THE CONTRIBUTION OF SOFT SKILLS AND COMPENSATION IN EMPLOYEE PERFORMANCE THROUGH WORK MOTIVATION AS MEDIATOR

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ABSTRACT
This study aims to determine and analyze the contribution of soft skills, compensation to employee performance through work motivation as a mediation. The population in this study were 130 employees of CBM Company, sampling technique using the Slovin formula and obtained as many as 98 employees using the census method while the variables of this study consisted of soft skills, compensation, work motivation and employee performance. The data analysis used is multiple linear regression analysis and path analysis using SPSS Version 25. The results of the research show that the contribution of soft skills, compensation and work motivation variables to clarify employee performance variables is 73.9%. The results of indirect influence of soft skills, compensation on employee performance in this study were successfully mediated by work motivation, so this model has the role of work motivation as full mediating. This research is expected to be beneficial for CBM Enterprise to improve employee performance.

Keywords: Soft Skill, Compensation, Work Motivation, Employee Performance.

INTRODUCTION
Pada competitive era nowadays, every organization is trying to outperform its competitors or at least maintain its survival. Organizations or companies like it or not must have competitive advantages and competitive advantages that are difficult for competitors to imitate are those that come from human resources, because human resources are strategic factors in all activities and have an important role in the input process into the output that produced by the organization. Therefore, the use of human resources properly will be very influential and have a positive impact on increasing employee motivation and performance in the organization, Foulkes in Mahyarni (2011: 24). Because organizational performance is largely determined by its human resources.

At this time the organization believes that superior human resources are those who not only have hard skills, but are also good at soft skills aspects. The world of education also reveals that a person's success is not determined solely by knowledge and technical abilities, but rather by the ability to manage oneself and others or soft skills. Today almost all organizations, both government and private,
require the right combination of hard skills and soft skills, regardless of the position of the employee.

Organizations make various efforts to obtain superior human resources, one of which is by providing compensation in accordance with the capabilities and competencies of these human resources possessed. Compensation is an important thing, which is the main motivation of an employee to work. Employees use their knowledge, skills, energy and time not only to prove or dedicate themselves to the company, but there are other goals, that expecting rewards or remuneration for the results that have been given. In addition, the compensation given to employees affects the working conditions of these employees. Thus the organization must pay special attention to the compensation program, so that employees have the work motivation to improve their performance.

Everyone who are part of an organization and is involved in organizational activities has certain motivations, among others, because they believes that by being involved in the organization, they can fulfill his needs, hopes and desires. Having motivation and being unmotivated can be reflected in the behavior they shows. Employees with high work motivation love their work, while employees with low work motivation are those who are lazy, tend to violate organizational rules, such as discipline violations and also do not have work motivation and don't love their work.

An employee's work motivation can be formed from the soft skills possessed and the compensation given to him. A person's work motivation can be influenced by how the soft skills needed and compensation programs are implemented by the company, how human resource management conditions the company to be a suitable place for the growth of soft skills and a good compensation program so as to create and maintain motivation by explaining what must be carried out by employees, regarding the level of work achievement that can be achieved as well as providing input to improve employee performance, if it is still considered unsatisfactory. Motivation is the driving force that will realize a behavior in order to achieve self-satisfaction. Motivation is also formed from one's work attitude in dealing with work situations. Motivation is a condition that moves employees who are directed to achieve organizational goals, mental attitude is a mental condition that encourages employees to try to achieve maximum work performance. (Apandi, 2018: 12).

It's very important for Human resource management in managing, regulating, and utilizing employees so that they can function productively to achieve organizational goals (Mangkunegara, 2011:1). The expertise in the field of human resource management is high and has the ability to understand the business strategies into human resource management strategies capable of supporting the achievement of organizational goals effectively. (Triyonggo, 2021:145).

