

Determinant Factors of Employee Performance

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Abstract

This study aims to analyze the effect of motivation and competence on employee performance with commitment as an intervening variable at the Representative Office of Bank Indonesia, West Sumatra. The research method used is a quantitative approach with data collection techniques through questionnaires. The population in this study consisted of all employees totaling 60 people, using a saturated sampling technique, so that the entire population was used as respondents. The data analysis technique used is Structural Equation Modeling (SEM) based on Partial Least Square (PLS) with the assistance of SmartPLS software. The results of the study indicate that competence has a positive and significant effect on employee performance and also has a positive and significant effect on commitment. Commitment also has a positive and significant effect on employee performance. Meanwhile, motivation does not have a significant effect on employee performance, but has a positive and significant effect on commitment. In addition, commitment is proven to mediate the effect of competence and motivation on employee performance. Thus, improving employee performance can be achieved through enhancing competence and strengthening organizational commitment. The results of this study are expected to be taken into consideration by management in improving employee performance.

Keywords: Motivation, Competence, Commitment, Employee Performance

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Introduction

According to Mangkunegara (2019), performance is the result of work in terms of quality and quantity achieved by a person in carrying out tasks in accordance with the responsibilities given. Furthermore, work motivation according to Robbins and Judge (2017) is a process that explains the intensity, direction, and perseverance of individuals in achieving goals. Meanwhile, competence according to Sutrisno (2019) is a work ability that includes the knowledge, skills, and attitudes needed to complete work. In the perspective of organizational behavior theory, high motivation will encourage individuals to work more optimally, while good competence will improve the individual's ability to complete tasks effectively and efficiently. According to Meyer and Allen (2018), organizational commitment is the level of emotional attachment, identification, and involvement of individuals to the organization. Employees who have high commitment tend to have loyalty, responsibility, and a desire to make the best contribution to the organization. This condition shows that although organizations have made efforts to increase motivation through various policies, such as providing incentives and rewards, as well as improving competencies through training and development, the results have not been fully maximized. This can have an impact on the consistency of employee performance in achieving organizational goals.

Literature Review

2.1 Employee Performance

According to Mangkunegara (2019), performance is the result of work in terms of the quality and quantity achieved by employees. According to Wibowo (2018), performance is the result of work related to organizational goals.

2.2 Employee Performance Indicators

According to Mangkunegara (2019), performance indicators include:

- a.2.1 Quality of work The level of precision and neatness of the work.
- b.2.2 Quantity of work The number of jobs completed in a given period.
- c.2.3 Punctuality Ability to complete work on deadline.
- d.2.4 Effectiveness: The ability to use resources optimally.
- e.2.5 Independence The ability to work without relying too much on others.

2.3 Work Motivation

According to Afandi (2018), work motivation is an impulse in a person that causes a person to strive to achieve organizational goals optimally. According to Busro (2018), work motivation is a force that encourages a person to act and behave in achieving the desired work results.

2.4 Indicators of Work Motivation

According to Afandi (2018), indicators of work motivation include:

- a.4.1 Physiological needs
- b.4.2 Security needs
- c.4.3 Social needs
- d.4.4 Reward needs.
- e.4.5 Self-actualization

2.5 Competencies

According to Sutrisno (2019), competence is an individual's ability that includes knowledge, skills, and work attitudes. According to Busro (2018), competence is a basic characteristic of a person that affects work success.

2.6 Competency Indicators

According to Sutrisno (2019), competency indicators include:

- a.6.1 Knowledge
- b.6.2 Skills

- c.6.3 Attitude
- d.6.4 self-concept
- c.6.5 Motive

2.7 Organizational Commitment

According to Edison et al. (2018), organizational commitment is an emotional attachment to the organization. According to Meyer & Allen (2019), organizational commitment is a strong desire to remain part of the organization.

2.8 Organizational Commitment Indicators

According to Meyer & Allen (2019), indicators include:

- a.8.1 Affective commitment
- b.8.2 Ongoing commitment
- c.8.3 Normative commitment
- d.8.4 Loyalty
- e.8.5 Work involvement

Research Methodology

This study uses a quantitative approach with the type of associative research. According to Sugiyono (2019), quantitative research is a research method based on the philosophy of positivism that is used to research certain populations or samples with the aim of testing predetermined hypotheses.

