The Model of Employee Motivation and Work Effectiveness

Elvie Maria[1*], Junaidi[2], Marihot Simanjuntak[3], April Gunawan Malau[4,] Brenhard Mangatur Tampubolon[5], Nandan Limakrisna[6]
[1]Universitas IBBI, Indonesia, marthamanalu1728@gmail.com
[2]Sekolah Tinggi Ilmu Pelayaran (STIP) Jakarta, Indonesia, junaidikplp1408@gmail.com
[3]Sekolah Tinggi Ilmu Pelayaran (STIP) Jakarta, Indonesia, marts1528@gmail.com
[4]Sekolah Tinggi Ilmu Pelayaran (STIP) Jakarta, Indonesia, aprilgunawan22@gmail.com
[5]Sekolah Tinggi Ilmu Pelayaran (STIP) Jakarta, Indonesia, bmtampu@gmail.com
[6]Universitas Persada Indonesia Y.A.I Jakarta, Indonesia, nandanlimakrisna@upi-yai.ac.id

[*]Corresponding Author: marthamanalu1728@gmail.com

Abstract: The purpose of this study was to determine the effect of competence and compensation on employee performance, both simultaneously and partially, and discussed descriptively. The research method used is descriptive and verification. The unit of analysis in this study is the employees of PT. X Bandung taken as many as 47 samples (n). The findings of this study are employee competencies are generally assessed on good criteria; Compensation provided to employees is inadequate; employee performance has a fairly high performance and Compensation and competence together or individually affect the performance of employees of PT. X Bandung. But partially dominant compensation affects employee performance rather than competence.

Keywords: Competence, Compensation, Employee Performance

INTRODUCTION

The environment is changing so rapidly and unpredictably that it requires every organization, whether private or government, to adapt its strategies and policies to achieve its organizational goals.

PT X Bandung is a company engaged in consulting and engineering services. In business operations, it is supported by reliable and professional employees with different disciplines according to their areas of expertise to create synergy and serve consumers with full responsibility and innovation.

By instilling core values and good training in employees, the ability and commitment of employees to provide consulting services in the fields of foundation design, tower structures and CME engineering will surely be enhanced. Preliminary survey, technical survey, technical site survey, permitting and design, tower foundation construction, permanent screening, indoor and outdoor electrical installation, documentation including floor plans, construction drawings and as-built drawings, tower analysis, building structure and analysis, foundation design, Soil testing, hammer testing, but consultant workload actually declined from 2015 to 2018; this can

be seen in Table 1.

Table 1. Total Consultant Services work from 2015 to 2018.

Jobs	Year (package)											
	2015			**2016**			**2017**			**2018**		
	Target	Achievements	%	Target	Achievements	%	Target	Achievements	%	Target	Achievements	%
Planning	700	500	71.4	500	450	90	500	350	70	400	200	50

Source: PT X Bandung, 2019

Table 1 shows that planning services declined from 2015 to 2018. The decline in employee performance is said to be consistent with declines in consulting and engineering consultancy services. However, the performance of an organization is not only affected by the human resources within the organization, but also by other resources within the organization, namely funds, materials, equipment, technology and working mechanisms, etc., so human resource development is the most important. Tools in your organization are absolutely necessary and should not be delayed. Human resource development at PT X Bandung is carried out in a variety of ways, including sending employees for training and development, technical and functional courses, transfers and organizational interventions. Employees are seconded not only for formal training but also for career development within the organization.

Based on observations, there were indications that work was not completed on time, that the scope/quantity of work completed was insufficient, and that the implementation of the work carried out was sometimes inconsistent with previous plans (2019 Observations), as shown in Table 2 below.

Table 2 Employee Performance of PT X Bandung

No.	Variables	Current State %	Remaining Period	Desc
1.	Promptness in completing work	90	10	-
2.	Quantity of work completed	85	15	-
3.	Work that refers to the plan	95	5	-

Source: PT X Bandung, 2009

Table 1 shows that planning services declined from 2015 to 2018. The decline in employee performance is said to be consistent with declines in consulting and engineering consultancy services. However, the performance of an organization is not only affected by the human resources within the organization, but also by other resources within the organization, namely funds, materials, equipment, technology and working mechanisms, etc., so human resource development is the most important. Tools in your organization are absolutely necessary and should not be delayed. Human resource development at PT X Bandung is carried out in a variety of ways, including sending employees for training and development, technical and functional courses, transfers and organizational interventions. Employees are seconded not only for formal training but also for career development within the organization.

