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Implementation of Competence and Motivation in Employee Performance

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Abstract: The purpose of this paper is to provide insight into how organizations can improve employee performance through effective talent management. This paper uses a qualitative method by finding literature related to the variables in this paper, and implementation. This literature review is to provide an insight and overview of the variables used in this paper. Organizations should allocate resources to build effective motivational mechanisms that can encourage employees to excel, as well as provide training and development initiatives to improve employee competencies. In addition, organizations should invest in establishing efficient leadership styles, fostering a supportive work environment, and assessing the effectiveness of existing training programs to ensure alignment with employee and organizational needs.

Keywords: Competence, Motivation, Employee Performance

INTRODUCTION

Employee performance in an organization is a key factor that influences the success and growth of the company. To understand and improve employee performance, it is important to analyze two key factors that play a central role in this, namely competence and motivation. According to (Wahyuni et al., 2020) Competencies refer to the abilities, knowledge, and skills possessed by an employee to execute their duties and responsibilities. When employees have competencies that match their jobs, they tend to be more efficient and effective in carrying out their duties (S., 2022). Competency analysis involves assessing whether employees have the necessary skills to do their jobs well, and if there are gaps, companies should invest in training and development to fill those gaps (Jacobs, 2019).

Motivation also plays a crucial role in employee performance, motivation refers to the internal and external drives that encourage employees to perform well (Kellner et al., 2019). Motivated employees tend to be more energized, focused and strive to achieve their goals. Motivational analysis involves understanding what encouraging employees, whether that includes recognition, financial incentives, job challenges, or personal goals (Ibrahim, 2015). Highly competent employees who are also highly motivated tend to be valuable assets to the

company, resulting in sustained high performance. However, if there is a mismatch between competence and motivation, companies should look for ways to correct this, either through training or role adjustment. Some additional aspects to consider in competency and motivation analysis in organizations ensure that employees have competencies that match their roles and responsibilities (Alebiosu et al., 2022), the measurement of employee motivation encourages employees personally will help organizations to create more effective strategies in maintaining their motivation (Ledimo et al., 2019).

Leadership plays an important role in influencing employee competence and motivation. Leaders who are supportive, provide clear direction and constructive feedback are likely to improve employee performance (Damayanti, 2021; Nguyen et al., 2020). Organizations need to have a structured training and development plan to improve employee competencies, including an evaluation of whether existing training programs meet employee and organizational needs, and whether they are effective in improving competencies (Tonkonog & Ananchenkova, 2022). A regular system of feedback and performance evaluation helps in monitoring the development of employee competencies and motivation. It also provides an opportunity to recognize achievements and identify areas where improvement is needed (Biswakarma & Kadayat, 2023).

Organizations should view competency and motivation analysis as an ongoing process. This involves a continuous effort to identify, measure and respond to changes in employees' competencies and motivation so that they can continue to contribute effectively and be motivated to achieve organizational goals (Ledimo et al., 2019). With this approach, organizations can produce more efficient, productive, and engaged teams, which in turn will help achieve long-term competitive advantage. Organizations run on employee competencies, motivation, and performance with competency mapping, thoughtful recruitment, employee development, structured performance management, motivational measurement and development, supportive leadership, growth-promoting culture, rewards, continuous evaluation, and succession planning. This creates an environment where employees are high-performing and motivated, supporting the long-term success of the organization.

The purpose of this paper is to provide insight into how organizations can improve employee performance through effective talent management.

LITERATURE REVIEW

Competence on Employee Performance

The literature review related to the two variables above will be presented here, where a research carried out revealed that the implementation of HRIS, motivation, and competence significantly influence employee performance (Farahdiba & Nawangsari, 2020). A different study conducted at the General Directorate of Guidance for Placement of Workers and Expansion of Employment Opportunities discovered that leadership styles and motivation affect employee performance, with competence playing a moderating role (Siregar et al., 2020). An examination into superior performance based on competencies and organizational effectiveness demonstrated that implementing competency-based performance management is essential for cultivating a performance-oriented culture within the organization (Shet et al., 2019). A study examining how work competence and motivation affect employee performance discovered that both work competence and work motivation have a noteworthy influence on employee performance (Wijayanto & Riani, 2021).

A study investigating the influence of training and development on employee performance and effectiveness revealed that there was a positive correlation between training and development and employee performance and effectiveness (Asfaw et al., 2015). An additional study identified that employee performance is influenced by factors such as work motivation, leadership, the work environment, organizational culture, job performance,

competence, and compensation (Nguyen et al., 2020). Organizations should enhance employee performance through the implementation of employee competence.

This can be achieved by investing in HRIS implementation, establishing proficient leadership styles, and offering comprehensive training and development initiatives. Furthermore, organizations should gauge employee motivation and assess the efficacy of current training programs to align with both employee and organizational requirements. Lastly, organizations should commit to a consistent feedback and performance appraisal system to track the progress of employee competencies and motivation.

Motivation on Employee Performance

Motivation plays a pivotal role in employee performance, and the search results yield various studies that explore the influence of motivation on employee performance. Research into the influence of motivation on employee performance revealed that motivation has a beneficial effect on employee performance (Ukaejiofo, 2013). A separate study investigating the influence of motivation on employees' performance determined that there is a substantial connection between staff motivation and staff performance (Olusadum & Anulika, 2018).

