

Optimizing Employee Performance Through Work Spirit

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Abstract

This study aims to analyze the effect of competence, motivation, and reward on employee performance with work spirit as an intervening variable among Technical Service Employees of PT PLN (Persero) ULP Pangkalan Brandan. This research employs a quantitative approach using a survey method. The population and sample consist of 52 employees, and a census sampling technique is applied. Data were collected through questionnaires and analyzed using the Partial Least Square (PLS) method. The results indicate that competence has a positive and significant effect on employee performance and work spirit. Motivation does not have a significant effect on employee performance or work spirit. Reward has a significant effect on work spirit but does not significantly affect employee performance. Furthermore, work spirit has a positive and significant effect on employee performance. The indirect effect analysis shows that work spirit does not mediate the relationship between competence and motivation on employee performance, nor does it mediate the effect of reward on employee performance. This study concludes that employee performance is more strongly influenced by competence and work spirit than by motivation and reward.

Keywords: Competence, Motivation, Reward, Work Spirit, Employee Performance

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Introduction

Good performance not only increases productivity and service quality but also serves as an indicator of management's success in effectively managing human resources. According to Robbins and Judge (2019), employee performance is influenced by ability, motivation, and the opportunities provided by the organization to the individual. Competence is a combination of the knowledge, skills, and attitudes possessed by employees to carry out their duties effectively and efficiently (Dessler, 2017). Technical and managerial competencies of employees are highly necessary, especially in technical service units like PT PLN (Persero) ULP Pangkalan Brandan, considering the complexity of work involving power grid maintenance, outage handling, and improving electricity system reliability. Employees with high competence are able to complete work accurately, on time, and with quality, thereby directly impacting company performance. Motivation is an internal or external drive that influences a person's behavior to achieve certain goals (Robbins, 2018). Motivated employees tend to show initiative, a sense of responsibility, and high commitment to their work. Highly motivated employees are expected to be able to face work challenges with full spirit and produce maximum performance. Another factor that plays a role in improving employee performance is reward or recognition. Reward can be financial or non-financial and functions as a form of company appreciation for employee contributions (Armstrong, 2019). Appropriate reward provision not only increases employee satisfaction and loyalty but also encourages work spirit to achieve set targets. At PT PLN (Persero) ULP Pangkalan Brandan, the reward system includes performance incentives, bonuses, achievement recognition, and non-material awards, all of which are expected to motivate employees to work better and more productively. Employees with high work spirit usually show better productivity, can adapt to changes, and have commitment to achieving organizational goals. Work spirit is not only an indicator of positive behavior but also a bridge connecting internal and external company factors with employee performance outcomes. The relationship between competence, motivation, and reward on employee performance is not always direct but is influenced by work spirit as an intervening variable. Based on these conditions, this study is conducted to analyze the influence of competence, motivation, and reward on employee performance with work spirit as an intervening variable among technical service employees of PT PLN (Persero) ULP Pangkalan Brandan. The study's results are expected to provide practical input for company management in designing human resource development strategies, increasing employee work spirit, and building an effective reward system to improve overall organizational performance.

Problem Formulation

1. Does Competence have a positive and significant effect on Employee Performance at PT PLN (Persero) ULP Pangkalan Brandan?
2. Does Motivation have a positive and significant effect on Employee Performance at PT PLN (Persero) ULP Pangkalan Brandan?
3. Does Reward have a positive and significant effect on Employee Performance at PT PLN (Persero) ULP Pangkalan Brandan?
4. Does Competence have a positive and significant effect on Work Spirit at PT PLN (Persero) ULP Pangkalan Brandan?
5. Does Motivation have a positive and significant effect on Work Spirit at PT PLN (Persero) ULP Pangkalan Brandan?
6. Does Reward have a positive and significant effect on Work Spirit at PT PLN (Persero) ULP Pangkalan Brandan?
7. Does Work Spirit have a positive and significant effect on Employee Performance at PT PLN (Persero) ULP Pangkalan Brandan?
8. Does Competence have a positive and significant effect on Employee Performance through Work Spirit at PT PLN (Persero) ULP Pangkalan Brandan.