Based on observations, there were indications that work was not completed on time, that the scope/quantity of work completed was insufficient, and that the implementation of the work carried out was sometimes inconsistent with previous plans (2019 Observations). , as shown in Table 2 below.

LITERATURE REVIEW

Employee Competency

According to Mitrani, Palziel, and Fitt (1992), the concept of capabilities is not new. The American psychology industry organization and skills movement began in the 1960s and early 1970s.

According to Clark (1997a: 297), competence is the knowledge or know-how to perform a job effectively. At the same time, according to Davis (2002: 299), capability is a capability perspective and human knowledge that specifically affects the ability to meet organizational needs by minimizing costs and optimizing services provided to customers for less money.

According to Mitrani, Palziel, and Fitt (1992) and Spencer and Spencer (1993), abilities are defined as personal characteristics that have an impact on work effectiveness. Competencies can be divided into two (2) categories, namely "Threshold Competencies" and "Differentiation", based on the performance used to predict job performance. (Spencer and Spencer, 1993), namely:

1. Threshold skills are key characteristics (usually basic knowledge or skills, such as the ability to read) that a person must possess in order to be able to perform the job.
2. Differentiating capabilities are what separate high performers from low performers

In the context of the strategic role of HR, capabilities are implemented as the organization understands the role of HR, from HR issues to HR-related business issues.

Compensation

Some human resource management experts have expressed their own views on the definition of compensation, among which Milkovich and Newman (1998: 15) stated: "Compensation refers to all financial returns and tangible service benefits that employees receive as part of their relationship.". "Compensation refers to all financial rewards, benefits and advantages that employees receive in the employment relationship.

Werther and Davis (2002: 412) believe that "compensation is the reward that employees receive for their work. Whether it is hourly wages or regular wages. Typically, the human resources department designs and manages employee compensation. Compensation is the reward that employees receive for their work. Compensation is what employees receive for their work. Whether it is hourly wages or regular wages, they are designed and managed by the human resources department.

According to Dessler (2000: 85), compensation is any form of payment or reward given to an employee and resulting from the employee's work.

Performance

Mangkunegara (2004: 67) defines performance (job performance) as follows: "Performance is the quality and quantity of work done by an employee in performing the duties assigned to him."

Employee performance refers to the maximum performance achieved by employees based on skills, experience, conscientiousness and time in performing their jobs. As Siagian (2007: 94) states, "Job performance is the result of a person completing tasks assigned to him based on skill, experience, conscientiousness, and time."

RESEARCH METHODS

Mangkunegara (2004: 67) defines performance (job performance) as follows: "Performance is the quality and quantity of work done by an employee in performing the duties assigned to him."

Employee performance refers to the maximum performance achieved by employees

based on skills, experience, conscientiousness and time in performing their jobs. As Siagian (2007: 94) states, "Job performance is the result of a person completing tasks assigned to him based on skill, experience, conscientiousness, and time.".

Analysis Design and Hypothesis Test

Depending on the method used in data collection, the ordinal size variables were then converted into interval form using the continuous interval method. Before assigning the instrument, the validity and reliability of the instrument were first tested.

The analysis technique used in this study is path analysis technique, which requires data to have at least one interval of measurement levels. Therefore, the above two variables with ordinal measurement levels need to be converted into intervals. Since the measurement levels of the scale are ordinal, for further processing it must first be converted into an interval scale using the continuous interval method (MSI), Al-Rasyid 1998; 2).

RESEARCH RESULTS AND DISCUSSION

According to the results of the study on the capabilities of employees of PT X Bandung, PT X Bandung should improve the capabilities of employees through education, skills and training so that in the future it can be an achievement that promotes high performance of employees.

According to the findings, employees of PT Yodya Karya's Bandung branch received insufficient compensation. In this case, the management needs to find a solution on how to increase the salary again, because salary is one of the factors that directly or indirectly affects the performance of employees. Therefore, employee compensation should receive special attention from the organization's management so that employees are satisfied and employee performance can continue to improve. Since most employees work for compensation, Mangkunegara's view (2004:85) states that "employee compensation comes in two forms, namely direct forms, namely wages and salaries, and indirect forms of compensation, namely benefits."

