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# Reassessing the Role of Competence and Compensation in Improving Employee Performance: Evidence from a Local News Company

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***Abstract*— This study examines the effects of employee competence and compensation on employee performance at PT. Rakyat Sulawesi Selatan Intermedia, a local news company in Makassar, Indonesia. The study addresses the need for context-sensitive human resource management research in small media organizations facing limited resources, high work pressure, and changing digital demands. A quantitative associative design was applied using a census of all 32 employees. Data were collected through a structured questionnaire and analyzed using multiple linear regression. The findings show that compensation has a positive and significant effect on employee performance, while competence has a positive but statistically insignificant effect. The model explains 35.6% of the variance in employee performance. These results indicate that, in a resource-constrained local media setting, tangible rewards and perceived economic recognition may have a stronger immediate influence on employee performance than competence alone. The study contributes to human resource management literature by showing that the role of competence and compensation may vary depending on organizational context. Practically, local media firms should strengthen fair and transparent compensation systems while creating supportive conditions that enable employees to apply their competencies effectively.**

**Keywords*:* Compensation, Employee Competence, Employee Performance, Human Resource Management, Local Media Organization**

## 1. INTRODUCTION

Human resources play a decisive role in determining whether an organization can survive, compete, and grow in an increasingly complex business environment. Although technology, capital, and infrastructure remain important, organizational performance ultimately depends on how people perform their roles, respond to change, solve problems, and contribute to collective goals. Employee performance is therefore not only a matter of individual productivity, but also a reflection of how effectively an organization manages its people, builds motivation, and creates conditions that enable employees to work optimally [1]. In this sense, human resource management is no longer viewed merely as an administrative function concerned with recruitment, payroll, or personnel records. It has become a strategic mechanism through which organizations align employee capability, motivation, reward systems, and organizational objectives [2], [3].

The strategic importance of human resources becomes even more visible in industries that rely heavily on knowledge, communication, creativity, and responsiveness. One such industry is the media sector. Media organizations are expected to produce information that

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is timely, accurate, relevant, and attractive to their audiences. Their work is closely connected to speed, public trust, content quality, and the ability to respond to social, political, economic, and technological developments. Unlike organizations whose output can be measured only in physical products, media firms depend greatly on the competence, discipline, creativity, and commitment of their employees. Journalists, editors, administrative staff, marketing personnel, and digital content teams all contribute to organizational performance in different but interconnected ways. When employee performance declines, the quality of news production, audience engagement, and organizational reputation may also be affected.

In recent years, the media industry has experienced significant pressure due to digital disruption. The growth of online platforms, social media, mobile-based news consumption, and real-time information flows has changed how news is produced, distributed, and consumed. Local news companies are no longer competing only with other printed or conventional media institutions. They must also compete with digital platforms, independent content creators, social media accounts, and national media organizations that can reach local audiences instantly. This shift requires media employees to work faster, learn new technologies, adapt to multiple platforms, and maintain accuracy despite intense time pressure. Employees are increasingly expected to possess not only journalistic or administrative skills, but also digital literacy, communication capability, problem-solving ability, and flexibility in dealing with changing work demands.

However, these expectations are not always matched by adequate organizational resources, especially in local or regional media companies. Many local media organizations operate under financial limitations, relatively small teams, limited technological infrastructure, and restricted opportunities for structured human resource development. Employees may be required to perform multiple tasks, handle tight deadlines, and maintain work quality despite limited facilities. In such circumstances, performance does not depend solely on individual competence. Even when employees possess relevant knowledge and skills, their ability to convert those competencies into strong performance may be constrained by workload, leadership support, organizational culture, reward systems, and available work resources. This makes local media organizations an important context for examining how human resource factors operate in practice.

Among various human resource variables, employee competence and compensation are two factors that are frequently associated with employee performance. Employee competence refers to the knowledge, skills, attitudes, and behaviors that enable individuals to carry out their tasks effectively [4], [5]. Competence allows employees to understand their responsibilities, solve job-related problems, communicate with colleagues, adapt to changing work situations, and meet organizational standards. In the context of a media organization, competence is particularly important because employees must be able to process information, use relevant tools, coordinate quickly, and maintain accuracy in a dynamic environment. A competent employee is expected to produce better work quality, complete tasks efficiently, and respond appropriately to organizational needs.

