

## **INFLUENCE OF COMPETENCE, COMPENSATION AND MOTIVATION ON EMPLOYEE PERFORMANCE WITH JOB SATISFACTION AS INTERVENING VARIABLE IN THE ENVIRONMENT OF INDONESIAN PROFESSIONAL CERTIFICATION AUTHORITY**

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**Abstract:** This research aims to determine the effect of competence, compensation and motivation on employee performance with job satisfaction as an intervening variable in the BNSP environment. Data was collected through filling out questionnaires by 134 BNSP employees with various work backgrounds. The analytical method used is quantitative with the Structural Equation Model (SEM) Path Analysis Approach. The results of the research revealed that competence and motivation had a positive and significant effect, while compensation had no significant positive effect on job satisfaction. The compensation variable proved to have a significant positive effect, while competence and motivation had no significant positive effect on employee performance. Job satisfaction directly has a positive effect on employee performance, this proves that if there is an increase in job satisfaction, then employee performance will also increase. Competence and motivation indirectly have a positive and significant effect, while compensation indirectly has a positive and insignificant effect on employee performance through job satisfaction. This research can be useful for policy makers at BNSP to assess the performance and job satisfaction of employees in their institutions.

**Keywords:** *Competence, Compensation, Motivation, Employee Performance, Job Satisfaction*

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### **1. Introduction**

In realizing an optimal company, of course, employee performance is needed which is the most important resource for the organization, namely people who provide their energy, talent, creativity and effort to the organization (Handoko, 2008). Organizational goals will be achieved through positive performance from its employee, otherwise the organization will face obstacles in achieving goals when the performance of employees is not effective in the sense of not being able to meet the demands of the work desired by the organization (Achmad, 2009). Therefore, organizational performance is strongly influenced by the performance of employees. Performance will be considered good if every employee is able to solve all organizational burdens as effectively and efficiently as possible so that problems that occur in the organization can be resolved.

As a public servant, BNSP must also continue to evaluate and improve services for the community. Therefore, as a government agency, the agency's accountability report becomes a benchmark for organizational performance and becomes a report to the public on the budget provided for service operations. The high and low performance of government or private organizations is very dependent on the people who manage them. In other words, the high and low organizational performance depends on the high and low performance of employees or human resources in the organization. The BNSP performance reports are as follows:

Table 1.1 Performance Achievements  
 BNSP Employees Based on LSP (Professional Certification Institution) Licensed and  
 Workforce Certification Achievement

No	Year	Licensed LSP	Labor Certification
1.	2016	180	231.962
2.	2017	322	472.089
3.	2018	357	615.388
4.	2019	419	911.152
5.	2020	196	592.972

Source: BNSP Planning, Evaluation and Reporting Section

Based on the table from 2016 to 2019 it can be explained that the performance of BNSP has increased from year to year, but in 2020 it experienced a drastic decline due to the Covid-19 pandemic which made the implementation of licensing temporarily suspended until the implementation of the new normal. The above performance achievements are the performance achievements of employees within BNSP with a license assessor / chief license assessor and master competency assessor / competency assessor as the spearhead of certification with the Professional Certification Institute (LSP) as the agency that carries out the certification process on behalf of BNSP.

## 2. Literature Review

The focus of the research of human resource management is the problem of labor which is arranged in the order of its functions, to be effective and efficient in realizing the goals of the organization, employees and society (Ghazali, 2016). Organizational demands to acquire, develop, and maintain quality resources are increasingly pressing in accordance with the dynamics of the environment and ever-changing technology (Habibullah, 2009). Competence, organizational culture and motivation have a logical relationship with the quality of public services, including licensing services. Banga (2018:92-93) argues that competence and motivation are important topics in the regulation of personnel and the realization of staffing which is a component of public administration.

Runi et al. (2017) said that employee competence had a positive effect on the quality of public services. Tamami (2016) suggests that employee motivation has a positive effect on service quality. Rukmana (2016) said that motivation and competence both affect service quality. Miftakul et al (2017) show that the Competence of Employees in the work environment has no direct effect on Employee Performance but shows that there is an effect after being tested by intervening with work motivation variables.