According to the findings, employees of PT Yodya Karya's Bandung branch received insufficient compensation. In this case, the management needs to find a solution on how to increase the salary again, because salary is one of the factors that directly or indirectly affects the performance of employees. Therefore, employee compensation should receive special attention from the organization's management so that employees are satisfied and employee performance can continue to improve. This is because most employees work for compensation, as Mangkunegara's view (2004:85) points out: "Employee compensation comes in two forms, namely direct form, namely wages and salaries, and indirect form, namely benefits.".

The influence of competence and compensation on employee performance of PT X Bandung

In order to find out whether the influence of independent variables, namely competence and salary on employee performance in the environment of PT X Bandung is conducted using path analysis, the software used is SPSS Release 12. The steps taken were to calculate the correlations between the variables, thus obtaining the correlations shown in Table 3 below.

Table 3. Correlation Matrix between Variables

Correlations

	COMPETENCY	COMPENSATION
COMPETENCY Pearson Correlation	1	.431**
Sig. (2-tailed)	.	.002
N	47	47
COMPENSATION Pearson Correlation	.431**	1
Sig. (2-tailed)	.002	.
N	47	47

**. Correlation is significant at the 0.01 level (2-tailed).

In addition, based on the results of the correlation matrix calculation, the path coefficient can be calculated, as well as the overall impact of X1 on X2 and the path coefficients of other variables besides variables X1 and X2, as shown in Table 4 below.

Table 4. Magnitude of Path Coefficient

Path coefficient of X_1 on Y	pyx_1	0.293
Path coefficient of X_2 on Y	pyx_2	0.497

Source: SPSS output results

Table 5 demonstrates the values of R2Y.X1, X2; RY.X1, X2; P2Y Є; and PYЄ.

Table 5 Multiple Determination Coefficients, and Other Variable Path Coefficients

Multiple Determination (R)^2	$R2_{Y.X1, X2,}$	0.458
Multiple Correlation Coefficient	$R_{Y.X1, X2,}$	0.676
Determination of Var. Other to Y	$P^2 Y \in$	0.542
Path Coefficient X_2 Var. Other to Y	$P Y \in$	0.736

Source: SPSS output results

In other words, X1 and X2 combined have an impact of 0.458 or 45.8%, while the remaining 0.542 or 54.2% is influenced by other variables that were not considered in this research. Given the theoretical background, a favorable relationship is anticipated between skill and salary impacting PT Yodya's worker efficiency.

After the Karya Bandung Branch designs and develops the construction measurement tool, it is called Table 6 in such a form in order to test the entire hypothesis.

Table 6 Simultaneous Test Results of X1 and X2 on Y

ANOVAb

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	655.685	2	327.843	18.564	.000a
	Residuals	777.066	44	17.661		
	Total	1432.752	46			

a. Predictors: (Constant), COMPENSATION, COMPETENCY
b. Dependent Variable: PERFORMANCE
Source: SPSS 12.0 Output

From Table 6, it can be observed that the F count is 18,564 with a significance level of 0.00, which is less than 0.05. Therefore, the joint tests were proven significant, and this can proceed to further analysis with partial testing.

Table 7 below shows the results of how X1 and X2 directly or indirectly affect Y in terms of a causal relationship.

The application of the theoretical framework leads to a positive correlation that exists between competency and compensation on employee performance at PT X Bandung. In order to test the overall hypothesis as shown in Table 6, the scientific approach will be taken.

Table 7 Influence of Variables X_1 and X_2 to Y and Influence Beyond Variables X_1 and X_2

| Interpretation of Path Analysis		
Description	Influence	%

Effect of X_1, X_2 to Y	0.458	45.8
Influence Beyond X_1 X_2	0.542	54.2
Total		100

Source: Statistical Processing Results SPSS Program

This suggests that the combined impact of variables X1 and X2 on variable Y accounts for 45.8% of the influence on Y, while the remaining 54.2% is attributed to other variables. Based on the results shown in Table 6, we observe that Fcount is equal to 18,564 with a significance level of .00, which is less than .05, indicating that simultaneous test results are statistically significant. Thus, it can proceed to a more detailed analysis through testing partially.

According to Table 7, the outcomes of X1 and X2 as independent variables have a direct impact on Y, but the influence of other factors not examined in this research.

