

ABSTRACT

Ruangguru is the largest technology-based education services startup (edutech) in Southeast Asia originating from Indonesia. The research was conducted at Ruangguru Regional Sumatera 1, covering Riau and the Riau Islands, where during the job opening, only the minimum educational qualification of D3 (SMA/SMK) was mentioned without specifying the competencies required in the company.

This research aims to explain the relationship between competence and compensation with employee performance and to test the influence of work discipline as a mediating variabel between competence and compensation on employee performance at Ruangguru Regional Sumatera 1. The method used in this research is quantitative, and data were obtained through the distribution of questionnaires to 103 respondents, employees of Ruangguru Regional Sumatera 1. This study employs the Partial Least Square – Structural Equation Modeling approach.

The research results indicate that direct hypotheses on the variables of competence and compensation have a significant positive effect on employee performance, and competence and compensation have a significant positive effect on work discipline. These results are supported by the rejection of H_0 . Meanwhile, work discipline has a positive but not significant effect on employee performance. The indirect hypotheses results show that competence has a positive but no significant effect on employee performance through work discipline, and compensation has a positive but not significant effect on employee performance through work discipline in Ruangguru Regional Sumatera 1 with each variable.

The findings of the research can serve as the latest development for future researchers and input for Ruangguru Regional Sumatera 1 to further improve in terms of competence, compensation, work discipline and employee performance.

Keywords: *Competence, Compensation, Work Discipline, Employee Performance*