The Role of Work Discipline in Mediating the Influence of Competency on Work Productivity in the Regional Finance and Asset Agency of North Sumatra Province

Muhammad Fahmi, Elfitra Desy Surya, Mesra B.

Abstract

This study aims to analyze the influence of competence on work productivity with work discipline as an intervening variable in the Regional Finance and Assets Agency of North Sumatra Province. This study uses a quantitative approach with a survey method through the distribution of questionnaires to employees as 80 respondents. The research sample is determined by purposive sampling technique so that the data obtained is relevant to the focus of the research. The collected data is analyzed using path analysis to determine the direct and indirect influence between variables. The results of the study show that work discipline has a positive but not significant effect. Competence has a positive and significant effect on work productivity, as well as through work discipline. Work discipline also has a positive and significant effect on work productivity. In addition, competence through work discipline has a positive and significant effect on work productivity. Thus, work discipline plays a role as an intervening variable that mediates only competence on work productivity. These findings are expected to be considered by leaders in increasing work productivity through the implementation of competency improvement, as well as the implementation of good work discipline in the organizational environment.

Keywords: Competence, Work Discipline, Work Productivity

Muhammad Fahmi
Master of Management, Universitas Pembangunan Panca Budi, Indonesia
e-mail: muhammad_faizfahmi@yahoo.com

Elfitra Desy Surya, Mesra B.
e-mail: elfitradesy@dosen.pancabudi.ac.id, mesrab@dosen.pancabudi.ac.id

Introduction

The Regional Finance and Assets Agency (BKAD) of North Sumatra Province has a vital role in regional financial management which demands high effectiveness, efficiency, and accountability. To realize this, employee work productivity is a determining factor that cannot be ignored. In an effort to increase productivity, employee competencies that include knowledge, skills, and professional attitudes are basic prerequisites. According to Faizal and Bachri (2023), good competence must be supported by strong work discipline in order to have a significant impact on employee work productivity. Work discipline itself is defined as employees' compliance with rules, rules, and responsibilities carried out in carrying out their duties consistently (Marwa, Mersin, & Dullah, 2022).

Several recent studies have shown a positive relationship between competence, work discipline, and work productivity. Faizal and Bachri (2023) in their research at the Palopo City Fisheries Service found that competence has a direct effect on work productivity, but the influence will be stronger if it is supported by a good level of work discipline. A similar study was also conducted by Marwa et al. (2022) which proved that competence and work discipline together affect employee productivity in the local government sector in West Papua. In addition, Agung Budi (2023) emphasized that work discipline can be a mediating variable that bridges the relationship between competencies and employee performance, as shown in research at PDAM West Java. This indicates that work discipline is not only a supporting factor, but also an important mechanism that explains how competencies can be actualized into employee work productivity.

However, in reality, there are still BKAD employees who have adequate technical competence but have not shown optimal work discipline, such as untimely attendance, non-compliance with standard operating procedures, and weak commitment to work targets (Faizal & Bachri, 2023; Marwa et al., 2022). This condition has an impact on the achievement of work productivity that has not been maximized, even though productivity is an important indicator of the success of transparent and accountable regional financial management. This fact shows the need for an in-depth study of how work discipline plays a mediating variable in the relationship between competence and employee work productivity, especially in the North Sumatra Province BKAD environment. Thus, this research is expected to make an empirical and practical contribution to improving human resource management policies, especially in terms of strengthening competencies followed by the enforcement of work discipline to increase employee productivity in a sustainable manner (Agung Budi, 2023).

Literature Review
2.1 Work Productivity

According to Mangkunegara (2017), work productivity is the overall work of a person in a certain period of time compared to set standards or targets.