Using the theoretical framework, at PT X Bandung, there is a positive relationship between competence and compensation with employee performance, which will be tested for all of the hypotheses in Table 6.
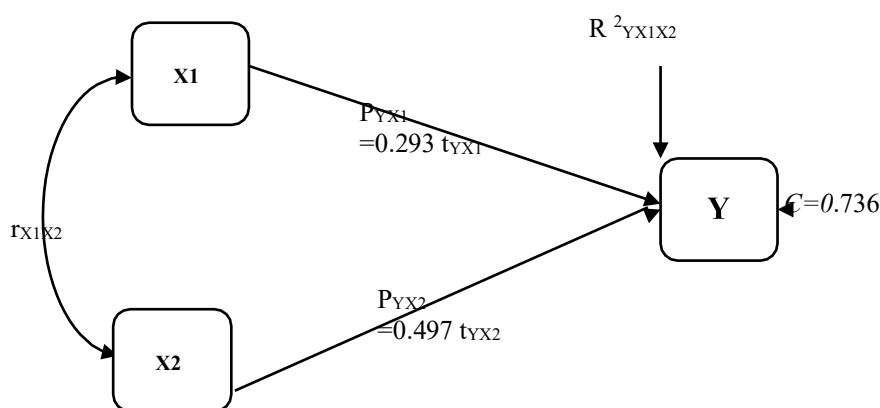
Figure 1 Causal Diagram Between Competence (X_1), Compensation (X_2) and Employee Performance (Y)

Based on Figure 1 above, it is evident that compensation has a significant impact on employee performance with a path coefficient of 0.497 and a t-count value of 4.036, exceeding the t-table value at an α level of 0.05, which is 1.67. Competence also shows an effect of 0.293 with a t-count value of 2.380, which is greater than the critical value in the t-table at an α level of 0.05, which is 1.67. Therefore, both variables proved to impact employee performance, as shown in Table 4.53 below.

Table 8 Partial Path Coefficient Testing

Path Coefficient Symbol		tcount	ttable	Conclusion
PYX_1	0.293	2.380	1.67	Ho reject Available at influence positive competence on employee performance
PYX_2	0.497	4.036	1.67	Ho reject Available at influence positive compensation on employee performance

Source: calculation result

Table 9 below presents how, according to the calculations above, ability impacts the employee's performance in PT X Bandung both directly and indirectly.

Table 9. Direct and Indirect Effect of Competence on Employee Performance

Interpretation of Path Analysis		Influence	%
Desc			
X1	Direct effect to Y	0.0858	8.58
	Indirect effect through X_2 to Y	0.0628	6.28
Total		0.1486	14.86

Source: Statistical Processing Results SPSS Program

As we can see from the table, the impact of competence on employee performance was 8.58% directly, with a coefficient t-count of 2.380 (t-count > t-table), whereas indirectly through the compensation variable was 6.28%.

Taking into account the overall contribution of competence to employee performance at 14.86%, it can be deduced that competence has a substantial direct impact on employee performance. The empirical evidence suggests that if there is a need to elevate employee performance, there should be involvement of competence factors, as these factors have a significant connection with enhancing employee performance. The path coefficient shows a positive and significant value, which means that better execution of competence will result in improved employee performance.

According to Ruky (2006: 107), competence refers to the description of an employee's knowledge, skills, attitudes, and abilities that contribute to achieving optimal performance. Furthermore, Spencer and Spencer, cited by Ruky (2006:105), define competence as the individual's capability to utilize motives, personal character, self-concept, knowledge, and skills in delivering quality service performance. In addition, Zeithaml (1990: 21) asserts that competence is related to a worker's level of skills and knowledge, which can be measured by service performance. Similarly, based on the outcome of those calculations above, it can be noted that compensations not only directly but also indirectly affect employees' achievements.

Table 10. Direct and Indirect Effect of Compensation on Employee Performance

Interpretation of Path Analysis		Influence	%
Desc			
X2	Direct effect to Y	0.2470	24.70
	Indirect effect through X_1 to Y	0.0628	6.28
Total		0.3098	30.98

Source: Statistical Processing Results SPSS Program

As we can see from the table, the impact of competence on employee performance was 8.58% directly, with a coefficient t-count of 2.380 (t-count > t-table), whereas indirectly through the compensation variable was 6.28%.

Taking into account the overall contribution of competence to employee performance at 14.86%, it can be deduced that competence has a substantial direct impact on employee performance. The empirical evidence suggests that if there is a need to elevate employee performance, there should be involvement of competence factors, as these factors have a significant connection with enhancing employee performance. The path coefficient shows a positive and significant value, which means that better execution of competence will result in improved employee performance.