9. Does Motivation have a positive and significant effect on Employee Performance through Work Spirit at PT PLN (Persero) ULP Pangkalan Brandan?
10. Does Reward have a positive and significant effect on Employee Performance through Work Spirit at PT PLN (Persero) ULP Pangkalan Brandan?

Research Objectives

1. To test and analyze the influence of Competence on Employee Performance at PT PLN (Persero) ULP Pangkalan Brandan.
2. To test and analyze the influence of Motivation on Employee Performance at PT PLN (Persero) ULP Pangkalan Brandan.
3. To test and analyze the influence of Reward on Employee Performance at PT PLN (Persero) ULP Pangkalan Brandan.
4. To test and analyze the influence of Competence on Work Spirit of employees at PT PLN (Persero) ULP Pangkalan Brandan.
5. To test and analyze the influence of Motivation on Work Spirit of employees at PT PLN (Persero) ULP Pangkalan Brandan.
6. To test and analyze the influence of Reward on Work Spirit of employees at PT PLN (Persero) ULP Pangkalan Brandan.
7. To test and analyze the influence of Work Spirit on Employee Performance at PT PLN (Persero) ULP Pangkalan Brandan.
8. To test and analyze the influence of Competence on Employee Performance through Work Spirit at PT PLN (Persero) ULP Pangkalan Brandan.
9. To test and analyze the influence of Motivation on Employee Performance through Work Spirit at PT PLN (Persero) ULP Pangkalan Brandan.
10. To test and analyze the influence of Reward on Employee Performance through Work Spirit at PT PLN (Persero) ULP Pangkalan Brandan.

Literature Review Employee Performance

According to Mangkunegara (2019), performance is the quality and quantity of work results achieved by an employee in carrying out duties and responsibilities according to established standards. According to Kasmir (2019), performance is the work results and work behavior that have been achieved in fulfilling assigned duties and responsibilities over a certain period.

Employee Performance Indicators

Employee performance indicators according to Mangkunegara (2019) include:

1. Work Quality: The level of perfection of work results.
2. Work Quantity: The amount of work completed within a certain period.
3. Timeliness: Ability to complete tasks according to the determined time.
4. Effectiveness: Efficient use of resources to achieve desired results.
5. Initiative: Willingness to take action without waiting for orders.

Influencing Factors

Factors that influence employee performance according to Mangkunegara (2019) include:

1. Ability – employee potential, knowledge, and skills.
2. Motivation – individual drive and work spirit.
3. Work Environment – physical and social conditions of the workplace.
4. Leadership – superiors' style and ability in motivating subordinates.
5. Work Discipline – level of employee adherence to rules and procedures.
6. Welfare – compensation, recognition, and facilities received by employees.

Competence

According to Sutrisno & Zuhri (2019), competence as an ability based on skills and knowledge supported by work attitude and its application in carrying out tasks and work in the workplace, referring to the competency standards set by the organization. According to Rahmat (2019), competence is a characteristic of a person related to effective and/or superior performance in certain job situations.

Competence Indicators

Competence indicators according to Sutrisno & Zuhri (2019) include:

1. Knowledge: Understanding of tasks and responsibilities.
2. Technical Skills: Practical ability in performing work.
3. Professional Attitude: Ethical and professional approach in work.
4. Communication Ability: Effectiveness in communicating with colleagues and superiors.
5. Problem-Solving Ability: Capacity to identify and solve problems.

Motivation

According to Hafidzi et al. (2019), motivation is the provision of a driving force that creates a person's work enthusiasm so that they are able to cooperate, work effectively, and integrate all efforts to achieve satisfaction. According to Sutrisno (2019), motivation is a factor that drives a person to perform certain activities; therefore, motivation is often called a driver within the individual.