Nevertheless, competence does not operate in isolation. An employee may have adequate knowledge and technical ability, but these qualities may not automatically lead to high performance if the organization does not provide a supportive environment. Competence needs space to be applied. It requires clear job roles, sufficient work facilities, constructive feedback, leadership direction, and a culture that encourages responsibility and learning. Without these supporting conditions, competence can remain underutilized. This is particularly relevant in resource-constrained organizations, where employees may understand what should be done but lack the time, tools, incentives, or organizational support to perform at their best. Therefore, the relationship between competence and performance needs to be examined carefully, especially in smaller organizations that face operational limitations.

Compensation is another important factor in explaining employee performance. Compensation refers to the financial and non-financial rewards that employees receive in exchange for their work contributions [6], [7]. It includes salaries, allowances, incentives, bonuses, recognition, and other forms of organizational appreciation. Compensation serves both economic and psychological functions. Economically, it helps employees meet their personal and family needs. Psychologically, it signals whether the organization values employee contributions. When employees perceive compensation as fair, meaningful, and connected to their effort, they may become more motivated to improve their work performance. Conversely, when compensation is perceived as inadequate or unfair, employees may experience dissatisfaction, reduced commitment, and lower motivation.

The role of compensation may become more prominent in local media organizations because employees often work in demanding conditions. Tight deadlines, unpredictable assignments, multitasking, and pressure to produce timely content can increase work intensity. In such a context, tangible rewards such as salaries, incentives, and bonuses may have a direct influence on employee motivation. Compensation can act as a form of recognition for work effort and may encourage employees to maintain discipline, timeliness, and responsibility. This idea is consistent with Expectancy Theory, which explains that employees are more likely to exert effort when they believe that good performance will lead to valued outcomes [8]. It also aligns with Social Exchange Theory, which suggests that employees tend to reciprocate fair treatment from the organization through greater commitment, loyalty, and performance [9].

Previous studies have generally shown that competence and compensation can influence employee performance. However, the findings are not always consistent across different organizational settings. Some studies indicate that competence has a significant effect on performance because employees with better knowledge and skills are more capable of achieving work targets. Other studies suggest that competence may not significantly improve performance when employees lack motivation, support, facilities, or clear opportunities to apply their abilities [10], [11]. A similar pattern can be observed in compensation research. Some findings show that compensation strongly affects performance because rewards encourage effort and commitment, while other studies suggest that compensation must be supported by leadership, organizational culture, job satisfaction, and career development to produce sustainable performance outcomes [12], [13]. These mixed findings indicate that the relationship between human resource variables and employee performance is context-dependent.

This study focuses on PT. Rakyat Sulawesi Selatan Intermedia, a local news organization based in Makassar, Indonesia. The company provides a relevant setting for examining the role of competence and compensation because local media firms often face the dual challenge of maintaining professional performance while operating with limited resources. Employees are expected to deliver timely and reliable information, respond to audience needs, and support organizational operations in a competitive media environment. At the same time, the organization must manage employee motivation, capability, and reward systems within the realities of a local business context. This makes the company an appropriate case for understanding how human resource factors influence performance in a smaller, resource-constrained media organization.

Based on this background, the present study aims to examine whether employee competence and compensation significantly influence employee performance at PT. Rakyat Sulawesi Selatan Intermedia. The study contributes to human resource management literature by extending the discussion of competence, compensation, and performance into the context of local media organizations in an emerging economy. Rather than assuming that competence and compensation operate uniformly across all organizations, this study emphasizes the importance of organizational context. Practically, the findings are expected to provide insights for local media managers in designing human resource strategies that balance competence development with fair and motivating compensation systems. By doing so, local media organizations can strengthen employee performance not only through individual capability, but also through organizational practices that encourage employees to apply their competence and sustain their work motivation.

## 2. THEORETICAL REVIEW

### 2.1 Employee Competence

Employee competence refers to a combination of knowledge, skills, attitudes, and behavior that enables employees to perform their duties effectively. Competence is not limited to technical mastery but also includes communication, teamwork, adaptability, responsibility, and problem-solving capability [4], [5]. In media organizations, competence becomes important because employees are expected to process information, use digital tools, coordinate with others, and deliver outputs under time pressure.

Competence can improve employee performance when employees have opportunities to apply their abilities in a supportive work environment. Training, feedback, clear job roles, and leadership support are necessary to ensure that competence is translated into performance. Without such conditions, employees may possess knowledge and skills but fail to demonstrate optimal work outcomes. This explains why competence should be understood not only as an individual attribute but also as a capability that depends on organizational systems.