Work Productivity Indicators

According to Mangkunegara (2017), employee work productivity can be measured through the following indicators:

1. Quantity of Work Results
   The amount of work produced by an employee in a given time.
2. Quality of Work Results
   The level of accuracy, neatness, and conformity of the work results to the organization's standards or expectations.
3. Timeliness in Getting Work Done
   The ability of employees to complete tasks according to the specified time.
4. Work Attendance or Absence

The level of employee attendance at work, which shows consistency and commitment to work.
5. Teamwork Ability
Employees are able to work closely with colleagues and demonstrate a cooperative attitude in the team.

2.2 Work Discipline

According to Mangkunegara (2017), work discipline is an attitude and behavior of employees that shows obedience and compliance with the applicable regulations in the organization."

Indicators of Work Discipline

Indicators of work discipline according to Mangkunegara (2017):
1. Regulatory Compliance
The level of employee compliance with the rules and regulations that apply in the organization.
2. Compliance with Working Hours
Punctuality in attending work, going to work, resting, and returning home on schedule.
3. Compliance with Work Standards
Discipline in carrying out work in accordance with the established standard operating procedures (SOP).
4. Responsibilities in Carrying Out Duties
The seriousness and seriousness of the employees in completing the tasks given.
5. Consistency of Work Behavior
Stability and consistency of employees in behaving and acting in accordance with organizational values.

2.3 Competence

According to Sedarmayanti (2017), competence is a work ability of each individual that includes aspects of knowledge, skills, and work attitudes in accordance with the set standards.

Competency Indicators

Competency indicators according to Sedarmayanti (2017):
1. KnowledgeThe individual's ability to understand and master certain information, procedures, or areas needed in the performance of a task.
2. Skills
A person's technical and non-technical ability to complete work effectively and efficiently.
3. Work Attitude
An individual's way of behaving towards work, including motivation, responsibility, discipline, and cooperation.
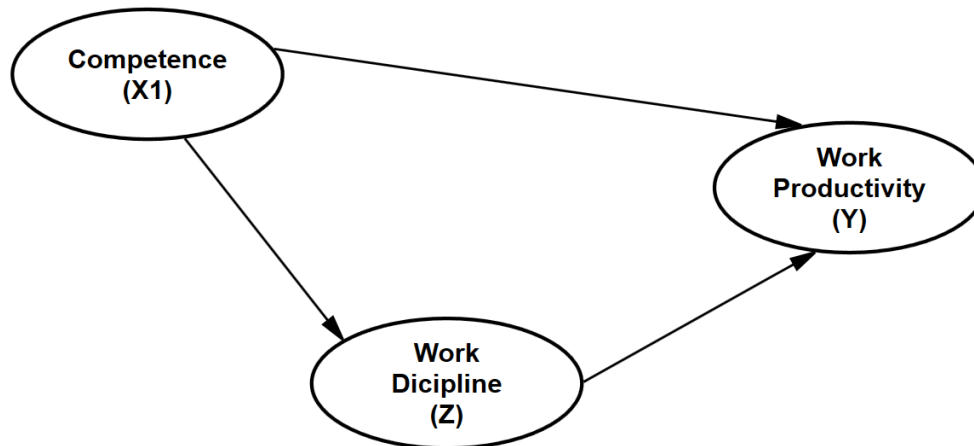
Conceptual Framework

Figure 1. Research Conceptual Framework

Research Hypothesis

H1: Competence has a positive and significant effect on work productivity at the Regional Finance and Assets Agency of North Sumatra Province.

H2: Competence has a positive and significant effect on work discipline in the Regional Finance and Assets Agency of North Sumatra Province.

H3: Work discipline has a positive and significant effect on work productivity in the Regional Finance and Assets Agency of North Sumatra Province.

H4: Competence has a positive and significant effect on work productivity through work discipline at the Regional Finance and Assets Agency of North Sumatra Province.

Methods
Types of Research
The type of research that the researcher uses is quantitative research. This type of quantitative research is carried out to make a study that aims to adjust a research and to analyze the competency of employee performance with work discipline as an intervening variable in the Regional Finance and Assets Agency of North Sumatra Province.

