DIJEFA: Dinasti International Journal of Economics, Finance & Accounting
E-ISSN: 2721-303X
P-ISSN: 2721-3021
https://dinastipub.org/DIJEFA dinasti.info@gmail.com +62 811 7404 455

DOI: https://doi.org/10.38035/dijefa.v6i2.4256
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Received: 26 February 2025 | **Revised:** 03 April 2025 | **Accepted:** 18 April 2025

Between Motivation, Competency, And Organizational Culture: Will it Still Affecting Employee Performance If Career Development Act as Moderator?

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Abstract: This study aimed to examine the factors affecting employee performance, with career development as a moderating variable. Conducted at the Regional Office of the Directorate General of Customs and Excise (Kanwil DJBC) in Aceh, the research focused on a setting with similar phenomena. A quantitative approach was employed, and data from 116 employees were analyzed using Partial Least Squares-Structural Equation Modeling (PLS-SEM). The findings revealed that organizational culture significantly influences job performance, with a coefficient of 0.423 and a p-value of 0.002. In contrast, motivation (coefficient: 0.174, p-value: 0.215) and competence (coefficient: 0.136, p-value: 0.310) did not show significant effects. Additionally, career development did not moderate the relationship between the independent variables and job performance (coefficient: 0.089, p-value: 0.482). The results emphasize the critical role of organizational culture in enhancing employee performance and suggest the need for a more structured career development framework to further support workforce effectiveness.

Keywords: Motivation, Competence, Organizational Culture, Career Development, Employee Performance.

INTRODUCTION

Employee performance, is the never ending issue and it still considered as an important factor in organizational effectiveness, and this was also happened in government agencies. However, the problem that often arises in government agencies was there is potential gap between organizational policies and the implementation of factors that can improve employee performance. Several previous studies have shown different results regarding the extent to which motivation, competence, and organizational culture affect job performance, and how career development can moderate the relationship.

Effective employee management through increasing competence and motivation is a major factor in supporting optimal work performance (Paais & Pattiruhu, 2020; Ridwansyah, 2023). However, in the Ministry of Finance of Indonesia, has implemented a negative-growth

HR policy since 2020 to adapt to the development of digitalization and to streamline the budget, resulting in savings of IDR 1.56 trillion in two years (Simanjuntak, 2023). This policy has resulted in a decrease in the number of employees by 1.2% to 2.2% per year or around 800-1,800 employees per year (Kurniati, 2022), but organizational performance is maintained with a Competence improvement strategy and the implementation of a performance appraisal system based on the Organization's Strategic Goals (Rismawati, 2018).

The Aceh DJBC Regional Office often experienced the impact of the negative-growth HR policy, and this policy, reflected in the Workload Analysis (ABK). With a total of 265 employees from a requirement of 285 people, there was a shortage of 20 employees which caused the unit's effectiveness to reach 0.896 or 94% of the expected performance standard. As a consequence, employees must work multi-tasking, often exceeding normal working hours, which if not managed properly can increase the workload and reduce employee motivation (Pariakan et al., 2023; Ramadhani et al., 2023).

Several studies have highlighted the relationship between workload, Organizational Culture, and Motivation on Job Performance. Several studies have shown that increased workload that is not balanced with Motivation and a reward system can reduce employee performance (Bu'ulolo et al., 2018; Lestari et al., 2022). However, other studies argue that high workload does not always have a negative impact if balanced with sufficient Motivation incentives (Ariman, 2017). Organizational Culture is also considered to play an important role in shaping employee performance (Robbins & Coulter, 2016; Rahayu, 2023), although there are research results that show that Organizational Culture does not always have a direct effect on Job Performance (Megawaty et al., 2021; Nasir et al., 2021).

One of the strategies implemented by the Ministry of Finance to maintain employee performance amidst negative-growth policies is the Talent Management-based Career Development program. This program aims to increase employee Motivation and Competence and ensure they remain productive in conditions of dynamic organizational change (Finance, 2022). Several studies have shown that Career Development has a positive relationship with Job Performance (Muthumbi & Kamau, 2021; Saleem & Amin, 2013), but other studies have revealed that Career Development does not always have a direct impact on individual performance (Aditya et al., 2024).