A study carried out on the influence of motivation on employee performance in specific insurance companies in Nigeria concluded that motivation was the primary factor impacting employee performance (Mr. & Oluwayomi, 2018). A research study focused on the influence of motivation on employee performance in the Chinese electronics industry discovered that training and development, rewards and recognition, and delegation of authority significantly affect employee performance (Bao & Nizam, 2015). An additional research study examining the influence of motivation on employee performance and turnover in educational institutes in Pakistan identified that motivation significantly affects both employee performance and turnover (Hussain, 2018).

Organizations should allocate resources to establish efficient motivational strategies that inspire employees to excel, ultimately resulting in enhanced organizational performance.

RESEARCH METHODS

This paper uses a qualitative method by finding literature related to the variables in this paper, and implementation. This literature review is to provide an insight and overview of the variables used in this paper. The literature comes from existing international journals with a variety of recognized indexations.

FINDINGS AND DISCUSSION

In searching for the implementation of the variables of competence, motivation and employee performance in the literature of scientific articles, this paper will display the search for related articles. The study findings indicated that competence acts as an intermediary in the connection between knowledge and performance, motivation and performance, and satisfaction and performance (Almusaddar et al., 2014). Study of (Dhelvia, 2019) stated that workload and competence have a positive and significant effect, both simultaneously and partially, on the performance of PT X Finance employees. This research highlights that PT X Finance may experience a decline in employee performance due to pressures stemming from workload and inadequate competence among employee.

Study of (Pangaribuan & Sihombing, 2022) research conducted at PT. ZTE Indonesia revealed that competence, motivation, and compensation had a substantial impact on employee performance. Furthermore, the study findings indicated that competence acts as an intermediary in the connection between knowledge and performance, motivation and performance, and satisfaction and performance (Almusaddar et al., 2014). Work Environment (X1) and Competence (X2) have a positive and substantial effect on Performance (Z) either

directly or indirectly, through Motivation (Y) (Parashakti et al., 2020).

A different study from (Kajura, 2015) concluded that work competence and work motivation significantly affect employee performance. A study conducted within the Regional Planning, Research, and Development Board in Tabanan Regency indicated that enhancing motivation improved employee performance, whereas increasing competence actually led to a decline in performance (Suantara et al., 2020). Research carried out in the electronics industry in China revealed that training and development, reward and recognition, and delegation of authority had a substantial influence on employee performance (Ek & Mukuru, 2018).

A separate study from (Astarina et al., 2022) conducted by the Directorate General of Manpower Placement and Expansion of Employment Opportunities, identified that leadership style and motivation have an impact on employee performance, with competence acting as a moderator. A literature review of (Likdanawati et al., 2022) found that competence, motivation, leadership, work environment, organizational culture, job performance, and compensation are elements that affect employee performance.

The study findings from (Pakpahan & Aulia, 2022) states 1) Competence has a significant effect on performance, 2) Discipline has a significant effect on performance, 3) Motivation has a significant effect on performance, 4) Competence does not have a significant effect on motivation, 5) Discipline has an insignificant effect on motivation, 6) Motivation does not act as a mediator between competence and employee performance, and 7) Motivation acts as a mediator in the relationship between discipline and employee performance. Study from (Yulianto et al., 2022) stated that the employee competency variable has a significant effect of 0.927 on work commitment, while education and training also has a significant effect of 0.931 on work commitment. Employee competence has a significant effect of 0.927 on employee performance, and Education and Training also has a significant effect on employee performance. Furthermore, work commitment with a significance level of 0.900 has a significant effect on employee performance of 0.934.

Furthermore, the study of (Susanto et al., 2022) stated that competency and coordination variables have a considerable and positive impact on motivation and employee performance. However, motivation, when considered as an intervening variable, showed an insignificant positive effect on employee performance. It is important to note that this study is limited in its applicability and relates only to employees in the regional tax and levy management agency of Musi Rawas Regency. In terms of originality and value, this study stands as the first to explore the effect of competence and coordination on employee performance, with motivation as an intervening variable, within the regional tax and levy management agency of Musi Rawas Regency.

Other Study By (Anisya, 2021) also stated that (1) Employee performance is significantly and directly influenced by motivation, (2) Organizational culture is also significantly and directly influenced by motivation, (3) Employee performance is directly influenced by organizational culture, and (4) Organizational culture can indirectly act as a mediator between motivation and employee performance.

CONCLUSION AND RECOMMENDATION

Organizations should allocate resources to establish effective motivational mechanisms that can drive employees to excel, as well as provide training and development initiatives to improve employee competencies. In addition, organizations should invest in establishing efficient leadership styles, fostering a supportive work environment, and assessing the effectiveness of existing training programs to ensure alignment with employee and organizational needs.

Finally, organizations should commit to a consistent feedback and performance evaluation system to track the development of employee competencies and motivation. By

implementing these strategies, organizations can ensure that their employees have the necessary competencies and motivation to meet the demands of today's job market, which will ultimately improve organizational performance. Recommendations for other researchers The results of this paper as a form of contribution to the literature review and can be used for future research.

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