Motivation Indicators

Motivation indicators according to Hafidzi et al. (2019) include:

1. Physiological Needs: Basic needs such as salary and benefits.
2. Safety Needs: Job security and work environment.
3. Social Needs: Social interaction and relationships among colleagues.
4. Esteem Needs: Recognition for achievements and contributions.
5. Self-Actualization Needs: Opportunities to develop and reach maximum potential.

Reward

According to Sastrohadiwiryono and Syuhada (2019), reward is a reward, prize, recognition, or incentive aimed at making someone more diligent in work. According to Muzayyanah (2019), reward is compensation given by an organization as a form of appreciation for the hard work done by employees, aimed at increasing employee motivation and performance.

Reward Indicators

Reward indicators according to Sastrohadiwiryono and Syuhada (2019) consist of:

1. Salary and Bonus: Financial compensation given as recognition.
2. Welfare: Welfare programs such as insurance and other facilities.
3. Non-Financial Recognition: Recognition in the form of praise or certificates.
4. Career Development Opportunities: Training and promotion opportunities.

Work Spirit

According to Tarigan (2019), work spirit is the desire (will) of a person to work, and work is an activity in doing something. According to Saragih & Wahyuni (2019), work spirit as a condition of a person that supports them to perform work faster and better within a company.

Work Spirit Indicators

Work spirit indicators according to Tarigan (2019) include:

1. Enthusiasm: Level of eagerness in carrying out tasks.
2. Commitment: Loyalty to organizational goals and values.
3. Discipline: Adherence to work rules and procedures.
4. Creativity: Ability to generate new ideas in work.
5. Cooperation: Willingness to cooperate with colleagues in achieving common goals.