With the existence of a research gap related to the influence of Career Development on Job Performance in the context of negative-growth policies, this study aims to analyze how the policy is implemented in the vertical units of the Ministry of Finance, especially in the Aceh DJBC Regional Office. This study will evaluate whether the implemented Career Development strategy can be a factor that strengthens Motivation, Competence, and Organizational Culture in improving employee Job Performance. In addition, it also fills the research gap that empirically tests the relationship between Motivation, Competence, Organizational Culture, and the role of Career Development in improving employee Job Performance.

The results of this study are expected to contribute to academics, policy makers, and professionals in formulating more effective HR management strategies to improve employee performance amidst dynamic organizational changes. The research model in this study was developed based on the theory of Motivation, Competence, and Organizational Culture in relation to employee Job Performance. Career Development is tested as a moderating variable that can strengthen or weaken the relationship between the independent variables (Motivation, Competence, and Organizational Culture) with the dependent variable (Job Performance). This research model is based on the Partial Least Square-Structural Equation Modeling (PLS-SEM) approach to test the relationship between variables and identify the role of Career Development as a moderating factor.

This research model is designed by considering several main hypotheses:

H1: Motivation affect employee performance positively

H2: Competence affect employee performance positively

H3: Organizational culture affect on employee performance positively
H4: Career development moderates the effect of motivation to employee performance.
H5: Career Development moderates the effect of competence to employee performance.
H6: Career Development moderates the effect of organizational culture to employee performance.

The following is a conceptual research framework that describes the relationship between variables in this study:

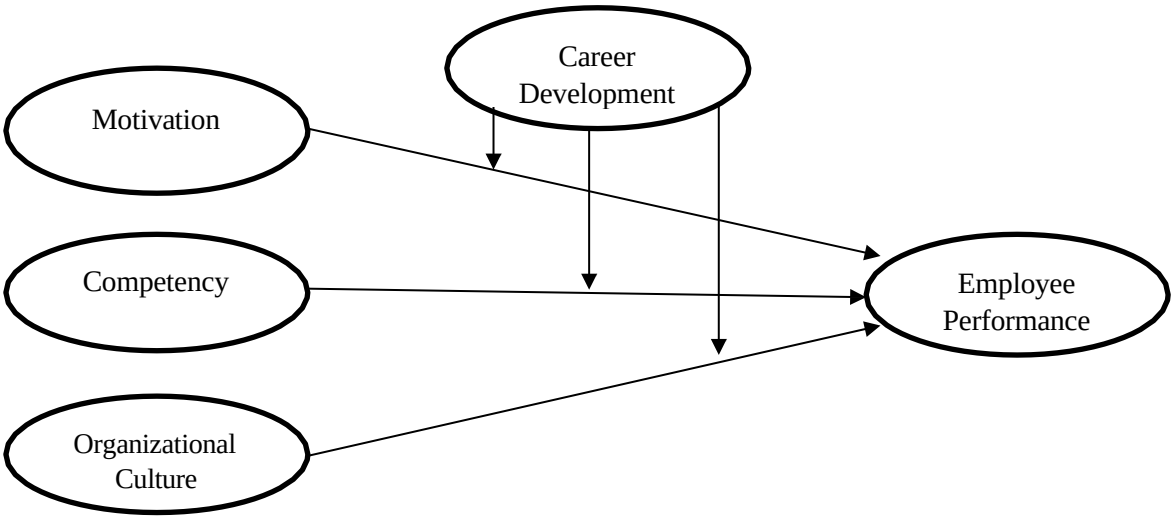


Figure 1. Research Model

METHOD

This study employs an explanatory research design utilizing an associative-quantitative approach. The research method adopted is a survey, with data collected from a sample of 116 employees at the Aceh Regional Office of the Directorate General of Customs and Excise (DJBC). The sampling technique applied was convenience sampling, a non-probability sampling method. The sample size was determined using the Sample-to-Variable Ratio method, a framework recommended for establishing sample sizes based on the research findings of Memon et al. (2020). This approach ensures alignment with established methodological standards for quantitative studies.

