

THE INFLUENCE OF COMPETENCE, COMPENSATION AND LEADERSHIP STYLE ON THE PRODUCTIVITY OF MSME PARTNERS IN PT. PERKEBUNAN NUSANTARA III MEDAN

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Abstract. Establishing a business requires good competence in the field, compensation is also needed as a reward for achieving work and also the leadership style must be good and can be used as an example for colleagues. This study aims to determine whether there is an influence of competence and leadership style on the productivity of MSME Partners at PT. Nusantara III Plantation, Medan. The object of this research is entrepreneurs who are members of the UMKM Partners at PT. Perkebunan Nusantara III Medan with a total sample of 96 respondents. The tool used to analyze the data is by using SPSS IBM 26. The data collection technique used is by distributing questionnaires to the respondents as much as the number of samples. Tests in this study using multiple linear regression analysis. From the results of data analysis, it can be concluded that competence, compensation and leadership style affect the productivity of MSME Partners at PT. Nusantara III Plantation, Medan. When viewed from the coefficient of determination test, the magnitude of the influence of competence, compensation and leadership style on MSME Partners at PT. Nusantara III Medan's plantations are 37%.

Keywords: competence; compensation; leadership style; productivity.

INTRODUCTION

PT. Perkebunan Nusantara III Medan is one of the state-run companies engaged in plantations. This company has MSME partners which include a group of people who own plantations. MSMEs who are members of this company hope to get a lot of help in the form of knowledge in gardening, funds, how to deal with problems found in plantations and so on related to the plantations that MSMEs are currently living. Therefore, it is necessary to have someone who is able to lead the company well and direct the MSMEs to move in a better direction.

The things that a leader needs are good competencies which include several things such as the ability to teach, the ability to lead and direct SMEs, expertise or skills in their fields and other things related to competencies that will support or help to promote SMEs. According to (Chouhan & Srivastava, 2014), "*Competence must be possessed by everyone who is given a trust to occupy a position or field of work, which includes abilities, expertise, skills in completing tasks and responsibilities*". According to (Mangkunegara, 2011) competency indicators are:

1. Performance
2. Quality performance
3. Work motivation

In addition, compensation is also very much needed by MSMEs or people who work in a company. Where it will greatly encourage or spur MSMEs to work enthusiastically and work optimally and give the best for their work because their work is given an award. According to (Zopiatis, 2010), "*Compensation is a reward*

given to individuals who do their jobs well and get very good grades, and the rewards are obtained outside of salary or wages".

According to (Baig et al., 2021) some compensation indicators are:

1. Wages and
2. Intensive
3. Allowances

The leadership style which is meant by a consistent pattern of behavior is played by the leader when influencing employees, in order to encourage and encourage MSMEs to be enthusiastic and have good motivation and outlook to a job. According to (Noviyudin & Hidayat, 2018), "Leadership style is a person's attitudes and actions in leading others which will be an example that can be imitated by those he leads (Kartono, 2017). Some Leadership Style Indicators are:

1. Decision making
2. Motivation
3. Responsibility of

MSME partners are things that include all MSME work activities such as in producing, managing and handling all work activities whose aim is to produce a product and provide profits which the profits can be used for the survival of both individuals and groups. According to (Rasipin & Patriajati, 2020), "*Productivity is a pattern of behavior to continue to hone oneself and self-ability to move forward*". According to (Färe & Zelenyuk, 2019) some of the Productivity Indicators are:

1. The ability to carry out their duties and responsibilities.
 2. Increase the achievement of work results.
 3. Enthusiasm in carrying out tasks and responsibilities.
-

METHODS

Based on the background and main problems in the title of this research is a quantitative approach. The quantitative approach according to ([Bartol et al.](#), 2014) is a research based on real facts obtained from the research field and then the data is processed. This type of research is a causal associative method. According to ([Nakagawa & Schielzeth](#), 2013), "*This associative method is a method obtained based on the formulation of the problem which will then be analyzed and described in detail and factual so that it is easy to understand. The nature of this research is associative. According to ([Sugiyono](#), 2011), "Associative research is the method used by the author to explain or provide an explanation of the research results whether a relationship is found in the variables related to the study".*

1. Population

According to ([Sugiyono](#), 2011), Population is a group that is used as an object of research where the object is a strong supporter of research conducted to obtain accurate results, where this object can be large or small. The total population is 2,365 MSME actors who are members of the PTPN III Medan partnership program.