The problem that exists in human resource management, is a problem that deserves the attention of every organization, because employee performance greatly
affects the success of an organization or company, as stated by Gomes (2007:135) that the company's performance is determined by the employees performance of within the organization itself. So it is important to pay attention to things that can improve work motivation and employee performance. Companies and employees are two things that need each other. If employees succeed in bringing progress to the company, the benefits will be reaped by both parties (Moeins, 2017:255).

Employee performance is one of the dependent variables that is directly related to work motivation. According to Rivai (2008: 309) employee performance is a function of motivation and ability to complete a task or job, a person should have a certain degree of ability. A person's skills are not effective enough to do something without a clear understanding of what to do and how to do it. Performance is a real behavior that is displayed by everyone as work performance produced by employees in accordance with their roles and responsibilities in the company. Employee performance is a very important thing in the company's efforts to achieve its goals. The same thing was stated by Sarmiento and Beale, (2017: 925) employee performance as a result of two elements, consisting of the abilities and skills possessed by an employee, and the motivation used to do a better job.

Based on the observations of researchers, the low work motivation of employees can be seen from the existence of employees who are lazy and not agile in carrying out tasks, are not available when needed because they leave the workplace without notification, cannot work in teams, are less responsible in carrying out tasks causing frequent delays. work so that the time for completion of work is not on time, is not oriented to work success, works ineffectively like a robot without ideas and creativity.

The reason the researcher is interested in this study wants to know the contribution of soft skills and compensation in the work motivation of employees of PT. Cahaya Bintang Medan Tbk. (CBM). The company has a vision; with the spirit and strength of team work able to produce quality products and provide the best service so as to become the leader of furniture industry provenance Sumatera that be superior in Indonesia and wins international competition. As a go public company, CBM certainly strives to realize its vision in this regard by paying attention to the soft skills possessed by employees, the compensation program that is implemented so as to increase work motivation, which has an impact on improving employee performance.

LITERATURE REVIEW
Soft Skills

One of the efforts to increase company productivity is to pay attention to the soft skills possessed by employees or the existing human resources of the organization. According to Sailah (2008: 18), soft skills are a person's skills in dealing with other people (interpersonal skills), and self-regulation skills (intrapersonal skills) that are able to develop one's performance optimally.
According to LaFrance (2016: 4), soft skills are personal and interpersonal behaviors that develop and maximize a person's performance related to self-confidence, flexibility, honesty and self-integrity. In line with what Elfindri et al. (2011: 67) stated, that soft skills are skills and life skills, both for oneself, in groups, or in society, especially with the Creator.

Soft skills possessed by employees can not only spur to increase creativity but also the motivation and innovative power possessed by each employee in carrying out their duties and responsibilities, it is hoped that employee performance will increase and company goals will be achieved. Thus, every employee in the company requires high motivation to be willing to carry out work enthusiastically, passionately, and dedicatedly. There are still additional abilities of a person outside of interpersonal skills and intrapersonal skills called extrapersonal skills such as a person's ability in spiritual intelligence (SQ). Thus, it can be concluded that the definition of soft skills is a person's ability to relate to other people (interpersonal skills) and a person's ability to regulate himself (intrapersonal skills) as well as a person's additional ability to trust/care for both the creator and others (extrapersonal skills).

It is very important for companies so that their employees have soft skills, with soft skills possessed by employees being able to; building a positive self-concept at work, building integrity as a professional workforce, developing critical thinking skills in solving problems and finding solutions, forming responsibility and commitment at work, improving ethical standards and etiquette in the work environment and being able to develop the ability to work together in teams, with soft skills categories are integrity, motivation, ethics, teamwork, leadership, willingness to learn, commitment, listening, tough, flexible, oral communication, honest, logical argument, resilient, competition, tenacious, and others. Soft skills include values espoused, motivation, behavior, habits, character and attitudes. This trait is owned by each person with different levels which are influenced by habits of thinking, saying, acting and behaving. However, this trait can change if the individual wants to change it by practicing getting used to it. In essence, employees who have soft skills consider their work in a company not only to earn income, but also to help the company to achieve its goals.