RESULTS AND DISCUSSION

Results

Table 1. Respondents Profile

Characteristics	Frequency	Percentage (%)
Gender		
Male	93	80.20
Female	23	19.80
Age (years)		
< 25	17	14.70
25-40	55	47.40
41- 56	44	37.90
> 56	0	0
Job Level		

Characteristics	Frequency	Percentage (%)
Administrator official (echelon III)	9	7.80
Supervisory official (echelon IV)	28	24.10
Functional official	13	11.20
Staff	66	56.90
Education Level		
High school	2	1.70
Diploma I	19	16.40
Diploma III	22	19.00
Undergraduate	47	40.50
Postgraduate (Master)	26	22.40
Postgraduate (Doctoral)	0	0
Length of Service (years)		
< 1	0	0
Between 1 - 9	37	31.90
Between 10 - 19	39	33.60
Between 20 - 29	31	26.70
> 30	9	7.80

Source: questionnaire's result

Instrument testing in this study was conducted concurrently with other analyses on actual respondents, rather than separately. The measurement model was evaluated using Convergent Validity, assessed through Smart Partial Least Square (Smart PLS) software. The validity testing procedure involved correlating item scores (component scores) with construct scores to derive loading factor values. The results from Smart PLS indicated that all indicators had values exceeding 0.5, confirming their significance. For reliability testing, the Cronbach's Alpha test was employed. All items used to measure variables were deemed reliable, as they exhibited an alpha coefficient value greater than 0.6 (Malhotra, 1996), as detailed in Table 2. This approach ensures the robustness, also consistency of the measurement instruments applied in the study.

Table 2. Construct Reliability dan Validity

	Cronbach's Alpha	*Composite Reliability (rho_A)*	*Composite Reliability (rho_C)*	*Average Variance Extracted (AVE)*
Organizational Culture	0,909	0,924	0,924	0,550
Competency	0,935	0,950	0,945	0,631
Motivation	0,889	0,894	0,909	0,505
Career Development	0,921	0,922	0,941	0,762
Employee Performance	0,909	0,913	0,932	0,734

Because in the discriminant validity test the results of the variable squares > 0.9, a retest was carried out by checking the outer loadings and the impact was that a number of outer loadings were not included for the second measurement model test. The results of Discriminant Validity, namely in the Fornell-Larcker Criterion, obtained data as in Table 3.

Table 3. Discriminant Validity

	Organizational Culture	Competency	Motivation	Career Development	Employee Performance
Organizational Culture	0,742				

Competency	0,704	0,794			
Motivation	0,794	0,714	0,710		
Career Development	0,820	0,598	0,646	0,873	
Employee Performance	0,848	0,567	0,682	0,865	0,856

Based on table 3 above, the diagonal line shows a greater value for the relationship between variables, in other words, in terms of quality the items can be considered to meet the valid criteria. After the outer model testing is complete, the next stage is the Inner model which aims to predict the relationship between latent variables. The inner model is evaluated by looking at the percentage of variance explained, namely by looking at the R Square value. The higher the R Square value, the better the research model. The R Square results can be shown in Table 4.

Table 4. R-Square

	R Square	*R Square Adjusted*
Employee Performance	0,845	0,835

Based on Table 4 above, it is known that the proposed research model can explain the phenomena related to Work Performance, which is 84.5%. So this shows that all exogenous constructs, namely Work Motivation, Work Competence, Organizational Culture, and Career Development simultaneously affect Work Performance by 84.5%. The Adjusted R Square value is more than 83.5%, so the influence of all exogenous constructs on Work Performance is quite strong. Analysis of the structural model was carried out to see whether the hypothesis was supported or not, as in Table 5, below.