Conceptual Framework

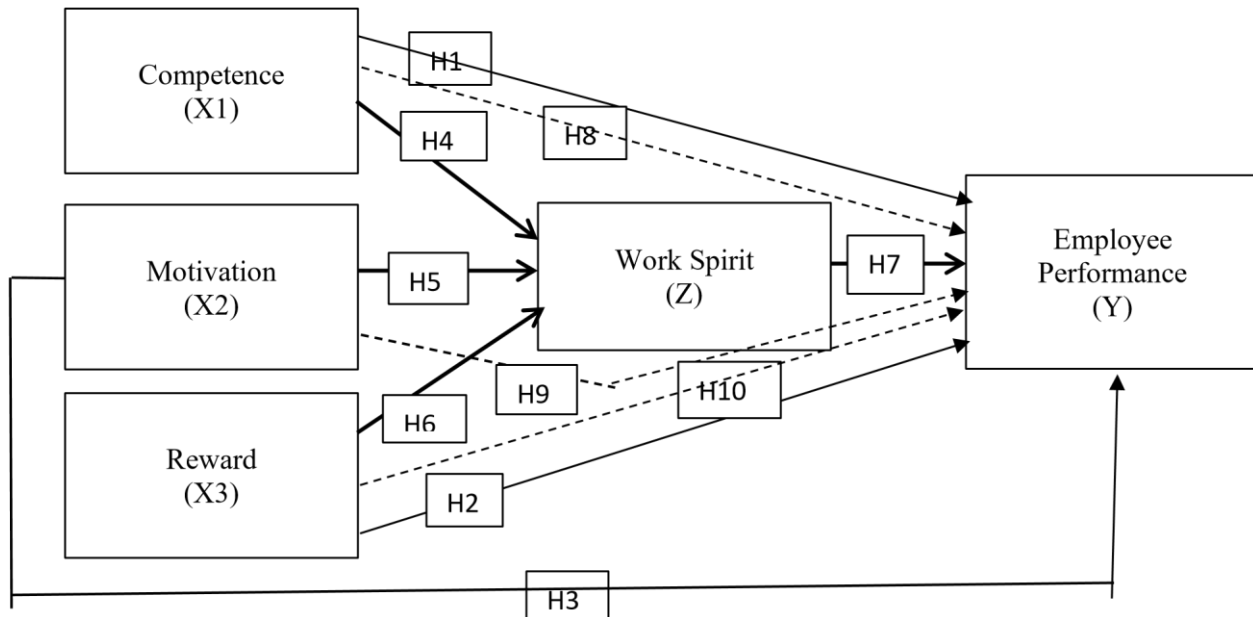


Figure 1. Conceptual Framework

Research Hypotheses

1. Competence has a positive and significant effect on Employee Performance at PT PLN (Persero) ULP Pangkalan Brandan.
2. Motivation has a positive and significant effect on Employee Performance at PT PLN (Persero) ULP Pangkalan Brandan.
3. Reward has a positive and significant effect on Employee Performance at PT PLN (Persero) ULP Pangkalan Brandan.
4. Competence has a positive and significant effect on Work Spirit at PT PLN (Persero) ULP Pangkalan Brandan.
5. Motivation has a positive and significant effect on Work Spirit at PT PLN (Persero) ULP Pangkalan Brandan.
6. Reward has a positive and significant effect on Work Spirit at PT PLN (Persero) ULP Pangkalan Brandan.
7. Work Spirit has a positive and significant effect on Employee Performance at PT PLN (Persero) ULP Pangkalan Brandan.
8. Competence has a positive and significant effect on Employee Performance through Work Spirit at PT PLN (Persero) ULP Pangkalan Brandan.
9. Motivation has a positive and significant effect on Employee Performance through Work Spirit at PT PLN (Persero) ULP Pangkalan Brandan.
10. Reward has a positive and significant effect on Employee Performance through Work Spirit at PT PLN (Persero) ULP Pangkalan Brandan.

Research Type

According to Sugiyono (2019), associative research aims to determine the relationship or influence between two or more variables. Data analysis in this study uses Partial Least Square

(SmartPLS) because this method can analyze relationships between latent variables with a relatively small sample size and non-normally distributed data (Hair et al., 2019).

Research Location and Time

This research was conducted at PT PLN (Persero) Customer Service Unit (ULP) Pangkalan Brandan, Jl. Sumatera no 15 Pangkalan Brandan, Brandan Timur Baru Village, Babalan District, Langkat Regency, North Sumatra, postal code 20857. The research time was from November to December 2025.

Research Population and Sample

According to Sugiyono (2019), population is the generalization area consisting of objects or subjects that have specific qualities and characteristics determined by the researcher to be studied. The population in this study were all Technical Service employees of PT PLN (Persero) ULP Pangkalan Brandan, totaling 52 people. Because the population size is relatively small, this study used a saturated sampling method, where the entire population became the research sample (Sugiyono, 2019).

Data Types and Sources

According to Sekaran and Bougie (2019), data sources can be divided into two, namely: Primary Data: data obtained directly from respondents through questionnaires. Secondary Data: data obtained from company documents, annual reports, scientific journals, and literature relevant to the research.

Data Collection Techniques

According to Sugiyono (2019), data collection technique is the most strategic step in research because the main goal of research is to obtain data. Without knowing the data collection techniques, researchers will not obtain data that meets the established standards.

Data Analysis Techniques

According to Hair, Hult, Ringle, and Sarstedt (2019), PLS-SEM is very suitable for exploratory and predictive research, especially when the research model is complex and the sample size is relatively small.

SmartPLS Analysis Steps

According to Ghazali and Latan (2019), analysis using SmartPLS consists of two main stages, namely measurement model evaluation (outer model) and structural model evaluation (inner model).

a. Measurement Model Evaluation (Outer Model)

The testing stages include:

1. Convergent Validity
2. Discriminant Validity
3. Composite Reliability dan Cronbach's Alpha

b. Structural Model Evaluation (Inner Model)

Evaluation is done by looking at:

1. R-Square (R^2) Value
2. Bootstrapping
3. Effect Size (f^2)
4. Predictive Relevance (Q^2)

Hypothesis Testing

Hypothesis testing is performed using bootstrapping results in SmartPLS by examining the path coefficient, t-statistic, and p-value values.