**Compensation**

Compensation is any form of payment or reward given to employees arising from their work. So that compensation is one of the basic reasons for employees to look for work. Therefore, providing compensation to employees needs special attention from the organization so that employee motivation will continue to increase. (Dessler, 2007:46). Compensation according to Santoso and Masman (2016: 3) is the overall form of remuneration given in financial and visible form, also including benefits received by employees as compensation for their working relationship with the company.
Mathis and Jackson (2009:119) argue that basically compensation can be grouped into two groups, namely direct compensation and indirect compensation. Furthermore, direct compensation consists of basic salary and variable salary. Meanwhile, indirect compensation is in the form of allowances. The compensation classification according to Bernardin and Russel (2003:445) are; Direct Compensation is the basic wage and salaries, plus performance based pay. Indirect compensation programs health insurance, pay for time not worked and various other employee benefits.

Determining compensation is a consideration for every organization, because salaries and wages and other forms of compensation are components of business costs. Amount at this section can make the competitiveness of the resulting product low due to high production costs and selling costs. Therefore, the compensation system in the organization must be adapted to the goals and strategies of the organization. Organizations must balance the cost of compensation at a certain level in order to ensure organizational competitiveness and provide fair rewards to employees for their knowledge, skills and performance. Compensation according to Davis and Newstrom (2002:135-134), is reminiscent of the achievements of individuals, groups or organizations, which can include: deductions, commissions, bonuses, profit sharing and production sharing. Meanwhile, Robbins (2012:326) suggests that compensation contains the same meaning as variable wages, namely a part of an employee's wages based on an individual performance measure in the organization.

Although many factors influence the design of an organization’s compensation system, flexibility is a key consideration. The traditional approach to paying people reflected a more stable time when an employee’s pay was largely determined by seniority and job level. Given the dynamic environments that many organizations face, the trend is to make pay systems more flexible and to reduce the number of pay levels. However, whatever approach managers use, they must establish a fair, equitable, and motivating compensation system that allows the organization to recruit and keep a talented and productive workforce (Robbin, 2012:328).

Compensation is a major factor in employee retention. Once the best employees and talent come to work for an organization, and organization want the compensation to be competitive enough to motivate people to stay with an organization. Although we know that compensation packages are not the only thing that motivates people, compensation is a key component. The compensation package should be positive enough to attract the best people for the job. An organization that does not pay as well as others within the same industry will likely not be able to attract the best candidates, resulting in a poorer overall company performance. (ShareAlike, 2010:162).

The targets of the compensation program implemented in the company are so that the company is able to attract, retain and motivate employees who excel and
contribute to the company, to motivate employees to give maximum performance, encourage employees to develop themselves, their knowledge, attitudes, and skills, as well as to improve control. human resource costs. (Santoso and Masman, 2016: 11).

Based on above description that compensation is defined as financial and non-financial, direct and indirect rewards received by the basis of job value, contributions and employee performance.

**Work Motivation**

Motivation is the desire in an individual that stimulates him to take actions that based a person's behavior. One of the factors that people motivates to work is to get income and opportunities to improve economic status. Rao (2014:134). Work motivation can be interpreted as the desire that motivates a person that encourage him to work. (Usman, Husnaini, 2013 : 276). At the work place, motivation is important because it explains why employees behave the way they do. Motivation as a collection of energetic forces that starts both from within and outside the employee, starts from work-related efforts, and considers direction, intensity and persistence. Motivation is a critical consideration because effective performance often requires both ability and a high level of motivation, (Colquitt, LePine, and Wesson, 2011-179).

Everyone who is part of an organization and is involved in organizational activities has certain motivations, among others, because he believes that by being involved in the organization, he can fulfill his needs, hopes and desires. Having motivation and being unmotivated can be reflected in the behavior he shows. Employees with high work motivation love their work, while employees with low work motivation are those who are lazy, tend to violate organizational rules, such as discipline violations and also do not have work motivation and don't love their work.