### 2.2 Employee Compensation

Compensation is the total reward received by employees in exchange for their contribution to the organization. It includes direct financial rewards such as salaries, incentives, bonuses, and allowances, as well as indirect and non-financial rewards such as recognition, career opportunities, and work convenience [6], [7]. Compensation plays both economic and psychological roles because it satisfies employees' material needs while also signaling that the organization values their work.

A fair compensation system may increase employee motivation and commitment, especially when employees perceive reward allocation and appraisal mechanisms as fair [14]. According to Expectancy Theory, employees are more likely to exert effort when they believe that their effort will lead to performance and that performance will result in valued rewards [8]. In addition, Social Exchange Theory suggests that employees tend to reciprocate fair treatment from the organization with greater loyalty and performance [9]. Therefore, compensation can become a powerful mechanism for shaping employee behavior, especially in organizations with high operational demands.

### 2.3 Employee Performance

Employee performance refers to the level of achievement demonstrated by employees in carrying out assigned tasks. Performance generally includes work quality, work quantity, timeliness, effectiveness, responsibility, and independence [3], [15]. In local news organizations, employee performance is reflected in the ability to complete work on time, maintain content quality, coordinate with colleagues, and achieve organizational targets.

Performance is influenced by individual factors, including competence and motivation, as well as organizational factors such as leadership, compensation, work environment, organizational culture, and performance management practices [16]. Robbins and Judge explain that performance is the result of the interaction between ability, motivation, and opportunity [3]. Thus, employees with high competence may still show limited performance if motivation and organizational support are weak.

### 2.4 Relationship Between Competence and Employee Performance

Competence is expected to improve employee performance because competent employees understand their work, possess relevant skills, and can solve job-related problems effectively. In theory, employees with stronger knowledge and skills should be able to produce better work quality, complete tasks more efficiently, and respond to organizational needs. Human resource development literature also emphasizes that competence development is one of the foundations of strategic performance improvement [2], [17].

However, the effect of competence on performance may not always be direct. Competence must be supported by adequate facilities, appropriate job design, managerial support, and recognition. In a resource-constrained organization, competent employees may not be able to fully utilize their capability because of limited tools, unclear roles, or weak organizational culture. Therefore, this study proposes the following hypothesis:
*H1: Employee competence has a positive and significant effect on employee performance at PT. Rakyat Sulawesi Selatan Intermedia.*

### 2.5 Relationship Between Compensation And Employee Performance

Compensation is expected to positively influence employee performance because it directly affects employees' motivation, satisfaction, and willingness to exert effort. Employees who perceive compensation as fair and meaningful tend to feel valued by the organization. This perception can encourage them to work more productively and responsibly [7], [8]. In high-pressure work environments, financial incentives and bonuses may be particularly influential because they provide immediate and tangible recognition.

For local media organizations, compensation may be an especially salient performance driver. Employees often face tight deadlines, multitasking demands, and unstable work conditions. When the organization provides appropriate compensation, employees are more likely to maintain discipline, timeliness, and output quality. Therefore, this study proposes the following hypothesis:

*H2: Employee compensation has a positive and significant effect on employee performance at PT. Rakyat Sulawesi Selatan Intermedia.*

### 2.6 Critique and Research Gap

Previous studies on employee performance have several limitations. First, many studies examine competence and compensation in large corporations, public organizations, or manufacturing firms, while local media organizations remain underrepresented. Second, existing studies often assume that competence automatically improves performance, even though the relationship may depend on leadership, culture, facilities, and reward systems. Third, some studies discuss compensation only as a financial variable and do not connect it to broader motivational theories such as Expectancy Theory and Social Exchange Theory. Fourth, research on local news companies in emerging economies is still limited, even though these organizations face distinctive challenges related to resource scarcity and digital transformation.

This study addresses these gaps by examining competence and compensation in a local Indonesian media company. It also provides a contextual interpretation of why compensation may become a stronger performance driver than competence in a resource-constrained organization.

