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The Effect of Competency, Commitment and Compensation on Employee Performance with Motivation as an Intervening Variable in the Economic and Natural Resources Division of Mojokerto City Government

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Abstract: The purpose of this study was to analyze the Influence of Competence, Commitment and Compensation on Employee Performance with Motivation as an Intervening Variable on Employees of the Economic and Natural Resources Division of the Mojokerto City Government. The sample in this study was 35 respondents of the Economic and Natural Resources Division of the Mojokerto City Government using saturated sampling techniques. The data collection technique in this study was by using a questionnaire. The analysis technique in this study used Partial Least Square (PLS). The results of this study can be concluded that: competence has a significant effect on work motivation, commitment has a significant effect on work motivation, compensation has a significant effect on work motivation, competence has a significant effect on performance, commitment has a significant effect on performance, compensation has a significant effect on performance, motivation has a significant effect on performance, competence has a significant effect on performance through motivation, commitment has a significant effect on performance through motivation, compensation has a significant effect on performance through motivation..

Keyword: Competence, Commitment, Compensation, Motivation, Performance, Partial Least Square.

INTRODUCTION

Human resource management is a process, utilization of human resources effectively and efficiently through planning, mobilizing, and controlling all values that are human strengths to achieve goals (Sedarmayanti, 2017). In human resource management there are important factors

that influence employee performance in the Economic and Natural Resources Section of the Mojokerto City Government. Competence, commitment, and compensation are the three main factors that can influence employee performance through motivation. While motivation itself is a connecting factor that encourages someone to take certain actions or behaviors.

Performance is the result of work with the quality and quantity achieved by employees in completing tasks based on the responsibilities given. There are several indicators to assess whether an employee or employee is performing (Harras et al., 2020:20). Performance indicators can be seen from work results, work attitudes and work behavior.

Competence is defined as the ability needed to do or carry out work that is based on knowledge, skills and work attitudes. Competence is an ability and characteristic possessed by employees in the form of knowledge, skills and behavioral attitudes possessed in carrying out tasks professionally, effectively and efficiently, this is in accordance with the Decree of the Head of the State Civil Service Agency No. 46a of 2003).

Commitment is an agreement (binding) to carry out something or a contract. Commitment is very important for someone to have, the depth of a person's commitment can measure the level of consistency and responsibility to themselves and to the organization. Commitment plays a major role in the growth of organizational performance. According to David in (Astuti et al., 2021:153) there are four factors that influence commitment, including: personal factors, job characteristics, structural characteristics and work experience.

According to Lestari et al., (2021) in the study (Hadianto, 2022:271) compensation is any form of income in the form of money, goods directly or indirectly as compensation for services provided to the company to employees. There are 2 (two) types of compensation, namely direct compensation in the form of salary, wages, bonuses and commissions, while indirect compensation is in the form of facilities, allowances such as insurance and employee vacations or leave.

Hasibuan (2016:4) in (Ridho & Pratomo, 2023:2370) explains that motivation is basically a drive that creates a person's passion for work so that they are willing to work together, work effectively and integrate with all efforts to achieve goals. Madyarti (2021) in Ridho & Pratomo, (2023:2370) explains that motivation is one of the most important aspects in determining a person's behavior, including employee work behavior.

The Economic and Natural Resources Division of the Mojokerto City Government also contributed to the success of government programs by improving the quality of very complex Development activities, so the performance of employees of the Economic and Natural Resources Division of the Mojokerto City Government is one indicator of success in overseeing government programs. In the internal aspect of the regional apparatus organization, it is expected to have competence, commitment and high motivation and be supported by a fair compensation system for Human Resources involved in the government. Human Resources (HR) is an element in an organization that has a very strategic role in the progress of the organization to develop and achieve its goals.

METHOD

Population and Sample

The population used in this study were 35 civil servants in the Economic and Natural Resources Section of the Mojokerto City Government. The sampling technique used saturated or census sampling. Saturated or census sampling is a sampling technique when all members of the population are used as samples. So the sample used in this study was 35 employees in the Economic and Natural Resources Section of the Mojokerto City Government.

