effort to achieve goals by obtaining rewards or compensation from the results of work in the company where he works. Job satisfaction can be viewed from two sides, from the employee side, job satisfaction will create a pleasant feeling at work, while from the company side, job satisfaction will increase productivity, improve employee attitudes and behavior in providing excellent service (Suwatno and Priansa, 2011). The results of this study are in line with previous research that examines how the influence of job satisfaction in improving employee performance such as research conducted by (Astuti et al., 2019) found that organizational innovation has a significant and positive effect on employee job satisfaction. In contrast to the research found by (Subramanian & Nilakanta, 1996) innovation has a negative effect on employee performance.

#### **6. The Effect of Compensation on Employee Performance in Regional Apparatus Organizations in Mamuju Regency.**

Overall, the implementation of compensation seen from the indicators of salary, position allowance, family allowance, employee income allowance, health allowance and facilities, on the performance of employees at Regional Apparatus Organizations in Mamuju Regency is in the good category, which means that the better compensation the employee has will have a significant effect. on employee performance. The results of this study are in line with previous research that examines how the influence of compensation in improving employee performance such as research conducted by (Nguyen et al., 2020a) proves that compensation has a positive effect on employee performance, in contrast to research (Juliningrum & Sudiro, 2013) which suggests that Compensation has not been able to contribute to work motivation and performance.

#### **7. The Effect of Organizational Innovation on Employee Performance in Regional Apparatus Organizations in Mamuju Regency.**

On the other hand, Quinn (in Dauda, 2000:2) argues "that it is incumbent on any organization to monitor technological changes, train and motivate employees to innovate, because technology covers every aspect of all organizations". It is the duty of every organization to monitor changes in technology, train and motivate employees to innovate because technology covers all aspects of all organizations. Drucker in Hutauruk (2010: 3) emphasizes that specifically, systematic innovation means monitoring seven sources of innovation opportunities. The first four sources are contained

within the organization, both business and community service institutions, or within the organization. Furthermore, the second three sources are changes that occur outside the organization. Continuous innovation, including improving products and services to meet changing consumer demands, dynamic public services, and facing a competitive climate. The technology used is then adapted and updated in newer and better ways, to carry out the organization and management.

### **8. Influence of Competence on Employee Performance through job satisfaction in Regional Apparatus Organizations in Mamuju Regency.**

The results of the evaluation of the mediating variable testing the effect of competence on employee performance by involving the mediating variable of job satisfaction, it can be proven that employee performance is significantly influenced by job satisfaction and competence significantly affects satisfaction. Andi Reni, Wardhani H and M. Ikhsan (2019) with good competence that affects the level of job satisfaction will not necessarily be accompanied by increased performance. The results of this study are in line with research (Sukidi & Wajdi, 2017) which proves that competence has a positive and significant effect on job satisfaction and employee performance, but it is different from research (Rosmaini & Tanjung, 2019) which proves that competence has a positive and insignificant effect on performance. employees, job satisfaction has a positive and significant effect on employee performance.

### **9. The Effect of Compensation on Employee Performance through Job Satisfaction in Regional Apparatus Organizations in Mamuju Regency.**

The evaluation results of testing the mediating variable of the effect of compensation on employee performance by involving the mediating variable of job satisfaction, it can be proven that employee performance is significantly influenced by job satisfaction and compensation significantly affects job satisfaction. Thus the hypothesis can be **accepted**. That is, the better the compensation, the job satisfaction and employee performance at the Mamuju Regency Regional Apparatus Organization will increase, and vice versa. According to (Gugup Kismono, 2011:177) in implementing the compensation policy, it is necessary to study the existence of regulations regarding compensation with the aim of being able to provide compensation to employees in a fair and structured manner so that it will facilitate payroll administration and to motivate employees to excel. The results of this study are in line with research (Sukidi & Wajdi, 2017) which proves that compensation has a positive and significant effect on job satisfaction and employee performance.

### **10. The Effect of Organizational Innovation on Employee Performance through Job Satisfaction in Regional Apparatus Organizations in Mamuju Regency.**

The results of the evaluation of the mediating variable testing the influence of Organizational Innovation on Employee Performance by involving the mediating variable of job satisfaction, it can be proven that employee performance is significantly influenced by job satisfaction and Organizational Innovation significantly affects job satisfaction. Hurley and Hult (1998) in Kusumo, (2006: 22) define innovation as a company mechanism to adapt in a dynamic environment, therefore companies are required to be able to create new thoughts, new ideas and offer innovative products and services. improvement of service that satisfies customers. The results of this study are in line with research (Astuti et al., 2019) which found that organizational innovation has a significant and positive effect on

employee job satisfaction. However, inconsistent findings were found by (Subramanian & Nilakanta, 1996) that innovation has a negative effect on employee performance.

## V. Conclusion

The increase in competence as measured by indicators of knowledge, skills, experience and attitudes is able to make a real contribution to job satisfaction, which means the better the competence, the higher the job satisfaction of employees in the Mamuju Regency Regional Apparatus Organization, and vice versa. Competencies as measured by indicators of knowledge, skills, experience and attitudes are able to make a real contribution to employee performance, which means the better the competence, the higher the employee performance in the Mamuju Regency Regional Apparatus Organization, and vice versa. Organizational Innovation as measured by indicators of technological innovation, administrative innovation, strategic innovation and organizational structure innovation shows a positive application to performance but does not give a real contribution to Employee Performance in Mamuju Regency Regional Apparatus Organizations. Job satisfaction as measured by indicators of responsibility, progress, achievement, recognition, the work itself is able to make a real contribution to employee performance, which means the better job satisfaction, the higher the employee performance in the Mamuju Regency Regional Apparatus Organization, and vice versa. Organizational innovation has a direct and real effect on increasing high job satisfaction, as well as high job satisfaction directly and significantly increasing employee performance towards a higher level.

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