

The Influence of Work Competency and Motivation on Employee Performance

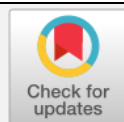
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ABSTRACT

Employee performance has a contribution to the development of a company. The personal performance of an employee can influence by competency and work motivation factors. This research was arranged based on theoretical analysis as well as empirical studies. The research aims to define a structured thinking concept about the relationship between competency variables, work motivation, and employee performance. Worker performance is the result of efforts achieved by a person or group who work in a company. Then competence leads to the employee's deep and inherent personality. Work motivation is the driving force that makes an employee use his/her abilities to complete the works. Further research can examine conceptual frameworks in business, manufacturing, and service organizations.

Keywords: Competency; Employee Performance; Work Motivation

1. Introduction

Employee performance has a positive impact on the success of a company in achieving company targets. In general, companies will seek to improve employee performance to achieve company goals (Noe et al., 2017). Based on the word's origin, performance can be interpreted as a work achievement achieved by someone. The performance here refers to the quality and quantity of labor. Performance comes from the word job performance, which means the work performance achieved by someone. What is meant by performance (work performance) is the quality and quantity of work achieved by an employee in carrying out their function following the responsibilities assigned to him. Performance or performance is the result or output of a process (Nurlaila, 2010). According to the behavioral approach in management, performance is the quantity or quality of something produced or services provided by someone who does the job (Luthans, 2005).

In this concept, performance can also be interpreted as the capacity and quality of work completed by a person. Employee performance is often encountered as a problem faced by company management, so to overcome this, company management needs to know the factors that affect employee performance. Employee performance in a company can be measured based on each employee's competence and work motivation (Mitchell, 1978).

Research that analyzes competence on employee performance has been carried out by Tutu & Constantin (2012), which states that competence, competency standards, and competency index positively affect performance. Kolibacova (2014) concludes that the competency level of an employee can be worth one unit higher than the competency level of other employees. It can be assumed that the percentage of employee performance ranges from 7-12.5% higher. Research on the effect of work motivation on performance has also been conducted by Chien et al. (2020) on employees of four-star hotels in Mongolia, who confirm a positive correlation between motivation and employee performance at the hotel. Taylor (2015) states that performance can be improved by focusing on work motivation.

2. Method

This literature review is sourced from the indexed literature on Scopus, Pubmed, Sinta, and textbook. The article was searched using combinations of terms including "employee performance", "competency", and "work motivation". A narrative synthesis of these findings was conducted and structured around work competency and motivation on employee performance.

3. Literature Review

3.1. Performance

Performance appraisal is a method for comparing various jobs using formal and systematic procedures to determine work order by determining positions and ratios from one job to another. The results of this assessment are referred to as performance, which can be used as the basis for providing a fair wage system (Sinambela, 2018).

Performance is the means and results achieved by a person or group, or organization in carrying out their duties. Performance can be meaningful as work performance contains work results compared to existing standards (Dessler, 2000). Performance can also be in the form of work results in quality or quantity achieved by a person carrying out tasks following given responsibilities (Mangkunegara, 2002). Furthermore, performance can mean the overall result or level of success of a person during a specific period in carrying out a task compared to some agreed-upon standard factors such as work standards, targets, or criteria (Rivai & Basri, 2005).

Employee performance refers to how an employee behaves in the workplace and how well he does the job. Behavior is defined here as work effectiveness, quality, and efficiency. Every company usually sets performance targets for employees hoping that the business can offer good value to consumers, minimize expenses, and operate efficiently. Setting targets or performance standards is very important because individual performance can affect company performance. Several factors influence employee performance: organizational commitment, compensation, and leadership. In this case, great organizational commitment, compensation, and leadership can influence employees.

Based on several opinions about performance and work performance, overall performance will contain elements of individual work performance. Deeper performance is a result achieved by a person or group of people. Individual performance with company performance shows a synergistic relationship for the sustainability of a company. Poor employee performance makes it difficult for the company to satisfy customers, negatively impacting profits, company reputation, and sales. Meanwhile, good performance can help the company achieve high goals and results consistently from time to time.

3.1.1. Employee Performance Characteristics

The characteristics of people who have high performance are as follows ([Mangkunegara, 2002](#)):

- a. to be responsible,
- b. dare to take risks,
- c. have achievable goals,
- d. have a comprehensive work plan and strive to make it happen,
- e. able to take advantage of the feedback from the performance performed,
- f. looking for opportunities to achieve the plans that have been prepared.