According to Sugiyono (2019), population is a generalized area consisting of objects or subjects that have certain qualities and characteristics that are determined by researchers to be studied and then drawn conclusions. The population in this study is all employees at the Bank Indonesia Representative Office in West Sumatra which is 60 people. According to Sugiyono (2019), samples are part of the number and characteristics possessed by the population. In this study, the sampling technique uses saturated sampling (census), where the entire population is sampled. Thus, the number of samples in this study is 60 respondents.

3.1 Measurement Model (Outer Model)

The measurement model (outer model) is used to test the relationship between latent variables and their indicators. The evaluation of the outer model aims to determine the validity and reliability of the research instrument (Ghozali, 2018).

The outer model testing includes:

- a.1.1 Convergent Validity
- b.1.2 Discriminant Validity
- c.1.3 Composite Reliability
- d.1.4 Average Variance Extracted (AVE)

3.2 Model Struktural (Inner Model)

The internal model testing includes:

- a.2.1 R-Square (R^2)

R-Square is used to measure how much an independent variable is capable of explaining dependent variables.

According to Ghozali (2018), the value of R^2 is divided into:

- b.2.2 0.75 (strong)
- c.2.3 0.50 (moderate)
- d.2.4 0.25 (weak)

The greater the R^2 value, the better the model's ability to explain the dependent variable.

3.3 Path Coefficient

The path coefficient is used to indicate the direction and strength of the relationship between variables. According to Ghozali (2018), the value of the path coefficient ranges from -1 to +1, where:

- a.3.1 Positive values indicate a one-way relationship
- b.3.2 Negative values indicate an opposite relationship
- c.3.3 The closer it is to ± 1 , the stronger the relationship between variables.

3.4 Uji Statistics (Bootstrapping)

According to Ghozali (2018), the testing criteria are:

- a.4.1 T-Statistic > 1.96 (significance rate 5%)
- b.4.2 p-value < 0,05

Results

The structural model in this study is shown in the following Figure

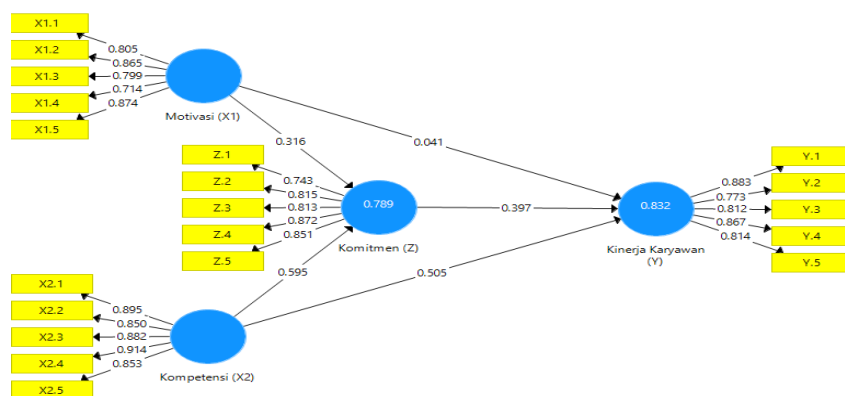


Figure 2 : Outer Model

Source: Smart PLS 3.3.3

All indicators for Motivation , Competence , Employee Performance , and Commitment have values above 0.70. For the motivation variable, loading values ranged from 0.714 to 0.874. The competence variable showed high values between 0.850 and 0.914. Furthermore, the employee performance variable had values between 0.773 and 0.883, while the commitment variable ranged from 0.743 to 0.872. Although some indicators approached the minimum threshold, all still met the established criteria.

Table 1 : Construct Reliability and Validity

	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Employee Performance (Y)	0,887	0,917	0,690
Commitment (Z)	0,877	0,911	0,672
Competence (X2)	0,926	0,944	0,772
Motivation (X1)	0,870	0,907	0,661

Source: Smart PLS 3.3.3

Based on the test results, all variables have Cronbach's Alpha values above 0.70, namely Employee Performance (0.887), Commitment (0.877), Competence (0.926), and Motivation

(0.870), thus declared reliable. The Composite Reliability values are also all above 0.70, indicating good internal consistency. Furthermore, the Average Variance Extracted (AVE) values for all variables are above 0.50, namely Employee Performance (0.690), Commitment (0.672), Competence (0.772), and Motivation (0.661), thus meeting the convergent validity criteria. Therefore, it can be concluded that all variables in this study are reliable and valid for further analysis.