According to George & Jones (2008: 519,617) motivation is an urge to act on a series of processes of human behavior by considering the direction, intensity, and persistence in achieving goals, because motivation involves psychological forces within a person. In line with that stated by Wibowo (2013:111) motivation includes elements of generating, directing, maintaining, showing intensity, being continuous and having a purpose. Motivation according to Robbins and Judge (2011: 238) is a process that takes into account the intensity, direction and persistence of individual efforts towards achieving goals. The same opinion by Schunk,et.al., (2010) “ Motivation is the process whereby goal-directed activity is instigated and sustained”

Motivation is one of the forces that lead to performance. Motivation is defined as the desire to achieve a goal or a certain performance level, leading to goal-directed behavior. When we refer to someone as being motivated, we mean that the person is trying hard to accomplish a certain task. Motivation is clearly
important if someone is to perform well; however, it is not sufficient. Ability or having the skills and knowledge required to perform the job is also important and is sometimes the key determinant of effectiveness. Finally, environmental factors such as having the resources, information, and support one needs to perform well are critical to determine performance. At different times, one of these three factors may be the key to high performance. For example, for an employee sweeping the floor, motivation may be the most important factor that determines performance. (Mitchell, 1982 and Porter, L. W., & Lawler, 1968).

Employee Performance

Performance in the organization is the answer to the success or failure of the organizational goals that have been set. More specifically, according to Daft, performance is an organization's ability to achieve its goals by using resources effectively and efficiently. (Daft, 2010). Performance is the output produced by the functions or indicators of a job or a profession within a certain time. In general, the dimensions of performance can be grouped into three types, are: work results, work behavior, and personal characteristics related to work. (Wirawan, 2013:5). An important factor in the success of an organization is the presence of capable and skilled employees and has a high morale, so that a satisfactory work result can be expected. Employees performance According to Ivancevich M. John (2007:85) is the foundation of organizational performance.

Bohlander et al. (2010: 81) states that employee performance is associated with individual abilities in realizing their respective work goals, meeting expectations and achieving work targets and/or achieving standards set by their organization. While Mathis and Jackson (2009:78) state that employee performance is how much they contribute to the organization which includes: quantity of work, quality of work, time utilization and cooperation. On the research of Afshan Sultana et al. (2012: 647) performance can be defined as the achievement of specified task measured against predetermined or identified standards of accuracy, completeness, cost and speed, and the employee's performance is measured against the performance standards set by the organization. Good performance means how well employees performed on the assigned tasks.

Prasetya and Kato (2007) that performance is defined as the attained outcome of actions with the skills of employees who perform in some situation. While Sarmiento and Beale (2007), stated that “performance employee as the result of two elements, which consist of the abilities and skills that an employee possesses, and his/her motivation to use them in order to perform a better job”.

METHODOLOGY

The population in this study amounted to 138 CBM office employees. The sample selection from the population is by using the Slovin formula, the number of samples used by the researcher is 98 employees. The type of data used is primary
data obtained from answers to questionnaires filled out by employees who will explain the variables to be studied, are soft skills, compensation, work motivation and employee performance. The answers given by employees in this study were scored with reference to the Likert scale. The method of analysis and hypothesis testing in this study is in accordance with the research objective, are measuring the contribution of the independent variable (soft skills and compensation) to the dependent variable (employee performance), involving the mediating variable (work motivation). The data technique used is multiple linear regression analysis and path analysis using SPSS 25.