3.1.2. Employee Performance Indicators

The indicators used in employee performance are as follows ([Robbins, 2006](#)):

- a. Quality
Employees' perceptions of the quality of work produced and the perfection of tasks on skills and abilities measure work quality.
- b. Quantity
The amount of work an employee can complete.
- c. Punctuality
The employees show great dedication to complete the work without exceeding the predetermined time limit.
- d. Effectiveness
Ability to use existing resources optimally.
- e. Independence
The level of ability of an employee in carrying out their job function.
- f. Work commitment
The level of work commitment of an employee to the agency and responsibility for the company.

To improve performance, it is necessary to make achievement standards through writing statements regarding the various conditions expected when the work will be carried out. According to [Mitchell \(1978\)](#), good performance will be influenced by competence and work

motivation. A person's competence is influenced by his/her understanding of the type of work and the skills to do it, so a person must improve his/her abilities and skills. In addition, the contribution of work motivation to performance cannot be ignored. Even though the employees' abilities are excellent, their work motivation is low; of course, their performance will also be low. Thus it can be formulated that performance is a function of competency multiplied by motivation, which can be written mathematically as follows:

$$\text{performance} = \text{competence} \times \text{motivation}$$

This formula explains that an employee's performance is the same as the employee's competence to perform the task multiplied by the work motivation shown to perform the task. In this case, competence without motivation cannot complete the task well, so employees' high motivation without adequate knowledge is impossible to achieve good performance.

3.2. Competency

Competence is a fundamental characteristic of a person that influences thinking and acting, makes generalizations about all situations at hand, and lasts long enough in humans. Find out a person's competence can be obtained through several sources, namely: professional references, assessment centers, psychological tests, interviews, behavior questionnaires, 360 ° assessments, and curriculum vitae (Ruky, 2006).

According to Robbins & Judge (2007), competence is the ability or capacity of a person to do various tasks in a job. This ability is divided into two types, namely intellectual ability and physical ability. An ability to perform various mental activities, think, reason, and solve problems is intellectual. Meanwhile, performing tasks requiring fitness, skill, strength, and inherent personal traits is a physical ability. Law Number 13 of 2003 concerning Manpower states that competence is the workability of each individual, which involves knowledge, skills, and work attitudes following existing or established standards (Republik Indonesia, 2003).

According to some definitions of competence above, there is a meaning in competence, namely the underlying characteristics of the personality that are deep and inherent in employees and behaviours that can predict various job assignments assigned to various job characteristics. An employee's competency can predict the employee's performance, meaning that the employee will automatically have a good performance if the employee has high competence.

An employee in completing a task will be greatly influenced by ability in the task. Therefore, for this task to be completed properly, it must be done by people who have competence in their fields. Employees who have sufficient abilities will complete their work properly, following the targets set in the work program. This happens because these employees can devote all their abilities to carrying out the tasks they are responsible for.

The establishment of an organization is very dependent on the availability and ability of human resources in carrying out tasks or jobs. Human resources, in this case, are employees who have knowledge and skills in the areas of their responsibility because this will encourage the achievement of organizational goals more quickly, effectively, and efficiently so that the organization will automatically be ready to face and adapt to any changes that exist, especially concerning efforts towards organizational development.

3.2.1. The Effect of Competence on Performance

In simple terms, competence is the ability to carry out or carry out a job or task based on the skills and knowledge required by the job. Therefore, competence shows skills or knowledge where an attitude of professionalism is attached to a particular field. [Wibowo \(2007\)](#) stated that competence is defined as a person's characteristics related to effective performance in a job or situation.

The essence of competence is the use of work knowledge and skills to achieve optimal performance. So that competence will lead to everything that a person has in the form of skills, knowledge, and other individual internal factors to do a job. Or in other words, competence is the ability to carry out tasks based on the knowledge and skills possessed by each individual.

[Tutu & Constantin \(2012\)](#) state that the level of competence, competency standards, and competency indexes positively affect performance. [Kolibacova \(2014\)](#) concluded that if the competency level of one class employee is higher than the competency level of another employee, it can be assumed that the performance is 7-12.5% higher than other employees. Bekasi Technology Vocational School conducted survey research that indicated a similar outcome that positively affects teacher competency in teacher performance. Teacher competency is associated with the quality education process and result ([Farida et al., 2020](#)).