Analysis Methods

The data analysis method used is Partial Least Squares (PLS). PLS is a new method analysis technique pioneered by Herman World, PLS is commonly referred to as soft modeling. With PLS, structural equations with relatively small sample sizes can be modeled and multivariate normal assumptions are not required. Measurement models are used in testing the validity and reliability of measuring instruments, and structural models are used in testing causal relationships. PSL path modeling was developed as an alternative to Structural Equation Modeling (SEM) with a weak theoretical basis

RESULTS AND DISCUSSION

Evaluasi Inner Model

R-Square Calculation Value

Variabel	R-Square	Keterangan
Motivation (Z)	0,740	Reliabel
Performance (Y)	0,936	Reliabel

Source: Partial Least Square (PLS) Data Processing Results

The variables of Competence (X1), Commitment (X2) and Compensation (X3) that influence the variable of Motivation (Z) have an R-Square value of 0.740 which indicates that the model is “moderate”. While the variables of Competence (X1), Commitment (X2) and Compensation (X3) and Motivation (Z) that influence the variable of Employee Performance (Y) have an R2 value of 0.936 which indicates that the model is “strong”.

Hypothesis Testing

Direct Hypothesis Testing Results

	Original Sample (O)	Sampel Mean (M)	Standart Deviatin (STDEV)	T - Statistic (O/STDEV)	P- Value
Competence (X1) → Motivation (Z)	0,237	0,246	0,114	2,070	0,019
Commitment (X2) → Motivation (Z)	0,380	0,415	0,161	2,362	0,009
Compensation (X3) → Motivation (Z)	0,452	0,394	0,157	2,875	0,002
Competence (X1) → Performance (Y)	0,191	0,208	0,098	1,963	0,025
Commitment (X2) → Performance (Y)	0,183	0,186	0,081	2,272	0,012
Compensation (X3) → Performance (Y)	0,504	0,506	0,089	5,645	0,000
Motivation (Z) → Performance (Y)	0,254	0,225	0,095	2,664	0,004

Source: Partial Least Square (PLS) Data Processing Results.

Indirect Hypothesis Testing Results

	<i>Original Sample (O)</i>	<i>Sampel Mean (M)</i>	<i>Standart Deviatin</i>	<i>T - Statistic (O/STDEV)</i>	<i>P- Value</i>
Competence (X1) → Motivation (Z) → Performance (Y)	0,060	0,058	0,039	1,529	0,063
Commitment (X2) → Motivation (Z) → Performance (Y)	0,097	0,088	0,049	1,982	0,024
Compensation (X3) → Motivation (Z) → Performance (Y)	0,115	0,091	0,057	2,008	0,022

Source: Partial Least Square (PLS) Data Processing Results.

Discussion**The Influence of Competence on Motivation**

Based on the results of the analysis, it is known that the P-Value of the influence of Competence on Motivation is 0.019 where the value is smaller than 0.05 and the T statistic value is 2.070 which means it is greater than 1.96. So this means that there is a significant positive influence on the relationship between Competence and Motivation, where Competence in the agency is assessed by employees to have a significant influence on Motivation. Thus, the first hypothesis "Competence has a significant effect on Motivation" is declared accepted and proven to be true. The results of this study are the same as the findings of the previous study by ST Mubaroqah (2020) The Influence of Work Motivation on Employee Job Satisfaction.

The Influence of Commitment on Motivation

Based on the results of the analysis, it is known that the P-Value of the influence of Commitment on Motivation is 0.009 where the value is smaller than 0.05 and the T statistic value is 2.362 which means it is greater than 1.96. So this means that there is a significant positive influence on the relationship between Commitment and Motivation, where Commitment in the agency is assessed by employees to have a significant influence on Motivation. Thus, the second hypothesis "Commitment has a significant influence on Motivation" is declared accepted and proven true. The results of this study are the same as the findings of Dewi Fitriani's research (2022) that Commitment has a positive impact on Motivation.

The Effect of Compensation on Motivation

Based on the results of the analysis, it is known that the P - Value of the effect of Compensation on Motivation is 0.002 where the value is smaller than 0.05, the T statistic value is 2.875 which means it is greater than 1.96. So this means that there is a significant positive influence on the relationship between Compensation and Motivation, where Compensation in the agency is assessed by employees to have a significant influence on Motivation. Thus, the third hypothesis "Compensation has a significant effect on Motivation" is declared accepted and proven true. The results of this study are in line with the findings of Cosmas Mariones Galla's research (2020) that Compensation has a positive and significant effect on Motivation.

The Influence of Competence on Employee Performance

Based on the results of the analysis, it is known that the P-Value of the influence of Competence on Employee Performance is 0.025 where the value is smaller than 0.05 and the T statistic is 1.963 which means it is greater than 1.96. So this means that there is a significant positive influence on the relationship between Competence and Employee Performance, where Competence in the agency is assessed by employees to have a significant effect on Employee Performance. Thus, the fourth hypothesis "Competence has a significant effect on Employee Performance" is declared accepted and proven to be true. The results of this study support the findings in the results

of research conducted by Rahayu et al. (2022) which found that Competence can produce better employee performance.