Coefficient of Determination (R²)

Based on data processing conducted using the SmartPLS 3.0 program, the R Square values obtained are as follows:

Table 2 : R Square Results

	R Square	Adjusted R Square
Employee Performance (Y)	0,832	0,823
Commitment (Z)	0,789	0,782

Source: Smart PLS 3.3.3

Hypothesis Testing

Tabel 3.Path Coefficients (Pengaruh Langsung)

	Sampel Asli (O)	T Statistik (O/STDEV I)	P Values	Haasil
Komitmen (Z) -> Kinerja Karyawan (Y)	0,397	3,394	0,000	Diterima
Kompetensi (X2) -> Kinerja Karyawan (Y)	0,505	3,926	0,000	Diterima
Kompetensi (X2) -> Komitmen (Z)	0,595	5,516	0,000	Diterima
Motivasi (X1) -> Kinerja Karyawan (Y)	0,041	0,392	0,347	Ditolak
Motivasi (X1) -> Komitmen (Z)	0,316	2,534	0,006	Diterima

Sumber: Smart PLS 3.3.3

1. The test results showed that Commitment had a positive and significant effect on Employee Performance with a coefficient value of 0.397, T-statistic of 3.394, and P-Values of 0.000.
2. Competence has a positive and significant influence on Employee Performance with a coefficient value of 0.505, T-statistics of 3.926, and P-Values of 0.000. This shows that Competence is the most dominant factor in improving performance. Employees who have good knowledge, skills, and abilities tend to be able to complete work more effectively and efficiently.
3. The results of the study showed that Competence had a positive and significant effect on Commitment with a coefficient value of 0.595, T-statistic of 5.516, and P-Values of 0.000. This means that the higher the competence that employees have, the higher their commitment to the organization. Competent employees tend to feel more confident and have a stronger attachment to their work.
4. Motivation had no significant effect on Employee Performance with a coefficient value of 0.041, T-statistic of 0.392, and P-Values of 0.347. This shows that the motivation possessed by employees has not been able to directly improve performance. This condition can be

caused by other factors such as Competence and Commitment which are more dominant in influencing performance.

- Motivation had a positive and significant effect on Commitment with a coefficient value of 0.316, T-statistic of 2.534, and P-Values of 0.006. This means that the higher the motivation of employees, the higher the commitment to the organization. Motivation is an internal driver that strengthens employee attachment at work.

Tabel 4 : Path Coefficients (Pengaruh Tidak Langsung)

	Sampel Asli (O)	T Statistik (I O/STDEV I)	P Values	Hasil
Kompetensi (X2) -> Komitmen (Z) -> Kinerja Karyawan (Y)	0,236	3,134	0,001	Diterima
Motivasi (X1) -> Komitmen (Z) -> Kinerja Karyawan (Y)	0,125	1,860	0,032	Diterima

Sumber: Smart PLS 3.3.3

- The test results showed that Competence had a positive and significant effect on Employee Performance through Commitment with a coefficient value of 0.236, T-statistic of 3.134, and P-Values of 0.001. This means that Commitment is able to mediate the relationship between Competence and Employee Performance. The higher the Competence that employees have, it will increase Commitment, which ultimately has an impact on improving Employee Performance.
- Motivation also has a positive and significant effect on Employee Performance through Commitment with a coefficient value of 0.125, T-statistic of 1.860, and P-Values of 0.032. This shows that although Motivation does not have a direct effect on performance, through Commitment, Motivation can increase Employee Performance. In other words, Commitment acts as a mediating variable that strengthens the influence of Motivation on performance.

Conclusion

- Commitment has a positive and significant effect on Employee Performance, so the higher the Commitment, the more employee performance will improve.
- Competence has a positive and significant effect on Employee Performance, and is the most dominant factor in improving performance.
- Competence has a positive and significant effect on Commitment, so the higher the employee's Competence, the higher the Commitment.
- Motivation does not have a significant effect on Employee Performance, so it does not directly improve performance.
- Motivation has a positive and significant effect on Commitment, so the higher the Motivation, the higher the employee's Commitment.
- Competence has a positive and significant effect on performance through Commitment, so that Commitment is able to mediate the relationship.
- Motivation has a positive and significant effect on performance through Commitment, so Commitment plays a role as a mediating variable.

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