2. Sample

According to ([Lam et al.](#), 2020), The sample is a collection of objects where this object is used as a determinant of the research results obtained based on strong supporting reasons in providing the results of the research conducted. Determining the number of samples

using the Slovin formula:

$$n = N / 1 + Ne^2$$
$$n = 2.365 / 1 + (2.365)(0,1)^2$$
$$n = 95.94$$
$$n = 96 \text{ people.}$$

Based on the formula that has been done, there are 96 respondents.

3. Data Collection Techniques Collecting

Data to obtain results from research, namely by distributing respondent questionnaires contained in a number of sample.

4. Test of Validity and Reliability of Variable Instruments

a. Test of Validity

According to ([Priyatno](#), 2014), "*The validity test is carried out to show whether the items of the questions used in the questionnaire can be categorized as feasible or not suitable for use*". The questionnaire can be said to be valid if the statement on the questionnaire can reveal in accordance with the statement.

b. Reliability Test

According to ([Erfan et al.](#), 2020), Reliability testing is used to measure the scale of numbers obtained from the results of questionnaires that have been carried out by respondents in which the results of the questionnaire are processed and determined at a predetermined value.

5. Classical Assumption Test

a. Normality Test

According to ([Ghozali](#), 2019), the normality test is used in

processing statistical data where the results of the data processing can show the data is normal or not.

b. Multicollinearity Test

According to (York, 2012), "*this test is conducted to show whether there is a relationship between independent variables and a predetermined value*".

c. Heteroscedasticity Test

According to (Ghozali, 2013), "*this test is carried out using a statistical application to see the regression model with a predetermined value*".

6. Research Data Analysis

a. Model

Based on the previous description, this research model is using multiple linear regression analysis. Multiple linear regression is carried out where there is more than one independent variable which will be processed using statistical applications to obtain certain information.

b. Coefficient of Determination

The coefficient of determination is used in hypothesis testing to see the extent of the influence of the independent variable on the dependent variable, which is by looking at the percentage of the effect of whether the influence of

the independent variable is large or small on the independent variable.

c. Simultaneous Hypothesis Testing (F-Test)

The F statistical test is used to see the effect of the independent variables together or simultaneously whether there is an effect on the dependent variable by looking at the F table value obtained based on the formula and compared with the calculated F obtained from statistical results and also determined by the value of significance.

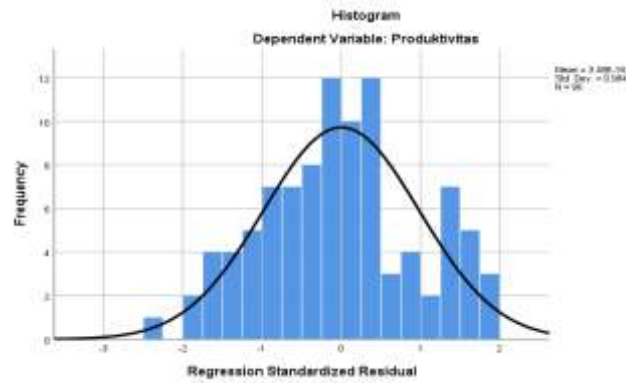
d. Partial Hypothesis Testing (t-test)

Test statistic is determined based on the calculation of the t-table obtained based on the formula obtained manually which is then compared with the t-count obtained from statistical data and then determined with a predetermined significance value and then concluded whether or not there is an influence between the independent variables on the dependent variable.

RESULTS AND DISCUSSION

A. Classical Assumption Test

1. Normality Test

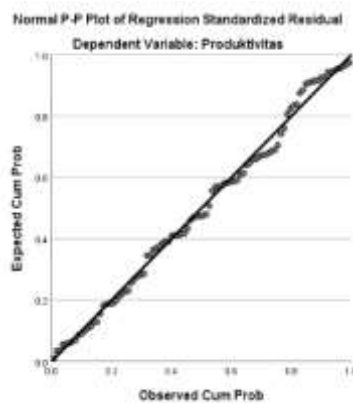


Source: Research results, 2022

Figure 1. Histogram Graph

From Figure 3.1 above, it can be seen that the histogram graph of the data distribution is not skewed to the left or right and there is no data that

is outside the curve so it can be concluded that the data is normally distributed.