Ramli (2018) Compensation has a significant positive effect on job satisfaction. Compensation has a significant positive effect on employee performance. Job satisfaction has a significant positive effect on employee performance. Syamsir (2020) revealed that there is a

significant influence of competence, job satisfaction, and work motivation on work performance. The second model of this research found the effect of competence and job satisfaction on work motivation. Sugiono, et al (2021) The results of this research indicate that work motivation has a positive and significant effect on employee satisfaction at PT. Wibee Indoedu Nusantara.

### **Employee performance**

According to Syamsir (2013:74) performance is the quantity and or quality of the work of individuals or groups within the organization in carrying out main tasks and functions that are guided by norms, standard operating procedures, criteria and measures that have been determined or applicable in the organization.

Suyadi in Akhmad and Mohamad (2012: 193) performance is the result of work that can be achieved by a person or group of people in an organization, in accordance with their respective authorities and responsibilities, in an effort to achieve the goals of the organization concerned legally, not violating the law and according to morals and ethics.

### **Competence**

Armstrong and Baron in Wibowo (2010:326) define that competence is a behavioral dimension because it is intended to explain how people behave when they carry out their roles well. According to Wibowo (2010:324) competence is an ability to carry out or perform a job or task based on skills and knowledge and supported by the work attitude required by the job. Thus, competence shows skills or knowledge that are characterized by professionalism in a particular field as the most important thing, as the superior of that field.

Meanwhile, according to Spencer in Moeheriono (2012: 5) Competence is a characteristic that underlies a person related to the effectiveness of individual performance in his work or the characteristics of individuals who have a casual relationship or as a cause and effect with criteria that are used as a reference, effective or superior excellent performance at work in situations certain. Competence is differentiated according to position, level and work function. Meanwhile, the level and function of work are further differentiated between superior and between partners and superiors (Hasibuan 2003: 218).

### **Compensation**

According to Griffin (2007:432) Compensation is the financial remuneration provided by the organization to its employees in return for their work. Employees who have dedicated themselves to work in the organization get remuneration in the form of compensation given financially and non-financially. According to Dessler (2007: 46) Compensation is all forms of payment or gifts given to employees and arising from their work. Aritonang (2005:2) states that compensation is all income in the form of money or goods directly or indirectly received by employees as compensation for services provided to agencies. Compensation is given by the company to employees as a form of appreciation or gratitude and remuneration. The term compensation refers to all forms of monetary remuneration and all goods or commodities used as remuneration to employees (Daft, 2002:536).

### **Motivation**

Motivation is a desire within a person that causes that person to take action (Matlis and Jocson 2001: 213). Motivation is a set of attitudes and values that influence individuals to

achieve specific results in accordance with individual goals (Veithzal and Rivai 2004: 198). Motivation is the willingness to make a high level of effort to achieve organizational goals conditioned by the ability of the effort to satisfy the needs of a number of individuals (Robbins and Coulter, 2005: 303). Motivation is a driving force that creates enthusiasm for one's work, so that they want to work together, work effectively and integrate with all efforts to achieve satisfaction (Hasibuan and Malayu 2007: 198). Motivation is a factor that drives people to act in a certain way. Starting from the meaning of motivation, work motivation is something that gives rise to encouragement or enthusiasm for work. In other words, work motivation is a driving force for work morale.

### **Job satisfaction**

Job satisfaction according to Robbins (2006) is an employee's general attitude towards his work. Job satisfaction shows that there is a match between one's expectations that arise with the rewards provided by the job. Employee satisfaction or dissatisfaction depends on the difference between what is expected. If what employees get is lower than expected, it will cause employees to be dissatisfied. Factors that affect job satisfaction or dissatisfaction are: type of work, co-workers, benefits, fair treatment, job security, opportunity to contribute ideas, salary, and growth opportunities.