Table 1. Summary of Theories and Previous Research

| **Author(s)** | **Year** | **Theory/ Variable Focus** | **Main Findings** | **Limitation / Gap** |
|---|---|---|---|---|
| Vroom | 1964 | Expectancy Theory | Effort increases when performance is linked to valued rewards | Does not fully explain fairness perceptions |
| Adams | 1963 | Equity Theory | Fairness shapes motivation and employee behavior | Limited attention to reward expectancy |
| Armstrong and Taylor | 2023 | Strategic HRM | HRM aligns people, capability, and organizational goals | Needs contextual application in smaller firms |
| Robbins and Judge | 2015 | Ability, motivation, and opportunity | Performance depends on individual and organizational factors | Does not focus specifically on local media firms |

| | | | | |
|---|---|---|---|---|
| Marlinda et al. | 2021 | Appraisal and compensation | Compensation and motivation influence performance | Context differs from local news organizations |
| This study | 2026 | Competence and compensation toward performance | Tests two HR drivers in a local media company | Extends HRM discussion to a resource-constrained media context |

Source: Processed by the authors (2026)

## 3. METHOD

This study employed a quantitative associative approach to examine the influence of employee competence and compensation on employee performance. The associative design was selected because the study aimed to test the relationship between independent variables and a dependent variable using statistical analysis [18], [19].

The population consisted of all employees of PT. Rakyat Sulawesi Selatan Intermedia in Makassar, Indonesia. Because the organization had only 32 employees, this study used a saturated sampling or census technique. All employees were included as respondents, producing a response rate of 100%.

Data were collected using a structured questionnaire measured with a five-point Likert scale ranging from 1 = strongly disagree to 5 = strongly agree. Employee competence was measured through indicators of knowledge, skills, and work behavior. Compensation was measured through salary, allowances, incentives, bonuses, and recognition. Employee performance was measured through work quality, work quantity, timeliness, effectiveness, and independence [15], [20].

Table 2. Research Variables and Measurement

| Variable | Indicators | Number of Items | Main References |
|---|---|---|---|
| Employee Competence (X1) | Beliefs and values, skills, experience, personality characteristics, motivation, intellectual ability, and organizational culture | 8 | Wibowo (2014); Sutrisno (2019) |
| Compensation (X2) | Salary, allowances, incentives, and bonuses | 8 | Hasibuan (2011); Mangkunegara (2013) |
| Employee Performance (Y) | Work quality, work quantity, timeliness, effectiveness, and independence | 10 | Bernardin and Russell (2010); Mangkunegara (2017) |

Source: Developed by the authors based on the cited literature.

As presented in Table 2, employee competence was measured using eight items covering seven indicators: beliefs and values, skills, experience, personality characteristics, motivation, intellectual ability, and organizational culture. Compensation was measured using eight items covering salary, allowances, incentives, and bonuses. Employee performance was measured using ten items covering work quality, work quantity, timeliness, effectiveness, and independence.

Before hypothesis testing, the instrument was evaluated using validity and reliability tests. Pearson correlation was used to assess item validity, while Cronbach's Alpha was used to evaluate internal consistency. The data were analyzed using multiple linear regression with SPSS. Classical assumption tests included normality, homoscedasticity, multicollinearity, and independence of errors. The regression model was specified as follows:

$$Y = \beta 0 + \beta 1X1 + \beta 2X2 + \varepsilon$$

where Y represents employee performance, X1 represents employee competence, X2 represents compensation, β0 is the constant, β1 and β2 are regression coefficients, and ε is the error term.

# 4. RESULTS AND DISCUSSION

## 4.1. RESULT

The results are presented in four parts: respondent characteristics, descriptive statistics, validity and reliability, and multiple regression analysis. The analysis was conducted to determine whether employee competence and compensation influence employee performance at PT. Rakyat Sulawesi Selatan Intermedia.

Table 3. Characteristics of Research Respondents

| Variables | Characteristics | Frequency | Percentage |
|---|---|---|---|
| Gender | Male | 17 | 53.12% |
| | Female | 15 | 46.88% |
| Age | Under 25 years | 4 | 12.50% |
| | 25-31 years | 18 | 56.25% |
| | Over 31 years | 10 | 31.25% |
| Education | High school | 2 | 6.25% |
| | Diploma (D3) | 13 | 40.62% |
| | Bachelor degree | 15 | 46.88% |
| | Master degree | 2 | 6.25% |

Source: Primary data, research questionnaire (2026)

Table 3 shows that most respondents were male (53.12%), while female respondents represented 46.88%. The dominant age group was 25-31 years (56.25%), indicating that the company is supported by a relatively young workforce. In terms of education, most employees held a bachelor degree (46.88%) or diploma degree (40.62%). This profile suggests that the organization has employees with adequate educational backgrounds for media-related work.