3.3. Motivation

Motivating people to do what the leader wants is not an easy thing. Motivating is conveying something that can make someone do what they want ([Sinambela, 2018](#)). Robbins & Judge (2007) mentioned that motivation is the willingness to make a big effort according to an individual's ability to achieve organizational goals. According to [Darmawan \(2013\)](#), motivation is psychiatric that encourages or moves. That motive will guide and direct the actions, behavior, and attitudes of a person who is always connected with achieving goals, organizational goals, and individual goals. On the other hand, work motivation can be defined as an encouragement that makes an employee willing to exert their ability to form skills to carry out various activities that are their responsibility and fulfill their obligations to achieve goals and objectives of the company that has been determined previously ([Siagian, 2008](#)).

3.3.1. Motivation Theory

According to Abraham Maslow, human behavior is greatly influenced by motivation. This causes Maslow to advocate a theory of motivation to direct human behavior toward achieving goals. Maslow says that motivation leads to goal-directed behavior. Through motivation, humans can be directed to specific needs. A leader in a company needs to know the needs of their employees. Maslow formulated a theory that was later called the need hierarchy theory.

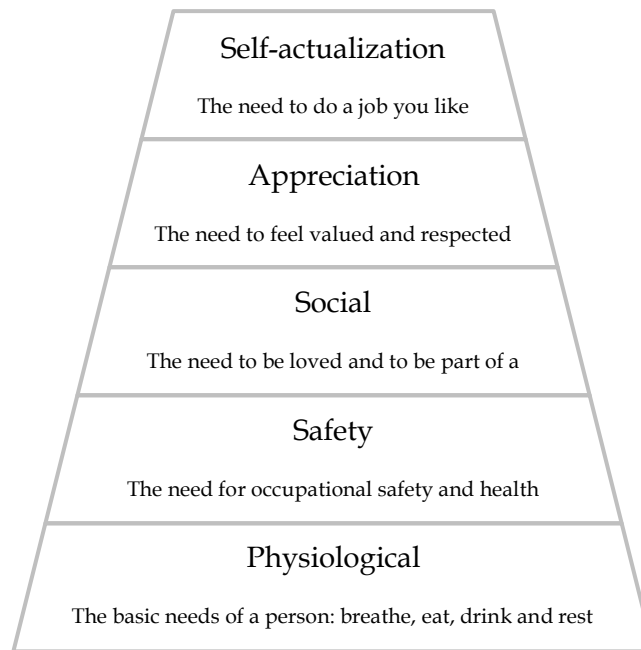


Figure 1. Maslow's Hierarchy of Needs Theory

In Maslow's hierarchy of needs theory in **Figure 1**, human needs can be classified as follows:

- a. **Physiological needs**
Physiological needs are the principal needs of a person consisting of food, clothing, shelter, air, water, etc. This need is related to the survival and maintenance of human life. Without fulfilling this need, a person will find it difficult to survive.
- b. **Safety needs**
This need is also important for humans. Everyone wants job security, protection against hazards, property security and more. Usually, this need will appear after the physiological needs are met.
- c. **Social needs**
This need arises from society. Humans are social creatures, so they need to interact with other humans. This need is important because humans essentially cannot live alone. Humans need other people as a form of social interaction.
- d. **Needs of appreciation**
This need is related to the desire to respect yourself, recognition, and respect from others. Like humans as social beings, a person will feel that he wants to be appreciated by others. A person wants to feel needed by other people and wants others to see him or her as that special someone.
- e. **Needs of self-actualization**
This part is the highest level of needs and is usually found in people whose basic needs have been met. This need includes the need for social services or meditation. Through self-actualization, someone is considered to be more valued. Someone will do service for others so that he makes himself more meaningful to many people.

Maslow's theory consists of levels of human needs according to a priority scale. According to Maslow, if basic needs are met, a person will automatically try to meet the next need. Maslow also believes that individual needs serve as a driving force in one's behavior.

Maslow's theory is then used by management science as something that management actors must know about. The leadership must know the most important thing about the organization. Because by understanding this motivation theory, the leadership should direct human resources to be more productive and optimal.

3.3.2. The Influence of Motivation on Performance

Work motivation is an impulse that arises from outside and/or within an individual who moves and directs employee behavior to carry out tasks following their main duties and functions (Uno, 2007). Motivation has a relationship with work performance. Work performance is unlikely to create better workers if changes in knowledge and behavior do not accompany it because these two elements are essential in enhancing better performance.

The research results by Chien et al. (2020) on the influence of motivation on employee performance in four-star hotels in Mongolia indicate a positive relationship between work motivation and employee performance in hotels. Taylor (2015) states that performance can be improved by focusing on work motivation. Recently, a case study in hospitality and tourism companies in the Asian continent showed that employee motivation by the management team could encourage the employee to have an excellent moral. Employees with good morals can keep their work quality and performance, which will impact a business organization (Ali et al., 2020).