According to Ruky (2006: 107), competence refers to the description of an employee's knowledge, skills, attitudes, and abilities that contribute to achieving optimal performance. Furthermore, Spencer and Spencer, cited by Ruky (2006:105), define competence as the individual's capability to utilize motives, personal character, self-concept, knowledge, and

skills in delivering quality service performance. In addition, Zeithaml (1990: 21) asserts that competence is related to a worker's level of skills and knowledge, which can be measured by service performance. Similarly, based on the outcome of those calculations above, it can be noted that compensations not only directly but also indirectly affect employees' achievements.

CONCLUSIONS AND SUGGESTIONS
Conclusion
At PT X Bandung, the employees' competency is evaluated in a better way, that is to say through the application of appropriate criteria. In this context, it means that employee competencies in relation to motivation, personality characteristics, self-concept, and knowledge based on employee perceptions are at a reasonable level, so there is potential for employee development. However, some considerations need to be made regarding their limitations; the system sometimes ignores values (such as lack of providing quick service) and inadequacy of being responsive enough to respond to all information given or received.

Based on an analysis, there is currently a flaw in the rewards system employed by PT X Bandung as it comes up short particularly in terms of: wages and salaries received at this time are not based on needs, UMP, and K; the level of wages and salaries paid in comparison with other competitive companies is low; employees who perform beyond the expected productivity goals do not receive adequate incentives; benefits like the company's insurance program are below average; although the company has profits, it has never considered giving its staff annual bonuses; employees have no chance to be promoted. At PT X Bandung, employees' performance is good and even some employees have very high performance; however, there are several things that should be taken into consideration such as availability of time to help coworkers, availability of time to innovate in work, and knowing how to measure good performance.

Performance of an employee is influenced by both competence and compensation at the PT X Bandung. Nevertheless, dominantly, the effect of compensation on performance is greater than that of competence. Also, dominantly, the effects of competence and compensation on performance are as follows:

A considerable and positive influence of competence on employee performance means that if an employee has high competence, it will likely have a favorable impact on the level of his or her performance. In turn, compensation can also be considered as one of the major factors affecting employee performance because it exerts a considerable and positive effect in such a way that the greater amount of compensation awarded to employees, the more developed their activity will be.

Suggestions
One way to enhance employee competency is through deepening the understanding of the value system and applying it across all levels of the organization and addressing promptly issues that relate to complaints by trainees or other sources. To improve compensation as part of an effort aimed at enhancing employees' performance, measures that can be taken include the following: wages and salaries currently received in relation to UMP and K should be increased or at least improved more than in other similar companies; bestow a deserving bonus on those workers who toil beyond the target level; ensure proper social benefits are given to workers to help them maintain their health; award an annual bonus if the company makes a profit; and provide a promotion if you reach high levels.

PT X Bandung has to do something to enhance employee performance, and most importantly, it is related to the availability of time to help coworkers, the availability of time to innovate in work, as well as the necessity of understanding and socialization on how good performance is measured. As it is observed that compensation plays the greatest part in

determining performance, the latter being the foremost consideration when enhancing employee performance. Then PT X Bandung should provide compensation to employees according to the rules by increasing other facilities so that they can work more professionally.

The existing conditions and limited resources in terms of time and budget are the reasons for the recommendations in executing the subsequent research, which include exploring questionnaire data, conducting more extensive interviews with all respondents, and broadening the causal variables that impact employee performance.

REFERENCES

Achmad S. Ruky. 2006, *Performance Management System*, Jakarta: PT Gramedia Pustaka Utama.

AA Anwar Prabu Mangkunegara, 2004, *Corporate Human Resource Management*, Bandung, PT. Remaja Rosdakarya.

Bambang Wahyudi, 2002, *Human Resource Management*, Bandung, CV. Setia.

Bernardin, John H and Russell, Joyce EA, 2003, *Human Resource Management*, New York, Mc Graw - Hill Inc.

Cascio, Wayne F, 2003, *Managing Human Resource, Productivity, Quality of Work Life Profit*, International Edition, Mc Graw - Hill.

Cherington, David J, 2000, *Organization Behavior: The Management of Individual and Organization Performance,* Masachusets USA: Allyn and Bacon, Needham Heigt.

Dale, Timpe A, 1998, *Business Management Science and Art Series, Performance*, translated by Sofyan Cikmat, Jakarta, PT Elex Media Computindo.