Table 4. Descriptive Statistics of Research Variables

| Variable | Indicator | Mean | Interpretation |
|---|---|---|---|
| Competence | Knowledge and skills | 3.88 | High |
| | Organizational culture | 3.38 | Moderate |
| | Overall competence | 3.66 | High |
| Compensation | Fixed allowances | 3.75 | High |
| | Incentives and bonuses | 4.41 | Very high |
| | Overall compensation | 4.12 | High |
| Performance | Timeliness | 3.97 | High |
| | Task independence | 4.38 | Very high |
| | Overall performance | 4.22 | Very high |

Source: Primary data, research questionnaire

The descriptive results indicate that employee competence reached an overall mean score of 3.66, with the highest score on knowledge and skills. Compensation obtained a higher overall mean score of 4.12, with incentives and bonuses receiving the highest score. Employee performance obtained the highest overall mean score of 4.22, indicating that respondents perceived their performance as strong, particularly in task independence.

Table 5. Validity and Reliability Test Results

| Variable | Item-total Correlation Range | Cronbach Alpha | Conclusion |
|---|---|---|---|
| Competence | 0.388-0.885 | 0.859 | Valid and reliable |
| Compensation | Up to 0.912 | 0.837 | Valid and reliable |
| Employee performance | 0.601-0.719 | 0.864 | Valid and reliable |

Source: Primary data, research questionnaire (2026)

All item-total correlation values exceeded the critical value of 0.296 at $\alpha = 0.05$, indicating that all items were valid. Cronbach Alpha values for competence, compensation, and employee performance were above the acceptable threshold, confirming the reliability of the instruments.

Table 6. Classical Assumption Test Results

| Test | Indicator | Result | Conclusion |
|---|---|---|---|
| Normality | Kolmogorov-Smirnov Sig. | 0.200 | Normal |
| Homoscedasticity | Glejser test: competence | 0.493 | No heteroscedasticity |
| Homoscedasticity | Glejser test: compensation | 0.121 | No heteroscedasticity |
| Multicollinearity | Tolerance | 0.981 | No multicollinearity |
| Multicollinearity | VIF | 1.019 | No multicollinearity |
| Independence of errors | Durbin-Watson | 1.812 | Independent errors |

Source: Primary data processed with SPSS (2026)

The classical assumption tests show that the regression model met the required assumptions. The residuals were normally distributed, the data did not indicate heteroscedasticity, multicollinearity was not detected, and the Durbin-Watson value indicated independent residuals. Therefore, the model was appropriate for multiple regression analysis.

Table 7. Multiple Regression and Hypothesis Testing

| Variable | B | Std. Error | Beta | t | Sig. | Tolerance | VIF |
|---|---|---|---|---|---|---|---|
| Constant | 19.918 | 5.961 | - | 3.341 | 0.002 | - | - |
| Competence (X1) | 0.169 | 0.144 | 0.178 | 1.181 | 0.247 | 0.981 | 1.019 |
| Compensation (X2) | 0.528 | 0.145 | 0.546 | 3.631 | 0.001 | 0.981 | 1.019 |

$R^2 = 0.356$; Adjusted $R^2 = 0.312$; $F = 8.016$; Sig. $< 0.01$

Source: Primary data processed with SPSS (2026)

Based on the regression results, the estimated regression equation is $Y = 19.918 + 0.169X1 + 0.528X2 + e$. The coefficient of determination ($R^2$) is 0.356, meaning that competence and compensation explain 35.6% of the variance in employee performance, while the remaining 64.4% is influenced by other factors outside the model. The coefficient for competence is positive but not statistically significant ($t = 1.181$; $p = 0.247$), so H1 is rejected. The coefficient for compensation is positive and significant ($t = 3.631$; $p = 0.001$), so H2 is accepted.

### 4.2. DISCUSSION

The results show that employee competence has a positive but statistically insignificant effect on employee performance, while compensation has a positive and significant effect. This finding indicates that the two human resource variables operate differently in PT. Rakyat Sulawesi Selatan Intermedia. Competence remains relevant, but compensation appears to have a stronger and more immediate role in shaping employee performance.

The insignificant effect of competence should not be interpreted as evidence that competence is unimportant. Employee competence, which includes knowledge, skills, attitudes, work behavior, experience, motivation, and intellectual ability, is still needed to support task completion and work quality [3], [4]. However, competence may not directly improve performance when organizational conditions do not provide enough space for employees to apply their abilities. This is consistent with the view that employee performance is shaped by the interaction between ability, motivation, and opportunity [2].