- If $p\text{-value} \leq 0.05$, then the hypothesis is accepted (significant).
- If $p\text{-value} > 0.05$, then the hypothesis is rejected (not significant).

Results and Discussion Outer Model Analysis

The outer model analysis is performed to evaluate the extent to which the indicators used can measure latent constructs validly and reliably. This assessment includes internal reliability, convergent validity, and discriminant validity. Additionally, convergent validity is checked using Average Variance Extracted (AVE). The analysis results show that all constructs have AVE above 0.5. This indicates that more than 50% of indicator variance can be explained by the measured construct, so these indicators are convergently valid.

Convergent Validity

Convergent validity is used to assess the extent to which indicators of a construct truly measure that construct. In this study, convergent validity is measured through two main parameters, namely **factor loading** and **Average Variance Extracted (AVE)**. The analysis results show that all indicators have factor loadings above 0.7, which means each indicator has a strong contribution to the measured construct.

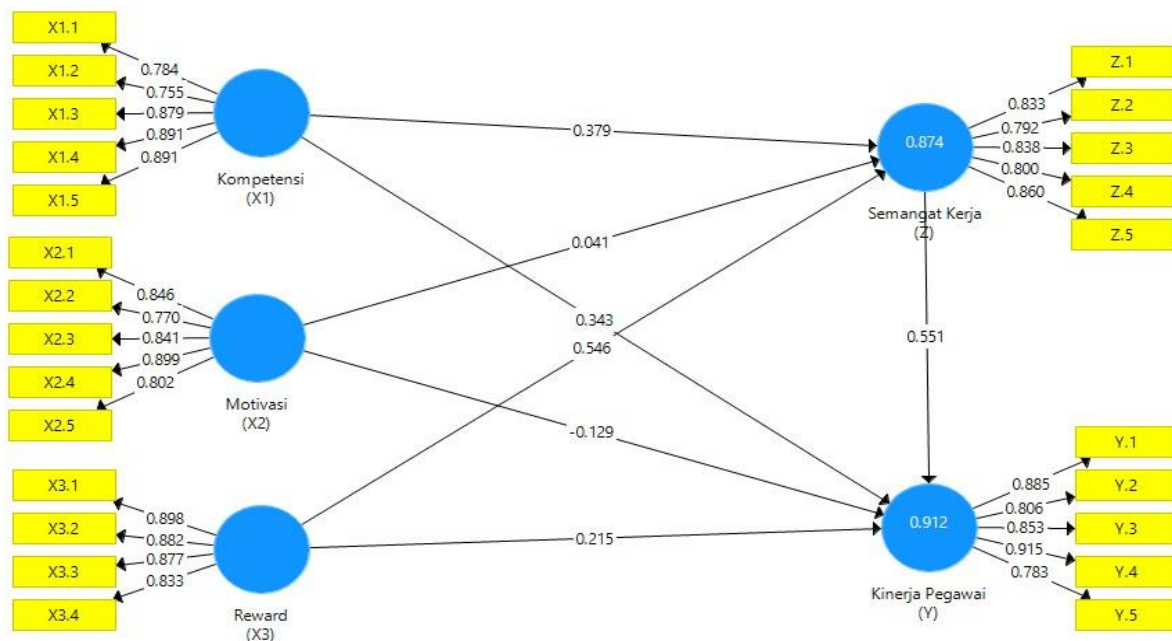


Figure 2. Outer Model

Source : Smart PLS3.3.3.