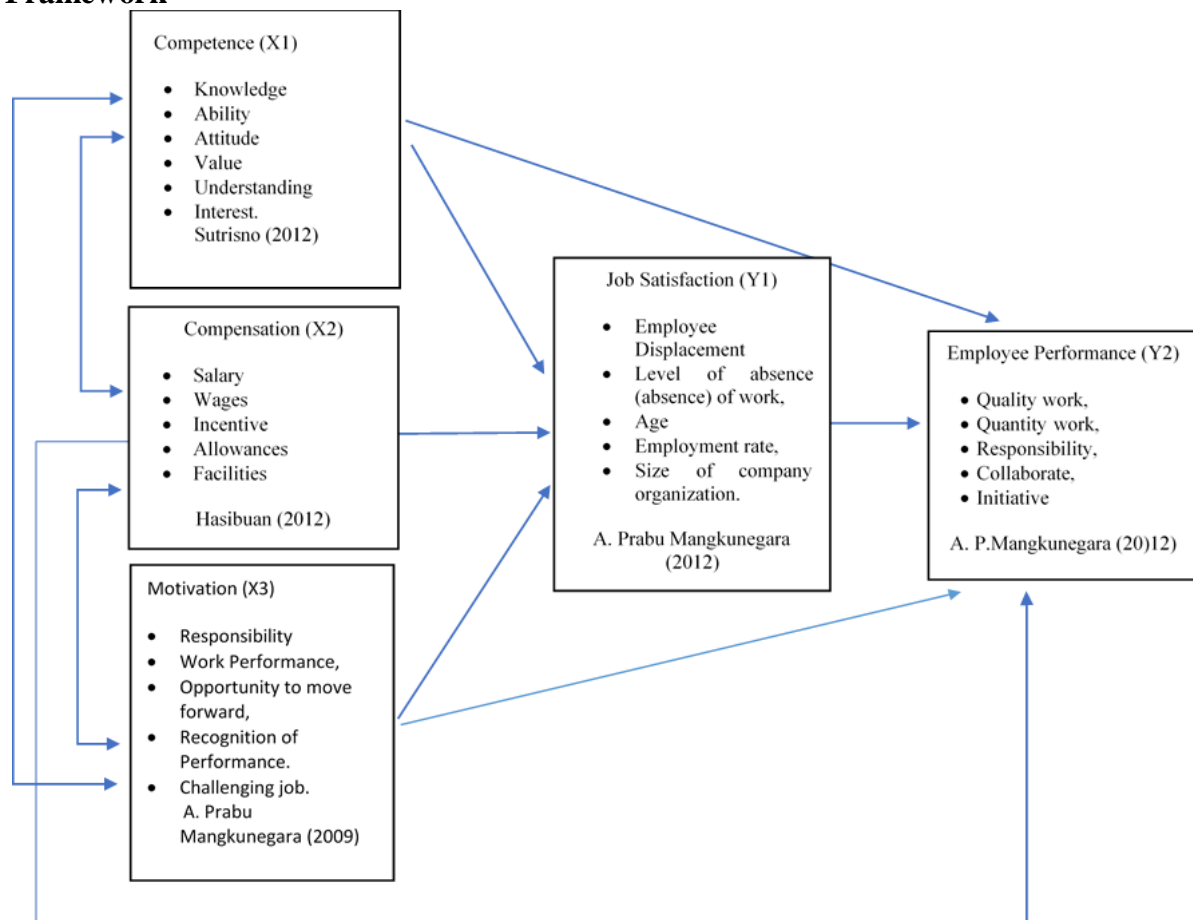
Mangkunegara (in Brahmasari, 2008) suggests that job satisfaction is related to variables such as turnover, absenteeism, age, job level, and the size of the company's organization. Job satisfaction related to turnover means that high job satisfaction is always associated with low employee turnover, and conversely if many employees feel dissatisfied then high employee turnover. Job satisfaction is related to the level of absenteeism (attendance) which means that employees who are less satisfied tend to have high levels of absenteeism. Job satisfaction related to age means that employees who tend to be older will feel more satisfied than employees who are relatively younger, because it is assumed that older employees are more experienced in adjusting to the work environment, and employees with younger ages usually have ideal expectations about the world of work, so that if there is a gap or imbalance between their expectations and the reality of work, it can cause them to be dissatisfied.