Research Location and Research Time

The location of the research was conducted at the Regional Finance and Assets Agency of North Sumatra Province, which is located on Jl. Jl. Imam Bonjol No. 61, Suka Damai, Medan 20142. The research period was carried out for 3 months, from April to June 2025.

Population and Sample

The population and sample in this study are all permanent employees at the Regional Finance and Assets Agency of North Sumatra Province. The number of employees at the office of the Regional Finance and Assets Agency of North Sumatra Province is 135 employees, with

details: 80 ASN and 55 people as honorary employees. In this study, the sample was taken from ASN employees alone as many as 80 people.

Research Data Sources

The data source used in this study is primary data.

Result and Discussion
Outer Model *Analysis*

The *Outer Model* analysis using *the PLS Algorithm* yielded:

Validity Test

Table 1. Value of Outer Loadings

	Competence	Work Discipline	Work Productivity
X2.1	0,893		
X2.2	0,923		
X2.3	0,852		
Y.1			0,826
Y.2			0,897
Y.3			0,881
Y.4			0,788
Y.5			0,848
Z.1		0,896	
Z.2		0,814	
Z.3		0,836	
Z.4		0,856	
Z.5		0,899	

Source: PLS Smart Output, 2025

Based on the values in Table 1 above, showing the results of the outer model test through the loading factor / outer loadings value, all indicators in each variable have a loading value ≥ 0.70. This shows that each indicator is able to represent a measured construct validly and robustly. Therefore, it can be concluded that all items in the questionnaire have met the criteria of convergent validity and can be used in subsequent analysis. For more details on the above value, you can also see the following figure.
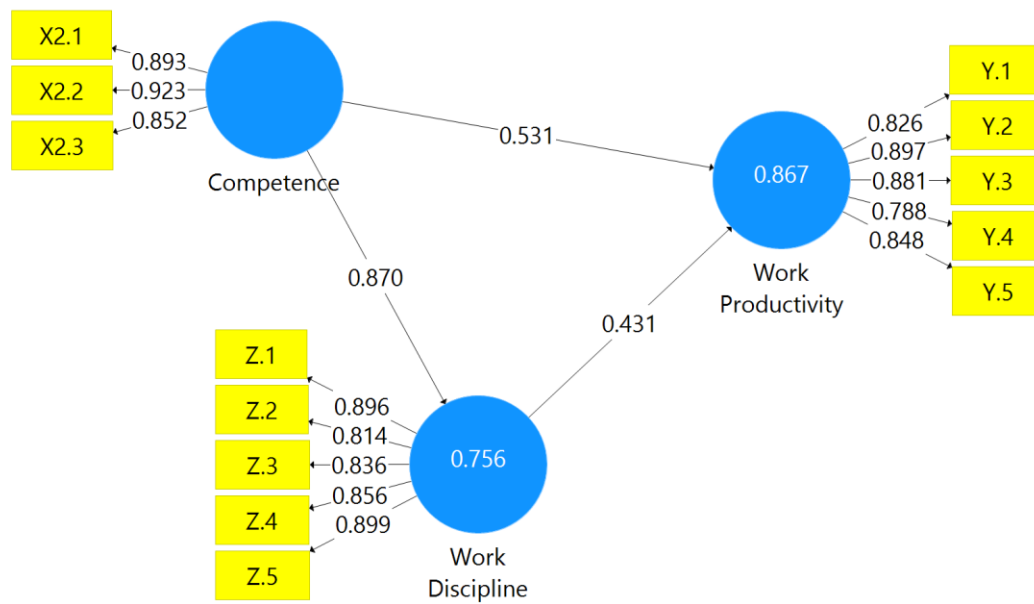
Figure 1. Outer Loudings

Reliability Test

Table 2. Construct Reliability and Validity Test

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Competence	0,868	0,870	0,919	0,792
Work Discipline	0,912	0,915	0,934	0,741
Work Productivity	0,902	0,905	0,928	0,721
Competence	0,868	0,870	0,919	0,792

Source: PLS Smart Output, 2025

From Table 2 above, the reliability test results show that Cronbach's Alpha and Composite Reliability values on all constructs have values above 0.70. This shows that all indicators have high internal consistency and are reliable in measuring their respective constructs. Thus, the research instrument is declared reliable and feasible for use in structural model testing.