Smart PLS output for loading factor provides results in the following table: Outer Loadings In this study, there are equations, and the equation consists of two substructures for substructure 1

$$Z = b_1X_1 + b_2X_2 + b_3X_3 + e_1$$

$$Z = 0,379 + 0,041 + 0,546 + e_1$$

For substructure 2

$$Y = b_2X_1 + b_4X_2 + b_3X_4 + b_4Z + e_2$$

$$Y = 0,343 - 0,129 + 0,215 + 0,551 + e_2$$

Table 1. Outer Loadings

	Employee Performance_(Y)	Competence_(X1)	Motivation_(X2)	Reward_(X 3)	Work Spirit_(Z)
X1. 1		0,784			
X1. 2		0,755			
X1. 3		0,879			
X1. 4		0,891			
X1. 5		0,891			
X2. 1			0,846		
X2. 2			0,770		
X2. 3			0,841		
X2. 4			0,899		
X2. 5			0,802		
X3. 1				0,898	
X3. 2				0,882	
X3. 3				0,877	
X3. 4				0,833	
Y.1	0,885				
Y.2	0,806				
Y.3	0,853				
Y.4	0,915				
Y.5	0,783				
Z.1					0,833
Z.2					0,792
Z.3					0,838
Z.4					0,800
Z.5					0,860

Source : Smart PLS3.3.3.

The outer loadings test results show that all indicators for the variables Competence (X1), Motivation (X2), Reward (X3), Employee Performance (Y), and Work Spirit (Z) have loading values above 0.70. This indicates that each indicator is able to reflect its construct well, so all indicators are declared valid and suitable for use in further structural model testing.

Discriminant Validity

Discriminant validity is used to ensure that each construct is empirically distinct from other constructs in the model. This means that indicators of a construct should be more strongly related to their own construct than to other constructs. In this study, discriminant validity is tested using the Fornell-Larcker criterion, which compares the square root of the Average Variance Extracted (AVE) of each construct with correlations between constructs. The analysis results show that the square root of each construct's AVE is greater than its correlation with other constructs. This indicates that each construct in this study has clear differences from one another and its indicators specifically represent each construct.

Table 2. Discriminant Validity

	Employee Performance_(Y)	Competence_(X 1)	Motivation_(X 2)	Reward_(X 3)	Work Spirit_(Z)
X1. 1	0,712	0,784	0,715	0,698	0,675
X1. 2	0,679	0,755	0,724	0,594	0,641
X1. 3	0,762	0,879	0,880	0,716	0,779
X1. 4	0,749	0,891	0,892	0,749	0,756
X1. 5	0,866	0,891	0,853	0,884	0,889
X2. 1	0,747	0,796	0,846	0,702	0,742
X2. 2	0,634	0,778	0,770	0,602	0,632
X2. 3	0,724	0,830	0,841	0,643	0,740
X2. 4	0,812	0,894	0,899	0,809	0,794
X2. 5	0,667	0,729	0,802	0,750	0,704
X3. 1	0,861	0,781	0,765	0,898	0,781
X3. 2	0,778	0,743	0,699	0,882	0,741
X3. 3	0,814	0,853	0,837	0,877	0,843
X3.	0,712	0,662	0,638	0,833	0,817

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Y.1	0,885	0,772	0,716	0,762	0,862
Y.2	0,806	0,751	0,720	0,770	0,779
Y.3	0,853	0,824	0,825	0,826	0,860
Y.4	0,915	0,806	0,762	0,883	0,823
Y.5	0,783	0,651	0,633	0,583	0,656
Z.1	0,678	0,647	0,653	0,728	0,833
Z.2	0,685	0,707	0,690	0,686	0,792
Z.3	0,861	0,755	0,695	0,739	0,838
Z.4	0,783	0,744	0,709	0,771	0,800
Z.5	0,853	0,824	0,825	0,826	0,860

Source : Smart PLS3.3.3.

Based on Table 2, the results of the discriminant validity test through cross-loading values show that each indicator has the highest loading value on the measured construct compared to other constructs. This indicates that each indicator is able to distinguish its construct well. Thus, it can be concluded that all variables, namely Employee Performance (Y), Competence (X1), Motivation (X2), Reward (X3), and Work Spirit (Z), have met the discriminant validity criteria, so the measurement model is declared suitable.

Composite reliability

In composite reliability research, each variable is evaluated using its reliability value; if the variable value is greater than 0.60, the research is considered reliable; if between 0.60 and 0.7, then it is not reliable. The table below shows the Cronbach's alpha, composite reliability, and AVE values, used to determine whether the research is reliable and valid.