### **Hypothesis**

- H1: Competence directly has a positive effect on job satisfaction in the BNSP environment
- H2: Compensation directly has a positive effect on job satisfaction in the BNSP environment
- H3: Motivation directly has a positive effect on job satisfaction in the BNSP environment
- H4: Competence has a direct positive effect on employee performance within BNSP
- H5: Compensation directly has a positive effect on employee performance within BNSP
- H6: Motivation directly has a positive effect on employee performance in the BNSP environment
- H7: Job satisfaction directly has a positive effect on employee performance in the BNSP environment
- H8: Competence indirectly has a positive effect on employee performance through job satisfaction in the BNSP environment
- H9: Compensation indirectly has a positive effect on employee performance through job satisfaction in the BNSP environment
- H10: Motivation indirectly has a positive effect on employee performance through job

satisfaction in the BNSP environment

### Framework



**Figure 1. Research Model**

### 3. Method

#### Research design

This research is a quantitative research of primary data obtained through the distribution of questionnaires. Data were collected using indirect communication techniques through questionnaires. This research is also supported by secondary data in the form of documents sourced from the National Professional Certification Agency.

#### Population and Sampling Procedure

The populations used in this research were all employees within the National Professional Certification Agency. The samples used in this research were employees consisting of various fields, namely Licensing, Certification, Legal and General Planning, and Data and Information. Sampling was carried out using a saturated sample technique based on certain appropriate considerations through written questions (questionnaires) as many as 135 respondents, but those that could be continued at the analysis stage were 134 samples.

### Analysis Techniques

This research uses quantitative analysis techniques with Structural Equation Model (SEM) Path analysis approach. The construction of the research model that is built based on the theory used is as follows:

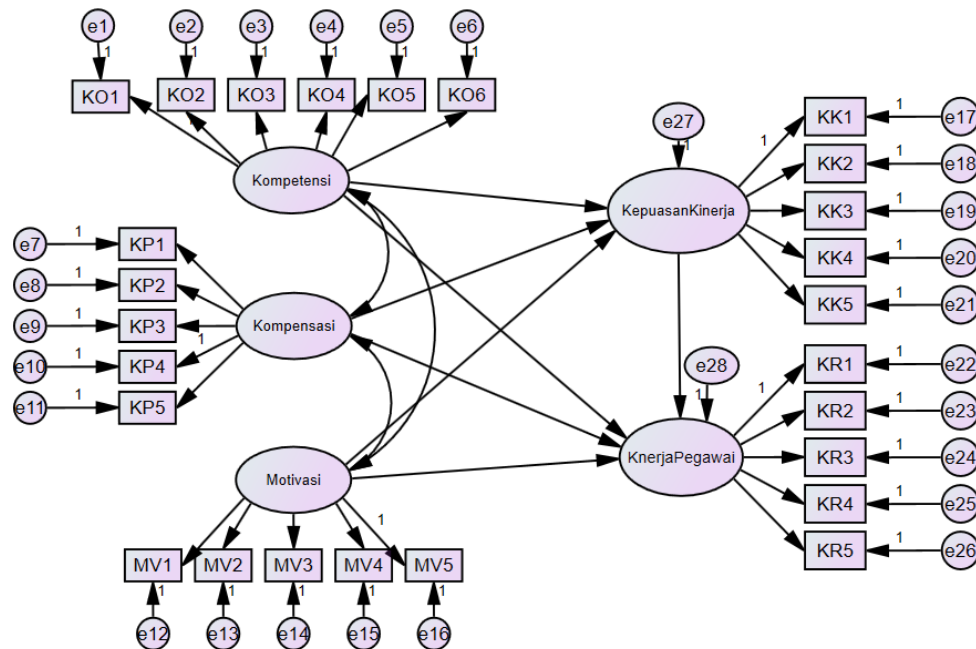


Figure 2. Model Construction

Structural similarities direct influence between Competence, Compensation and Motivation.

$$KK = 0,6X1 + 0,4X2 + 0,5X3 + \zeta_1$$

Structural equations have direct influence between Competence, Compensation, Motivation, Job Satisfaction and Employee Performance.

$$KP = 0,6KS + 0,6GK + 0,4KT + 0,5KK + \zeta_1$$

Description :

X1 = Competence

X2 = Compensation

X3 = Motivation

Y1 = Job Satisfaction

Y2 = Employee Performance

Z = Residual value or error value

In this research, the indirect effect analysis through the mediation of job satisfaction variables was carried out using the Sobel test calculation analysis. Sobel test serves to determine whether or not there is an indirect effect of the independent variable on the dependent variable through the intervening variable. In addition, the Sobel test was used to test the ability of the intervening variable to become a mediator in the research framework



model. In the Sobel test, the determination is calculated from the C.R (critical ratio) value greater than 1.96 and the p-value less than 0.05.