Source: Research results, 2022

Figure 2. Normal P-Plot Grafik Graph

In Figure 3.2 the normal P-Plot graph above, it can be seen that the points do not spread around the diagonal line and are slightly closer to the diagonal line so it can be

concluded that the data is normally distributed and the regression model has met the assumption of normality.

Table 1. Normality Test Results KS

One-Sample Kolmogorov-Smirnov Test		
Unstandardized Residual		
N		96
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	2.39612980
Most Extreme Differences	Absolute	.065
	Positive	.058

	Negative	-.065
Test Statistic		.065
Asymp. Sig. (2-tailed)		.200 ^{c,d}
a. Test distribution is Normal.		
b. Calculated from data.		
c. Lilliefors Significance Correction.		
d. This is a lower bound of the true significance.		

Source: Research results, 2022

Based on Table 1, the results of the KS test above, the Asymp value. Sig. (2-tailed) obtained is 0.200, and the statistical test is at 0.065, because the significant value obtained is greater than 0.1, it can be concluded that this

means that H1 is accepted, meaning that the data is normally distributed where the value of sig KS > 0.1 (0.200 > 0.1).

B. Multicollinearity Test

Table 2. Multicollinearity Test Results

Coefficients			
Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Competence	.737	1.357
	Compensation	1.361	1.359
	Leadership Style	.736	a

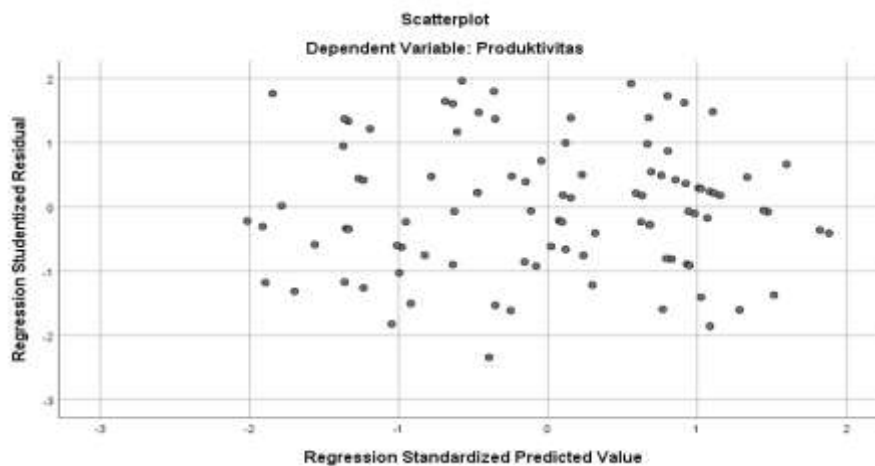
Dependent Variable: Productivity

Source: Research results, 2022

From the test results in table 2 above, it shows that competence has a tolerance value > 0.1 (0.737 > 0.1) and a VIF value <10 (1.549 < 10). Compensation has a tolerance value > 0.1 (0.735 > 0.1) and a VIF value < 10

(1.575 < 10). Leadership style has a tolerance value > 0.1 (0.736 > 0.1) and a VIF value <10 (1.1441 < 10), so it can be concluded that there is no multicollinearity.

C. Heteroscedasticity Test



Source: Research results, 2022

Figure 3. Scatterplot Graph

From Figure 3.3 the graph above it can be concluded that there is no heteroscedasticity because it does not

have a clear pattern and the points spread above and below the number 0 on the Y axis.

Table 3. Glejser

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
	1 (Constant)	1.128	-.060		
Competence	3.536	-.133	3.136	-1.111	.270
Compensation	.008	.058	.016	.130	.897
Leadership Style	-.036	.056	-.076	-.633	.529

a. Dependent Variable: Abs_RES

Source: Research results, 2022

From Table 3 it can be seen that the probability value (Sig.) for the competency variable is 0.270, compensation is 0.897 and leadership style is 0.529. It can be seen that the

significant above the 10% confidence level (0.1), then the regression model does not contain heteroscedasticity.