Competence reflects the ability dimension, but ability alone is insufficient if employees lack motivation, work facilities, feedback, clear job roles, or supportive leadership.

This condition is understandable in a local media company. Media employees work under deadlines, multitasking demands, digital changes, and the need for coordination across editorial, administrative, and marketing functions. Even when employees possess adequate competence, their performance may be constrained by limited resources, weak coordination, or insufficient organizational support. Therefore, the positive but insignificant effect of competence suggests that competence needs to be strengthened through training, coaching, feedback, and a work culture that allows employees to use their capabilities effectively. This is also in line with performance management literature, which emphasizes that employee performance is influenced not only by individual capacity but also by organizational support and engagement [18].

In contrast, compensation has a positive and significant effect on employee performance. This result suggests that employees who perceive compensation more positively tend to demonstrate better performance. Compensation, including salary, allowances, incentives, and bonuses, can increase employees' motivation because it is directly related to their economic needs and sense of organizational appreciation [6]. This finding supports Expectancy Theory, which explains that employees are more likely to increase work effort when they believe that performance will lead to valued rewards [11]. In this study, compensation appears to function as a clear and tangible reward that encourages employees to maintain discipline, timeliness, and responsibility.

The result also supports Social Exchange Theory. Compensation is not only an economic transaction but also part of the reciprocal relationship between employees and the organization [12]. When employees feel that their contributions are fairly rewarded, they may respond with stronger commitment and better work behavior. This interpretation is also consistent with the idea that fairness perceptions in appraisal and reward systems can influence employee outcomes [19]. Therefore, the significant effect of compensation indicates that fair and meaningful rewards are important for maintaining employee performance, especially in organizations with high work pressure and limited resources.

The difference between competence and compensation provides an important theoretical explanation. Competence explains what employees are capable of doing, while compensation influences the extent to which employees are motivated to use their capability. In this study, competence has not yet become a significant predictor because ability requires enabling conditions. Compensation, however, has a more immediate effect because it directly connects employee effort with valued outcomes. This finding supports the argument that performance is not determined by a single factor, but by the interaction of ability, motivation, opportunity, and organizational treatment [2], [18].

Practically, PT. Rakyat Sulawesi Selatan Intermedia should not treat competence and compensation as separate policies. Compensation systems need to be fair, transparent, and linked to clear performance indicators. At the same time, competence development should be improved through relevant training, coaching, digital skill development, and regular performance feedback. By integrating compensation and competence development, the company can strengthen short-term motivation while also building long-term employee capability.

Overall, this study shows that human resource strategies in local media organizations should be understood contextually. In smaller and resource-constrained organizations, compensation may become more salient because employees are more sensitive to tangible rewards and economic recognition. However, long-term performance still requires competent employees who are supported by leadership, work culture, and adequate organizational systems. Thus, the findings extend HRM discussion by showing that the influence of competence and compensation on performance depends on organizational context, resource capacity, and work environment.

## 5. CONCLUSION

This study concludes that compensation has a positive and significant effect on employee performance at PT. Rakyat Sulawesi Selatan Intermedia, while employee competence has a positive but statistically insignificant effect. These findings indicate that compensation is a stronger immediate driver of employee performance in the context of a local news company. Fair salary, allowances, incentives, and bonuses appear to strengthen employees' motivation, discipline, and responsibility in carrying out their work.

The insignificant effect of competence does not mean that competence is unimportant. Rather, it shows that employee competence requires supportive organizational conditions before it can be translated into measurable performance. Knowledge, skills, experience, motivation, and work behavior need to be supported by clear job roles, feedback, training, leadership support, and an organizational culture that enables employees to apply their capabilities effectively.

Theoretically, this study contributes to human resource management literature by showing that the influence of competence and compensation on employee performance is context-dependent. In smaller and resource-constrained local media organizations, compensation may have a stronger direct effect because employees are more sensitive to tangible rewards and economic recognition. The study also confirms that competence requires organizational support before it can become a significant performance driver.

Practically, the findings suggest that PT. Rakyat Sulawesi Selatan Intermedia should strengthen transparent and fair compensation systems while continuing to develop employee competence through training, coaching, digital skill improvement, and regular performance feedback.

Future research should examine other variables that may influence employee performance, such as work motivation, job satisfaction, leadership style, organizational culture, and work environment. Further studies may also use a larger sample or comparative design across different media organizations to provide broader findings.

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