Coefficient of Determination (R2)

In assessing a model with PLS it starts by looking at the R-square for each dependent latent variable. The table below is the result of Rsquare estimation using SmartPLS.

Table 3. R Square Results

	R Square	R Square Adjusted
Work Discipline	0,756	0,753
Work Productivity	0,867	0,863

Source: Smart PLS, 2025

In table 3, there is an R square value in both dependent variables for the work discipline variable, there is an R square value of 0.756, meaning that the influence of competence is 0.752 or 75.2%, the rest is in other variables outside the model. The R square value of work productivity is 0.867, meaning that the influence of competence and work discipline is 0.867 or 86.7%, the rest is on other variables outside the model.

Structural Model Testing (Inner Model)

Hypothesis Testing

Direct Influence Between Variables

The direct influence between variables can be seen in the value *of path coefficients*. The results of the data processing show the value of direct influence can be seen in the following table.

Table 4. *Path Coefficients* (Direct Influence)

	Original Sample	T Statistics	P Values	Conclusion
Competence -> Work Productivity	0,531	3,945	0,000	Accepted
Competence -> Work Discipline	0,870	13,192	0,000	Accepted
Work Discipline -> Work Productivity	0,431	3,130	0,002	Accepted

Source: PLS Smart Output, 2025

In the results of Table 4, there is a direct influence value which will be explained as follows:

a. Competence has a positive and significant effect on work productivity with a t-statistical value of 3.945 above 1.96 and a significance of 0.000 below 0.05, meaning that competence has a positive and significant effect on work productivity because the significance value is below 0.05. The results of this study are in accordance with previous research, namely competence has a positive and significant effect on work productivity at PT Dua Kuda Indonesia (Pratama & Permatasari, 2021).

b. Competency has a positive and significant effect on work discipline with a t-statistical value of 13.192 above 1.96 and a significance of 0.000 below 0.05, meaning that competence has a positive and significant effect on work discipline because the significance value is below 0.05. The results of this study are also in accordance with the research conducted by Firdaus (2021) which states that competence has a positive and significant effect on work discipline.

c. Work discipline has a positive and significant effect on work productivity with a t-statistical value of 3.130 above 1.96 and a significance of 0.002 below 0.05, meaning that work discipline has a positive and significant effect on work productivity because the significance value is below 0.05. The results of this study are in accordance with the results of previous research, namely the research of Aditya, et al (2021)) which stated that work discipline has a positive and significant effect on work productivity.

Indirect Influence Between Variables

The indirect influence between variables can be seen in the value *of specific indirect effects*. The results of data processing show the value of indirect influence can be seen in Table 5 below.

Table 5. *Specific Indirect Effects*

	Original Sample	T Statistics	P Values	Conclusion
Competence -> Work Discipline -> Work Productivity	0,375	2,870	0,004	Accepted

Source: Smart PLS, 2025

In table 5, there is an indirect influence between variables which will be explained as follows: Competence has a positive and significant effect on work productivity through work discipline with a t-statistical value of 2.870 above 1.96 and a significance value of 0.004 below 0.05, meaning that discipline plays a role as an intervening variable between competence and work productivity, but the direct influence is greater when compared to the indirect influence.

Conclusion

1. Competence has a positive and significant effect on work productivity at the Regional Finance and Assets Agency of North Sumatra Province.
2. Competence has a positive and significant effect on work discipline at the Regional Finance and Assets Agency of North Sumatra Province.
3. Work discipline has a positive and significant effect on work productivity at the Regional Finance and Assets Agency of North Sumatra Province.
4. Competence has a positive and significant effect on work productivity through work discipline at the Regional Finance and Assets Agency of North Sumatra Province.