RESULT AND DISCUSSION
Regression Estimation Result
Coefficient of determination
Researchers using the SPSS 25 Program, present the result of data processing for coefficient of determination on the Table 1

<table>
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<tr>
<th>Model Summaryb</th>
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a. Predictors: (Constant), Total_Z, Total_X1, Total_X2
b. Dependent Variable: Total_Y

Simultaneous or simultaneous test F test aims to test the first hypothesis which is to find out the effect or not significantly of the independent variables together (simultaneously) on the dependent variable

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<td>Total</td>
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</tbody>
</table>

a. Dependent Variable: Total_Y
b. Predictors: (Constant), Total_Z, Total_X1, Total_X2

Based on the data in Table 2 it can be seen that F\text{count}= 69.245 with significance level of 0.000b. When compared with F\text{table} a 5% confidence leve (α = 0.05) which is is only 2.7, the F\text{count} value is greater than the F\text{table} value \{F\text{count}(69.245) > F\text{table} (2.70)\} so that it can be said that soft skill, compensation,
and work motivation Simultaneous are significant explanatory variable for Employee Performance of PT. CBM

**Normality Test**

Normality test aims to test whether in the regression model, confounding or residual variables have a normal distribution (Ghozali, 2005). As it known that the F-test and t-test assume that the residual value follows the normal distribution. This test can be done with the histogram approach. The results of the normality test use the histogram approach.

In the histogram graph Figure 1 shows that the variables are normally distributed.

![Figure 1. Histogram Graph](image)

**Multicollinearity test**

The multicollinearity test results of the independent variables namely soft skill, Compensation, and Work Motivation, according to Table 3.

It can be seen that the tolerance value is still below the number 1 or above 0.1. This shows the correlation coefficient between the independent variables does not occur multicollinearity, also if seen from the value of the Variance Infalation Factor (VIF) is also still below 5, then it means no multicollinearity occurs on the independent variables.

**Heteroscedasticity test**

This test is carried out in a regression model whether in a regression model there is an inequality of variance from residuals from one observation to another. If the variance of the residuals from one observation to another is fixed, then it is called homokedacity. Conversely, if the variance is different, it is called heteroscedasticity. The good regression model is a regression model that does not occur heteroscedasticity. From the graph presented in the image below, visible points spread randomly and do not form certain patterns and clearly in Figure 2.
Partial test (t-test)

Partial test or t-test has the aim to test the second hypothesis, which is to find out the influence or not significantly of the independent variables individually (partial) on the dependent variable. The following are the results of the t-test using SPSS 24 in Table 3.

To determine whether $H_0$ or $H_1$ is rejected or accepted, then the value of $t_{count}$ compares with the value of $t_{table}$ at a significance level of 5% ($\alpha = 0.05$), where the value of $t_{table}$ at a significance level of 5% ($\alpha = 0.05$) is 1.661, as seen in Table 3, it can be the following conclusions are drawn:

- Soft skill variable ($X_1$) has a significance value of $0.003 < \alpha = 0.05$ with a regression coefficient of 2.431. Based on these results, then $H_1$ is accepted which means there is an influence of soft skill on performance.

- Compensation variable ($X_2$) has a significance value of $0.004 < \alpha = 0.05$ with a regression coefficient of 1.664. Based on this result, then $H_1$ is accepted which means there is an influence of compensation on employee performance.

- Work motivation ($Z$) has a significance value of $0.002 < \alpha = 0.05$ with a regression coefficient of 2.726. Based on this result, then $H_1$ is accepted which means there is a positive influence of work motivation on employee performance.

Regression model (linear model)

Based on the estimation or regression results, the regression equation can be formulated as follows:

$$Y = 2.798 + 0.263X_1 + 0.254X_2 + 0.307Z$$

From the above equation can be interpreted that is a constant value of 2.798 means that if the soft skill variable, compensation, and motivation to work together with 0, it will be followed by employee performance of 2.798. Soft skill variable ($X_1$) of 0.263 means that if there is an increase in soft skill every one unit, it will be followed by an increase in employee performance by 0.263.
The compensation variable (X₂) of 0.254 means that if there is an increase in compensation every one unit, it will be followed by an increase in employee performance by 0.254.