D. Results of Research Data Analysis
1. Multiple Linear Regression Analysis

Table 4. Regression Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		

	(Constant)	3.745	1.958	1.913	.059
	Competence	.245	.094	.246	2.596
1	Compensation	.101	1.942	.185	.055
	Leadership Style	.098	.350	.000	3,687
Dependent Variable: Productivity					

Source: Research results, 2022

From table 4 above, the first row is a constant and the next row shows the constant of the independent variable. Based on the table above, the following regression equation is obtained:

$$\text{Productivity} = 3.745 + 0.245 \text{ Competence} + 0.196 \text{ Compensation} + 0.361 \text{ Leadership Style}$$

Description:

- a. The constant of 3.745 indicates that if the value of the independent variable (Competence, Compensation and Leadership Style) is zero, then productivity (Y) is 3,745.
- b. The coefficient of competence (X1) is 0.245 and is positive, meaning that every increase in the competency variable (X1) by 1 unit

will be followed by an increase in productivity (Y) of 0.245 with the assumption that other variables are constant.

- c. The coefficient of compensation (X2) is 0.196 and is positive, meaning that every increase in the compensation variable (X2) by 1 unit will be followed by an increase in productivity (Y) of 0.196 assuming other variables remain.
- d. The Leadership Style Coefficient (X3) is 0.361 and has a positive value, meaning that every 1 unit increase in the Leadership Style (X3) variable will be followed by an increase in Productivity (Y) of 0.361 assuming other variables remain.

2. Coefficient of Determination (R²)

Table 5. Results of Model Determination Coefficient

Summary					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	
1	.623 ^a	.389	.369	2.435	a

Predictors: (Constant), Leadership Style, Competence, Compensation

Source: Research results, 2022

Based on Table 3.5, the *Adjusted R Square* of 0.369 means that the ability to vary the variables of Competence (X1), Compensation (X2) and Leadership Style (X3) can explain the variation of Productivity

(Y) by 37% and the remaining 63 % is explained by independent variables that are not examined such as intellectual capital, leadership, work discipline and others.

3. Simultaneous Hypothesis Testing (F Test)

Table 6. F Test Results

ANOVA ^a					
Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	346,803	3	115,601	19,499	.000 ^b
Residual	545,437	92	5,929		
Total	892,240	95			

a. Dependent Variable: Productivity

b. Predictors: (Constant), Leadership Style, Competence, Compensation

Source: Research results, 2022

From table 6 above, the calculated F value is 19.499 with a significant level of 0.000, while the F table is 2.006 with a significant level of 0.1. Or that the calculated F value

> F table (19.499 > 2.006) and the significant level is less than 0.1 (0.000 > 0.1).

4. Partial Hypothesis Testing (t-test)

Table 7. Results of t-test

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.745	1.958		1.913	.059
1 Competence	.245	.094	.246	2.596	.011
Compensation	.101	1.942	.185	.055	.361
Leadership Style	.098	.350	.000	3,687	a

Dependent Variable: Productivity

Source: Research results, 2022

From table 7 above, it shows that:

1. The t-count for the competency variable (X1) is 2.596 with a significant value of 0.011, so it can be concluded that the t-count is 2.596 and the t-table is 1.661. The test results show t count > t table (2.596 > 1.661). Judging from its significance, the significant value of the competency variable (X1) is 0.011, smaller than the significant value of 0.1.
2. The t-count for the compensation variable (X2) is 1.942 with a significant

value of 0.055, so it can be concluded that the t-count is 1.942 and the t-table is 1.661. The test results show t count > t table (1,942 > 1,661). Judging from its significance, the significant value of the competency variable (X2) is 0.055, smaller than the significant value of 0.1.

3. The t-count for variable (X3) is 3.687 with a significant 0.000, so it can be concluded that the t-count is 3.687 and the t-table is 1.661. The test results show t count > t table (3.687 > 1.661). Judging from its

significance, the significant value of the leadership style variable is 0.000, smaller than the significant value of 0.1.

CONCLUSIONS

Based on the results of the research and discussion described in the previous chapter, the following conclusions can be drawn: 1) Partially, the competency variable (X1) has a positive and significant effect on productivity (Y) at PT. Nusantara III Plantation, Medan. 2) Partially, the compensation variable (X2) has a positive and significant effect on productivity (Y) at PT. Nusantara III Plantation, Medan. 3) Partially, the leadership style variable (X3) has a positive and significant effect on productivity (Y) at PT. Nusantara III Plantation, Medan. 4) Simultaneously, the variables of competence (X1), compensation (X2) and leadership style (X3) have a positive and significant effect on the productivity (Y) of PT. Nusantara III Plantation, Medan.

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