Suggestion

1. Competency with the statement "I have a positive work attitude such as discipline, honesty, and responsibility". For his advice, there needs to be an example from leaders and superiors and implement a consistent reward & punishment system.
2. For the variable of work discipline with the statement "I arrived on time and followed working hours according to applicable regulations". Suggestions from agencies that can

be given are in the form of strengthening the attendance system and time supervision and giving appreciation to employees who have been disciplined.

3. Work productivity with the statement "I am present regularly and on time according to the work schedule". Suggestions that can be given are in the form of strengthening the attendance and attendance monitoring system and implementing strict and gradual sanctions so that employees can comply with the rules that have been implemented.

References

[1] Agung Budi. (2023). The Influence of Work Competency and Discipline on Employee Performance through Work Discipline as a Mediation Variable. Journal of Human Resource Management, 8(1), 55–65.

[2] Faizal, M., & Bachri, I. (2023). The Effect of Competence and Work Discipline on the Productivity of Employees of the Palopo City Fisheries Service. Journal of Public Administration, 10(2), 120–130.

[3] Firdaus, A., Nuryanti, N., & Rama, R. (2021).*The Effect of Providing Incentives, Competencies and Workload on Employee Work Discipline at PT. National Pension Savings Bank (BPTN) Pekanbaru Branch*(Doctoral dissertation, Riau University).

[4] Ghozali, I. (2021). Multivariate analysis applications with the IBM SPSS 26 program (10th Edition). Semarang: UNDIP.

[5] Hair, J. F., Jr., Hult, G. T. M., Ringle, C. M., & Sarstedt, M. (2021). *A Primer on Partial Least Squares Structural Equation Modeling (PLSSEM)* (3rd ed.). Sage.

[6] Mangkunegara, A. A. A. P. (2017). Corporate Human Resource Management. Bandung: PT Remaja Rosdakarya.

[7] Marwa, L., Mersin, A., & Dullah, Y. (2022). The Influence of Work Competence and Discipline on the Productivity of West Papua Regional Government Apparatus. Journal of State Administrative Sciences, 12(1), 45–52.

[8] Mesra, B., Ferine, K. F., & Nur, M. (2024, February). Analysis of Compensation, Work Discipline and Job Promotion on Employee Performance with Work Morale as an Intervening Variable. In International Conference on Artificial Intelligence, Navigation, Engineering, and Aviation Technology (Vol. 1, No. 1, pp. 259-264).

[9] Noe, R. A. (2017). Employee Training and Development (7th ed.). New York: McGraw-Hill Education.

[10] Pratama, S. A., & Permatasari, R. I. (2021). The effect of the application of operational standards, procedures and competencies on the work productivity of employees of the export division of pt. Two Indonesian horses.*m-progress scientific journal*,*11*(1).

[11] Rahmawati, A. (2019).*The Effect of Employee Motivation and Training on Employee Work Productivity with Work Discipline as an Intervening Variable (Case Study on Bank Rakyat Indonesia Syariah Kc Semarang)*(Doctoral dissertation, IAIN Salatiga).

[12] Serendipity. (2017). Human Resources and Work Productivity. Bandung: Mandar Maju.

[13] Sekaran, U. (2021). Research Methods for Business: A Skill Building Approach (6th ed.). New York: Wiley.

[14] Sugiyono. (2021). Quantitative, Qualitative and R&D Research Methods.

[15] Sugiyono. (2022). Quantitative research methods (3rd Cet.). Bandung: Alfabeta.

[16] Sutrisno, E. (2016). Human Resource Management. Jakarta: Kencana.

[17] Syahrizal, S., & Mesra, B. (2023). The Influence Of Leadership Style On Teacher Loyalty Through Work Discipline In Middle Schools At The Esa Prakarsa Education Foundation Langkat District.*Horizontal Journal*,*3*(3), 537-548.