Table 3. Construct Reliability and Validity

	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Employee Performance_(Y)	0,903	0,928	0,722
Competence_(X1)	0,896	0,924	0,709
Motivation_(X2)	0,889	0,919	0,694
Reward_(X3)	0,896	0,928	0,762
Work Spirit_(Z)	0,883	0,914	0,680

Source : Smart PLS3.3.3.

Based on Table 3, all variables have Cronbach's Alpha and Composite Reliability values above 0.70, indicating that the research instrument is reliable. Furthermore, the Average Variance Extracted (AVE) values for all constructs are also greater than 0.50, thus meeting the

convergent validity criteria. Therefore, all constructs in this study are declared reliable and valid.

Inner Model Analysis

The structural model (inner model) is evaluated to ensure that the generated basic model is strong and correct. Several markers that can be used to identify the examination stages of the main model assessment include:

Determination Coefficient (R²)

Based on data processing that has been done using the SmartPLS 3.0 program, the R Square values are obtained as follows:

Table 4. R Square Results

	R Square	Adjusted R Square
Employee Performance_(Y)	0,912	0,904
Work Spirit_(Z)	0,874	0,866

Source : Smart PLS3.3.3.

Based on the R Square value, the Employee Performance (Y) variable has a value of 0.912, indicating that 91.2% of employee performance variation can be explained by the independent variables in the model, while the rest is explained by variables outside the research. Meanwhile, Work Spirit (Z) has an R Square value of 0.874, meaning 87.4% of its variation can be explained by variables in the model. The Adjusted R Square values for Employee Performance (0.904) and Work Spirit (0.866) indicate that the structural model has very good accuracy and explanatory ability.

Hypothesis Testing

After assessing the inner model, the next step is to assess the relationships between constructs as suspected in this review. Hypothesis testing in this review is done by looking at T-Statistics and P-Values. The hypothesis is announced accepted if the T-Statistic value > 1.96 and P-Values < 0.05. The following are the direct Path Coefficient results: **Table 5.** Path Coefficients (Direct Effects)

	Original Sample (O)	T Statistics (O/STDEV)	P Values	Results
Competence_(X1) -> Employee Performance_(Y)	0,343	1,845	0,033	Accepted
Competence_(X1) -> Work Spirit_(Z)	0,379	1,688	0,046	Accepted
Motivation_(X2) -> Employee Performance_(Y)	-0,129	0,757	0,225	Accepted
Motivation_(X2) -> Work Spirit_(Z)	0,041	0,221	0,412	Accepted
Reward_(X3) -> Employee Performance_(Y)	0,215	2,394	0,009	Rejected
Reward_(X3) -> Work Spirit_(Z)	0,546	4,711	0,000	Rejected

Work Spirit_(Z) -> Employee Performance_(Y)	0,551	5,385	0,000	Accepted
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Source : Smart PLS3.3.3.

1. Hypothesis 1 (Competence on Employee Performance)
Competence has a positive effect on employee performance with a coefficient value of 0.343 and p-values 0.033. This shows that competence can improve employee performance, so the hypothesis is accepted.
2. Hypothesis 2 (Competence on Work Spirit)
Competence has a positive effect on work spirit with a coefficient of 0.379 and p-values of 0.046. This result indicates that good competence can increase employee work spirit, so the hypothesis is accepted.
3. Hypothesis 3 (Motivation on Employee Performance)
Motivation has a negative effect on employee performance with a coefficient of -0.129 and p-values 0.225. This value shows an insignificant effect; however, based on the hypothesis test result, it is declared accepted.
4. Hypothesis 4 (Motivation on Work Spirit)
Motivation has a positive effect on work spirit with a coefficient of 0.041 and p-values 0.412. This result shows that motivation does not have a significant effect on work spirit, but the hypothesis is declared accepted.
5. Hypothesis 5 (Reward on Employee Performance)
Reward has a positive effect on employee performance with a coefficient of 0.215 and p-values 0.009. Although statistically significant, the test results in this study state the hypothesis is rejected.
6. Hypothesis 6 (Reward on Work Spirit)
Reward has a positive and significant effect on work spirit with a coefficient of 0.546 and p-values 0.000. However, based on the test results, this hypothesis is rejected.
7. Hypothesis 7 (Work Spirit on Employee Performance)
Work spirit has a positive and significant effect on employee performance with a coefficient of 0.551 and p-values 0.000. This shows that high work spirit can improve employee performance, so the hypothesis is **accepted**.