#### 4. Hasil Dan Pembahasan

Table 1. Research Result Matrix

No	Hypothesis	Analysis Results	Description	Rejected/ Accepted
1	Competence directly has a positive effect on job satisfaction	C.R value = 2.481 P value = 0.013	Positive and Significant Influence	Accepted
2	Compensation directly has a positive effect on job satisfaction	C.R value = 1.748 P value = 0.080	Positive and insignificant influence	
3	Motivation directly has a positive effect on job satisfaction	C.R value = 2.809 P value = 0.005	Positive and Significant Influence	Rejected
4	Competence directly has a positive effect on employee performance	C.R value = 1.663 P value = 0.096	Positive and insignificant influence	
5	Compensation directly has a positive effect on employee performance	C.R value = 3.902 P value = 0.000	Positive and Significant Influence	Accepted
6	Motivation directly has a positive effect on employee performance	C.R value = 0.196 P value = 0.844	Positive and insignificant influence	
7	Job satisfaction directly has a positive effect on employee performance	C.R value = 3.352 P value = 0.000	Positive and Significant Influence	Rejected
8	Competence indirectly has a positive effect on employee performance through job satisfaction	C.R value = 1.992 P value = 0.046	Positive and Significant Influence	
9	Compensation indirectly has a positive effect on employee performance through job satisfaction	C.R value = 1.551 P value = 0.120	Positive and insignificant influence	Accepted
10	Motivation indirectly has a positive effect on employee performance through job satisfaction	C.R value = 2.153 P value = 0.031	Positive and Significant Influence	

From the results of data processing using AMOS 22 in this research, the managerial implications that can be shown in the role of each manifest variable (indicator) on its involvement in each latent variable in this research are as follows:

**a. Competence directly has a positive and significant effect on job satisfaction**

The results of the analysis of the C.R (critical ratio) value to determine the effect of the competence variable on the job satisfaction variable is 2,481 greater than the requirement, namely 1.96 and the probability value is 0.013 less than 0.05. So it can be concluded that the first hypothesis is accepted, which means that competence directly has a positive and significant effect on job satisfaction of employees of the National Professional Certification Agency (BNSP).

**b. Compensation directly has a positive and insignificant effect on job satisfaction**

The results of the analysis of the C.R (critical ratio) value to determine the effect of the compensation variable on the job satisfaction variable of 1.748, which is greater than the requirement, namely 1.96 and the probability value of 0.080 is more than 0.05. So, it can be concluded that the second hypothesis is rejected, which means that compensation directly has a positive but not significant effect on job satisfaction of employees of the National Professional Certification Agency (BNSP).

**c. Motivation directly has a positive and significant effect on job satisfaction**

The results of the analysis of the C.R (critical ratio) value to determine the effect of the motivation variable on the job satisfaction variable is 2.809, which is greater than the requirement, namely 1.96 and the probability value is 0.005 less than 0.05. So it can be concluded that the third hypothesis is accepted, which means that motivation directly has a positive and significant effect on job satisfaction of employees of the National Professional Certification Agency (BNSP).

**d. Competence directly has a positive and insignificant effect on employee performance**

The results of the analysis of the C.R (critical ratio) value to determine the effect of the competence variable on the employee performance variable of 1,663, which is smaller than the requirement of 1.96 and the probability value of 0.096, which is greater than 0.05. It can be concluded that the fourth hypothesis is rejected, which means that competence directly has a positive but not significant effect on the performance of the employees of the National Professional Certification Agency (BNSP).

**e. Compensation directly has a positive and significant effect on employee performance**

The results of the analysis of the C.R (critical ratio) value to determine the effect of the compensation variable on the employee performance variable of 3,902, which is greater than the requirement of 1.96 and the probability value of 0.000 is less than 0.05. It can be concluded that the fifth hypothesis is accepted, which means that compensation directly has a positive and significant effect on the performance of the employees of the National Professional Certification Agency (BNSP).