Work motivation variable (Z) of 0.307 means that if every work motivation occurs in one unit, it will be followed by an increase in employee performance by 0.307.

**Table 3. Partial Test Results (t-test)**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B Std. Error Beta</td>
<td></td>
<td></td>
<td></td>
<td>Tolerance VIF</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>2.798 2.580 .294</td>
<td></td>
<td>1.085</td>
<td>.001</td>
<td></td>
</tr>
<tr>
<td>Total _X1</td>
<td>.263 .108 .294</td>
<td>2.431</td>
<td>.017</td>
<td>.120</td>
<td>1.923</td>
</tr>
<tr>
<td>Total _X2</td>
<td>.254 .112 .235</td>
<td>1.664</td>
<td>.000</td>
<td>.251</td>
<td>1.095</td>
</tr>
<tr>
<td>Total _Z</td>
<td>.307 .132 .791</td>
<td>2.726</td>
<td>.012</td>
<td>.092</td>
<td>2.031</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Total _Y

**Table 4. Direct Effects Results**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>Collinearity Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>B Std. Error Beta</td>
<td></td>
<td></td>
<td></td>
<td>Tolerance VIF</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>.998 2.517 .517</td>
<td>.396</td>
<td>.022</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total _X1</td>
<td>.294 .110 .216</td>
<td>2.668</td>
<td>.009</td>
<td>.128</td>
<td>1.895</td>
</tr>
<tr>
<td>Total _X2</td>
<td>.272 .120 .205</td>
<td>1.579</td>
<td>.000</td>
<td>.128</td>
<td>1.895</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Total _Y

**Table 5. Path I test results**

<table>
<thead>
<tr>
<th>Model</th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
<th>Collinearity Statistics</th>
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<tbody>
<tr>
<td></td>
<td>B Std. Error Beta</td>
<td></td>
<td></td>
<td></td>
<td>Tolerance VIF</td>
</tr>
<tr>
<td>1 (Constant)</td>
<td>5.859 1.912 .517</td>
<td>3.065</td>
<td>.003</td>
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</tr>
<tr>
<td>Total _X1</td>
<td>.098 .084 .517</td>
<td>1.177</td>
<td>.042</td>
<td>.528</td>
<td>1.895</td>
</tr>
<tr>
<td>Total _X2</td>
<td>.578 .091 .427</td>
<td>1.130</td>
<td>.000</td>
<td>.528</td>
<td>1.895</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Total _Z
Path test (path analysis)

Path test is used to test the effect of intervening variables. Path analysis is an extension of multiple linear regression analysis, (Ghozali, 2011. p. 249). Path analysis is the use of regression analysis to estimate causality relationships between variables (causal models) that have been predetermined based on theory.

Based on the three Tables 4-6 above, the path test results can be interpreted that the results of direct influence The results of direct influence (0.22) are smaller than indirect effects (0.41) so it can be concluded that there is a soft skill on employee performance through work motivation as mediation is accepted.

The results of direct influence (0.21) are smaller than indirect effects (0.34) so it can be concluded that there is a compensation on employee performance through work motivation as mediation is accepted.

CONCLUSION

Based on the test results, the results of the analysis and discussion that have been described in the previous chapter, it can be concluded that the results of the study indicate that the first found positive and significant influence of soft skill toward employee performance. This means that a high soft skill will increase employee performance. Second results showed that there is positive effect of compensation toward employee performance, meaning that getting high compensation have high employee performance. Third, the results of the study indicate that there is a positive and significant influence of work motivation toward employee performance. This means that high work motivation, employee performance will be increasy. Fourth, the hypothesis test results work motivation were succesfully to mediated the soft skill toward employee performance. Fifth, that work motivation were successfully to mediated the compensation on employee performance. So in this model work motivation as a full mediating. Sixth the results of the study showed that soft skill, compensation, and work motivation has a high contribution to explain employees performance which is 74.8 %. This research is expected to be beneficial for CBM Enterprise improve employees’ performance.
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