Dessler, Garry, 2000, *Human Resource Management, seventh edition,* trans. Benyamin Molan, Jakarta, PT Prehalindo.

Gibson, James L, Ivancevich, John M and Donnelly Jr, James H, 1997, *Organizations, Behavior, Structure, Process, eighth edition*, translator Nunuk Adiarni, Jakarta, Binarupa Aksara.

Gomes, Faustino Cardoso, 2001, *Human Resource Management,* Yogyakarta, Andi Offset.

Hart, Cathy, et al. 1999, *Retailer* and *Student Perceptions of Competence Development, International Journal of Retail and Distribution Management*, Vol. 27, No. 9, pp. 362-373.

Harun Al Rasyid, 1998, *Path Analysis as a Statistical Tool in Causal Analysis*, LP3-UNPAD, Bandung

Hasibuan. S, P. 2007. *Basic Management, Definition, and Problems*. Jakarta. PT Bumi Aksara.

Henry Simamora, 2004. *Human Resource Management*, Third Printing, Publisher of STIE YKPN - YOGYAKARTA.

Johnston, James L, John M Ivancevich, James H Donnely Jr, 1995, *Organizations, Behavior, Structure, Process,* Translation Nunuk Adriani, Binarupa Aksara**,** Jakarta,

Jackson, Susan E, (1996), *Human Resource* Management *for the 21st Century*, Volume I and II, sixth edition, (translated: Abdul Rosyid, 1999), Jakarta, Erlangga.

Johnston, Robert, 1995 a, *The Determinants of Service Quality: Satisfiers and Dissatisfiers,* International Journal of Service Industry Management, Vol. 6, No.5

Jansen, H. Sinamo, 2002, *Ethos 21, Professional Ethos in the Global Digital Age,* Jakarta, Institut Dharma Mahardika.

Mitrani, A, Daziel, M. and Fitt, D. 2002, *Competence Based Human Resources Management: Value-Driven Strategies for Recruitment, Development and Reward.* London: Kogan Page Limited.

Mathis Robert L, Jackson John H, 2001, *Human Resource Management*, South-Western College Publishing, a division of Thomson Learning.

Malayu SP Hasibuan, 2007, *Human Resource Management, Revised Edition,*

Jakarta, PT Bumi Aksara.

Mac Lean. 2001. *Employee Training and Development*. 2nd^nd Edition. New York: The McGraw-Hill Companies, Inc.

Milkovich, George T and Newman, Jerry M, 1998, *Compensation,* Mc Graw Hill, Irwin.

Milkovich, George T and Boudreau, 1998, *Human Resource Management*, Boston, Richard D Irwin Inc.

Milton, Charles R, 2001, *Human Behavior in Organization: There Levels of Behavior*, Engelwood Clifs, USA, Prentice - Hall Inc.

Mohammad Nazir, 2000, *Research Methods*, Third print, Jakarta, Ghalia Indonesia.

Moh As'ad, 1999, *Industrial Psychology*, Fourth Edition, Yogyakarta, Liberty. Nawawi Usman, 2005. *Human Resources*, Gunung Agung, Jakarta,

Newstrom, John W and Davis, Keith, 2002, *Organizational Behavior, Human Behavior at Work 11th^th Edition,* Boston, Mc Graw Hill Irwin, International Editions.

Schuller, Walker & Jackson, 1990, *Organizational Behavior and Personnel Psychology***,** First Edition, Richard D. Irwin

Sedarmayanti, 2000, *Human Resource Management and Work Productivity,* Bandung, Ilham Jaya

Sitepu Nirwana, 1994, *Path Analysis*, Bandung: UPT Department of Statistics, FMIPA UNPAD

Sugiyono, 2006, *Business Research Methods*, Bandung Alfabeta.

Suharsimi Arikunto, 1996, *Research Procedures, A Practical Approach¸* Revised Edition II, Jakarta, PT Rineka Cipta.

Spencer, M. Lyle and Spencer, M. Signe. 1993.*Competence at Work:* Model for Superior.

Uma sekaran, 2000. *Research Methods for Business*, Second Edition, Publisher Nohnwiley & Sons, Inc. New York Chichester Bisbone Toronto Singapore.

Werther, William B and Davis, Keith, 2002, *Human Resource and Personnel Management,* Fifth Edition. New York.

Winardi, J, 2002, *Conflict Management and HRM,* Gramedia, Jakarta.