The Influence of Commitment on Employee Performance

Based on the results of the analysis, it is known that the P-Value of the influence of Commitment on Employee Performance is 0.012 where the value is smaller than 0.05 and the T statistic value is 2.272 which means it is greater than 1.96. So this means that there is a significant positive influence on the relationship between Commitment and Employee Performance, where Commitment in the agency is assessed by employees to have a significant influence on Employee Performance. Thus, the fifth hypothesis "Commitment has a significant effect on Employee Performance" is declared accepted and proven true. The results of this study are in line with the findings in the results of research conducted by Citta and Arfiani (2019) which found that Commitment has an effect on employee performance.

The Influence of Compensation on Employee Performance

Based on the results of the analysis, it is known that the P-Value of the influence of Compensation on Employee Performance is 0.000 where the value is smaller than 0.05 and the T statistic value is 5.645 which means it is greater than 1.96. This means that there is a significant positive influence on the relationship between Compensation and Employee Performance, where Compensation in the agency is assessed by employees to have a significant influence on Employee Performance. Thus, the sixth hypothesis "Compensation has a significant effect on Employee Performance" is declared accepted and proven true. The results of this study are in line with the findings in the results of research conducted by Rahayu et al. (2022) which found that Compensation can produce better employee performance.

The Influence of Motivation on Employee Performance

Based on the results of the analysis, it is known that the P-Value of the influence of Motivation on Employee Performance is 0.004 where the value is smaller than 0.05 and the T statistic value is 2.664 which means it is greater than 1.96. So this means that there is a significant positive influence on the relationship between Motivation and Employee Performance, where Motivation in the agency is assessed by employees to have a significant influence on Employee Performance. Thus, the seventh hypothesis "Motivation has a significant influence on Employee Performance" is declared accepted and proven true. The results of this study are the same as the findings of Cosmas Mariones Galla's research (2020) that job satisfaction has a positive and significant effect on employee performance.

The Influence of Competence on Employee Performance through Motivation

Based on the results of the analysis, it is known that the P-Value of the influence of Competence on Employee Performance through Motivation is 0.063 where the value is greater than 0.05 and the T statistic value is 1.529 which means it is less than 1.96. So this means that there is no significant positive influence on the relationship between Competence on Employee Performance through Motivation, where Competence in the agency is assessed by employees as not having a significant effect on Employee Performance. Thus, the eighth hypothesis "Motivation has a significant effect on Employee Performance through Job Satisfaction as an intervening variable" is declared rejected and not proven true. The results of this study are the same as the findings of Yandra's research (2020) that motivation through job satisfaction has no effect on employee performance.

The Influence of Commitment on Employee Performance through Motivation

Based on the results of the analysis, it is known that the P-Value of the Influence of Commitment on Employee Performance through Motivation is 0.024 where the value is smaller than 0.05 and the T statistic value is 1.982 which means it is greater than 1.96. So this means that

there is a significant positive influence on the relationship between Commitment to Employee Performance through Motivation, where Commitment in the agency is assessed by employees to have a significant influence on Employee Performance through Motivation. Thus, the ninth hypothesis "Commitment influences Employee Performance through Motivation" is declared accepted and proven true. The results of this study are the same as the findings of Dewi Fitriani's research (2022) that Commitment has a positive impact on employee performance through Motivation as an intervening variable.

The Effect of Compensation on Employee Performance through Motivation

Based on the results of the analysis, it is known that the P-Value of the Effect of Compensation on Employee Performance through Motivation is 0.022 where the value is smaller than 0.05 and the T statistic value is 2.008 which means it is greater than 1.96. So this means that there is a significant positive influence on the relationship between Compensation on Employee Performance through Motivation, where Compensation in the agency is considered by employees to have a significant effect on Employee Performance. Thus, the tenth hypothesis "Compensation affects Employee Performance through Motivation" is declared accepted and proven true. The results of this study are the same as the findings of Cosmas Mariones Galla's research (2020) that compensation has a significant effect on employee performance through motivation as an intervening variable.

CONCLUSION

The conclusions in this study are as follows:

1. Competence has a significant effect on motivation.
2. Commitment has a significant effect on motivation.
3. Compensation has a significant effect on motivation.
4. Competence has a significant effect on performance.
5. Commitment has a significant effect on performance.
6. Compensation has a significant effect on performance.
7. Motivation has a significant effect on performance.
8. Competence has a significant effect on performance with motivation as an intervening variable.
9. Commitment has a significant effect on performance with motivation as an intervening variable.
10. Compensation has a significant effect on performance with motivation as an intervening variable.

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