**f. Motivation directly has a positive and insignificant effect on employee performance**

The results of the analysis of the C.R (critical ratio) value to determine the effect of the motivational variable on the employee performance variable of 0.196 is smaller than the requirement, namely 1.96 and the probability value is 0.844 more than 0.05. So, it can be concluded that the sixth hypothesis is rejected, which means that motivation directly has a positive but not significant effect on the performance of the employees of the National Professional Certification Agency (BNSP).



**g. Job satisfaction directly has a positive and significant effect on employee performance**

The results of the analysis of the C.R (critical ratio) value to determine the effect of the job satisfaction variable on the employee performance variable of 3,352, which is greater than the requirement, namely 1.96 and the probability value of 0.000 is less than 0.05. So, it can be concluded that the seventh hypothesis is accepted, which means that job satisfaction directly has a positive and significant effect on the performance of the employees of the National Professional Certification Agency (BNSP).

**h. Competence indirectly has a positive and significant effect on employee performance through job satisfaction**

The results of the analysis of the C.R (critical ratio) value of 1.992 greater than 1.96 and p-value of 0.046 less than 0.05, it can be concluded that the eighth hypothesis that competence indirectly has a positive effect through job satisfaction is declared acceptable.

**i. Compensation indirectly has a positive and insignificant effect on employee performance through job satisfaction**

The results of the analysis of the C.R (critical ratio) value of 1.551 is smaller than 1.96 and the p-value of 0.120 is greater than 0.05, it can be concluded that the ninth hypothesis that compensation indirectly has a positive effect on employee performance through job satisfaction is rejected. In research (Maria, 2000) the compensation variable is a variable that has no significant effect on employee performance.

**j. Motivation indirectly has a positive and significant effect on employee performance through job satisfaction**

The results of the analysis of the C.R (critical ratio) value of 2,153 greater than 1.96 and p-value of 0.031 less than 0.05, it can be concluded that the tenth hypothesis that motivation indirectly has a positive effect through motivation on employee performance is acceptable.

## **5. Conclusion**

Based on the research that has been done, the conclusion from this research is that competence directly has a positive effect on job satisfaction of BNSP employees. This indicates that if there is an increase in competence in the National Professional Certification Agency, the employee's performance will also increase. Compensation directly has a positive and insignificant effect on job satisfaction of BNSP employees. This indicates that if there is an increase in compensation, then employee job satisfaction at the National Professional Certification Agency (BNSP) will not increase significantly. Motivation directly has a positive and significant effect on job satisfaction of employees of the National Professional Certification Agency (BNSP). This indicates that if there is an increase in motivation, the job satisfaction of employees of the National Professional Certification Agency (BNSP) will also increase significantly.

Compensation directly has a positive effect on the performance of BNSP employees. This indicates that if there is an increase in compensation, the performance of the employees of the National Professional Certification Agency (BNSP) will also experience a significant increase. Motivation directly has a positive effect on the performance of BNSP employees. This indicates that if there is an increase in compensation, the performance of employees at the National Professional Certification Agency (BNSP) will not increase significantly. Job satisfaction directly has a positive effect on the performance of BNSP employees. This

indicates that if there is an increase in job satisfaction, the performance of employees at the National Professional Certification Agency (BNSP) will also increase.

Competence indirectly has a positive effect through job satisfaction on the performance of BNSP employees. This indicates that if job satisfaction increases, the relationship between competence and performance of the National Professional Certification Agency (BNSP) employees will also experience a significant increase. Compensation indirectly has a positive effect through job satisfaction on the performance of BNSP employees. This indicates that if there is an increase in job satisfaction, the relationship between compensation and employee performance at the National Professional Certification Agency (BNSP) will not increase significantly. Motivation indirectly has a positive effect through job satisfaction on the performance of BNSP employees. This indicates that if there is an increase in job satisfaction, then the relationship between motivation and employee performance of the National Professional Certification Agency (BNSP) will also experience a significant increase.

There are a number of limitations in this research so that it is hoped that further researchers can examine other intervening variables that can affect organizational performance, such as organizational commitment, leadership style, work discipline and many other variables. So that it is hoped that it can reduce / close the gap of previous research. In addition, further researchers are expected to pay attention to the research sample used in accordance with the indicators studied.

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