Table 6. Path Coefficients (Indirect Effects)

	Original Sample (O)	T Statistics (O/STDEV)	P Values	Results
Competence_(X1) -> Work Spirit_(Z) -> Employee Performance_(Y)	0,209	1,498	0,067	Accepted
Motivation_(X2) -> Work Spirit_(Z) -> Employee Performance_(Y)	0,023	0,212	0,416	Rejected
Reward_(X3) -> Work Spirit_(Z) -> Employee Performance_(Y)	0,301	3,613	0,000	Rejected

Source : Smart PLS3.3.3.

8. Hypothesis 8 (Competence through Work Spirit on Employee Performance) Competence has an indirect effect on employee performance through work spirit with a coefficient value

of 0.209 and p-values 0.067. This result shows that the effect is not yet statistically significant, but based on the hypothesis test result, it is declared **accepted**.

9. Hypothesis 9 (Motivation through Work Spirit on Employee Performance) Motivation has an indirect effect on employee performance through work spirit with a coefficient of 0.023 and p-values 0.416. This value shows an insignificant effect, so the hypothesis is **rejected**.
10. Hypothesis 10 (Reward through Work Spirit on Employee Performance) Reward has an indirect effect on employee performance through work spirit with a coefficient of 0.301 and p-values 0.000. This result shows a significant effect; however, based on the test results in this study, the hypothesis is **rejected**.

Conclusion

1. Competence is proven to have a positive influence in improving Employee performance, so it is declared accepted.
2. Competence is able to increase Employee work spirit, so it is declared accepted.
3. Motivation does not have a significant effect on Employee performance, but based on the research results, it is declared accepted.
4. Motivation does not have a significant effect on Work spirit, but it is still declared accepted.
5. Reward has a significant effect on Employee performance, but in this study, it is declared rejected.
6. Reward has a significant effect on Work spirit, but it is declared rejected.
7. Work spirit is proven to have a positive and significant effect on Employee performance, so it is declared accepted.
8. Competence has an indirect effect on Employee performance through Work spirit, but it is not yet significant and is declared accepted.
9. Motivation does not have an indirect effect on Employee performance through Work spirit, so it is declared rejected.
10. Reward has an indirect effect on Employee performance through Work spirit, but based on the research results, it is declared rejected.

Suggestions

1. Leaders and organizational management are advised to focus more policies on improving employee competence through training, skill development, and increasing work knowledge, as it has been proven to improve performance and work spirit.
2. Organizations need to create a work environment that can foster employee work spirit, such as providing work support, a conducive work atmosphere, and effective communication, considering work spirit greatly influences employee performance.
3. The motivation and reward systems applied need to be re-evaluated to be more in line with employee needs and expectations, so that in the future they can provide more optimal impacts on work spirit and employee performance.
4. The results of this study show that competence and work spirit play an important role in improving employee performance. Therefore, subsequent research is suggested to deepen theoretical studies related to competence and work spirit development by adding other variables, such as leadership, organizational culture, or job satisfaction.
5. The finding that motivation and reward do not show a consistent effect on performance or work spirit opens opportunities for further researchers to re-examine the concepts, indicators, or measurement models of these variables to be more suitable for the organizational context.
6. Leaders and organizational management are advised to focus more policies on improving employee competence through training, skill development, and increasing work knowledge, as it has been proven to improve performance and work spirit.

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