Table 5 Bootstrapping

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Motivation → Employee Performance (H1)	0,104	0,121	0,090	1,158	0,247
Competency → Employee Performance (H2)	0,056	0,052	0,077	0,730	0,465
Organizational Culture → Employee Performance (H3)	0,275	0,320	0,135	2,036	0,042
Career Development X Motivation → Employee Performance (H4)	-0,014	0,025	0,120	0,119	0,905
Career Development X Competency → Employee Performance (H5)	0,137	0,108	0,087	1,569	0,117
Career Development X Organizational Culture → Employee Performance (H6)	-0,187	-0,179	0,101	1,862	0,063

The results of the hypothesis testing show that only Organizational Culture has a significant influence on Job Performance. Motivation and Competence do not have a significant impact on employee Job Performance. In addition, Career Development is not proven as a moderating variable that strengthens the relationship between independent variables and Job Performance. Of the six hypotheses proposed in this study, only one is supported, while the

other five are not supported. The majority of respondents consisted of men aged 25–40 years with Executive positions, Bachelor/Diploma IV education, and have a work period of 10–19 years.

Discussion

The Influence of Motivation on Work Performance

The findings reveal that work motivation has a positive yet statistically insignificant effect on work performance (T-Statistics = 1.158; P-Value = 0.247). This suggests that while motivation is theoretically important, other factors such as the work environment, leadership quality, and incentive systems may play a more critical role. Additionally, demographic variables, including age and tenure, may further influence these outcomes.

The Influence of Competence on Work Performance

Competence was found to have no significant impact on work performance (P-Value = 0.465). This may be attributed to the fact that the majority of respondents possess higher education and extensive work experience, potentially reaching a competence threshold where further improvements do not directly enhance performance. Moreover, practical skills may be more critical than academic qualifications in this context.

The Influence of Organizational Culture on Work Performance

Organizational culture significantly influences work performance (T-Statistics = 2.036; P-Value = 0.042). A positive work environment and supportive organizational culture are key drivers of enhanced employee performance. This aligns with prior research indicating that a strong organizational culture fosters productivity and employee engagement.

The Influence of Motivation on Job Performance with Career Development as a Moderator

Career development does not significantly moderate the relationship between motivation and job performance (T-Statistics = 0.119; P-Value = 0.905). This implies that existing career development programs may lack effectiveness, possibly due to unclear promotion pathways or insufficient alignment between training initiatives and career advancement opportunities.

The Influence of Competence on Job Performance with Career Development as a Moderator

Career development also fails to significantly strengthen the relationship between competence and job performance (T-Statistics = 1.569; P-Value = 0.117). Challenges such as ambiguous promotion criteria or training programs that do not align with job requirements may hinder the moderating role of career development.

The Influence of Organizational Culture on Job Performance with Career Development as a Moderator

Career development does not enhance the relationship between organizational culture and job performance (T-Statistics = 1.862; P-Value = 0.063). This suggests that a robust organizational culture alone is sufficient to improve job performance without the need for career development as a moderating factor.

CONCLUSION

This finding indicates that in improving employee Job Performance, organizations need to place more emphasis on strengthening a positive work culture and a clearer and more effective performance management system.

The implication of this finding is the need for organizations to pay more attention to factors that can support employee job performance effectively. A strong organizational culture must be maintained and improved through leadership that is oriented towards human resource development, more open communication, and a fair reward system. In addition, organizations need to align career development programs with employee needs and ensure that there is a clear career path so that employees feel motivated to continue to improve their competence and job performance. With improvements in the career development system.

Based on these findings, there are several recommendations that can be implemented to improve employee performance, as follow.

1. In terms of improving Organizational Culture, organizations need to strengthen an inclusive and supportive work culture by adopting stronger work values. Leadership that is oriented towards human resource development can improve employee performance. In addition, internal mentoring and coaching programs can be implemented to increase employee involvement in understanding Organizational Culture.
2. Related to the alignment of Career Development programs, organizations need to clarify Career Development paths so that employees are more motivated to improve their performance. Training programs must be more relevant to employee needs in order to have a significant impact on Work Performance. In addition, strengthening the Talent Management system that has been encouraged by the Ministry of Finance needs to be more optimal in providing merit-based promotion opportunities and employee performance.
3. Organizations also need to pay attention to additional factors that can improve employee performance, such as incentive systems, job satisfaction, and a supportive work environment. Flexible policies related to work-life balance must continue to be implemented in order to improve employee satisfaction and loyalty. In addition, periodic evaluation of the effectiveness of employee development programs needs to be carried out so that they can continue to be adjusted to the needs of the organization and employees.

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