3.4. Conceptual Framework

From theoretical analysis and empirical studies, it can be stated that a relationship between competency variables, work motivation, and employee performance is in the following conceptual framework diagram:

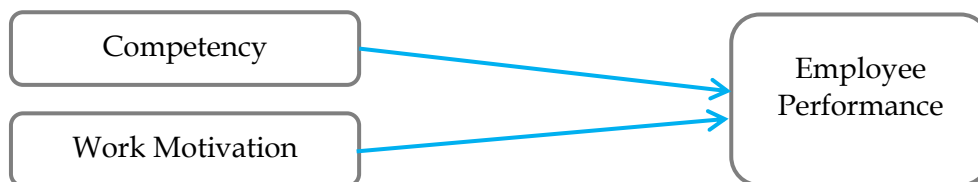


Figure 2. Theoretical framework about the relationship between competence, work motivation, and employee performance

The explanation of the theoretical framework shows that the variables that directly affect employee performance are competence and work motivation.

4. Results and Discussion

This research was based only on 4 (four) original research articles, 2 (two) review articles and 14 (fourteen) textbooks. This research used the result of the research article and the theory in the textbook and tried to compare the result of the original research article with the review article and textbook. This research also analyzes the research paper, book, and review articles and found that employee performance is influenced by work competency and employee motivation in many works of literature. Significantly, work competency directly affects employee performance. The original research article found that employee job performance can be affected by employee self. Good individual motivation has a positive effect on job performance. The research results of Chien et al. (2020) and Taylor (2015) showed employee

self-motivation effectively improves employee performance. In addition, an employee with the right competency with their job can perform their work very well. The result of the research by Farida et al. (2020), Kolibacova (2014), and Tutu & Ticu (2012) indicated appropriate employee competency could promote their work performance and lead to organizational performance.

Table 1. Summary of studies included in the literature review

Citation	Type of Studies	Place of Studies	N sample	Result
Ali et al. (2020)	Literature review	-	10 articles	Employee's morale directly affects their job quality and performance.
Basalamah et al. (2019)	Descriptive research	Makassar City	185 employees of Sharia Banking Offices	Organizational commitment, compensation, and leadership have a positive and insignificant effect on employee performance.
Chien et al. (2020)	Survey	Mongolia	415 questionnaires	Five work motivators and their influence upon employee performance were examined: financial motivation, external self-concept, enjoyment of work, internal self-concept and goal internalization. Three work motivators were found to improve employee performance effectively.
Farida et al. (2020)	Survey	Bekasi, West Java, Indonesia	62 teachers at Private Vocational High School of Development Technology, Bekasi	Teacher competence has a positive effect on teacher's performance, motivation has a positive effect on teacher performance, and teacher competency and motivation together influence teacher performance.
Kolibacova (2014)	Qualitative research	-	110 employees	Competency influences employee performance with a rate of 7-12,5%.

Citation	Type of Studies	Place of Studies	N sample	Result
Taylor (2015)	Opinion review	-	-	Performance can be improved by focusing on motivation.
Tutu & Ticu (2012)	Survey research	Romania	200 Romanian employees	Job competency matching index proved a low predictive power for the job performance, while two persistence factors seemed highly predictive.

According to some definitions of employee performance in the literature above, employee performance refers to how an employee behaves in the workplace and how well the employee does the job. In the company, employee performance becomes one of the success keys in a company's internal marketing. The highest employee performance will affect company development in the future. Vosloban (2012) said that a managerial company could stimulate employee performance to contribute to company growth and development. The human resource department is one of the important units in a company. This unit not only evaluates employee performance but hires an employee based on company need.

Human resource units play an important role in employee career development not only for the company's success but also for employees (Hermina & Yosepha, 2019). On the other hand, Mangkunegara (2002) mentioned some characteristics of the employee who have high performance will indicate responsibility, comprehensive work plan, trying to reach the goal, and have careful preparation. This statement aligns with the literature review article by Ali et al. (2020) that employee morale in specially self-fulfillment needs such as esteem and self-actualization, can increase employee motivation and impact better productivity and loyalty against the organization. In addition, Taylor (2015) also mentioned that employee performance could be improved by employee performance. Based on some findings, individual employee motivation directly influence employee performance.

Mitchell (1978) explained that good performance would be influenced by two things, namely competence and work motivation. At the same time, Robbins (2006) mentioned some indicators to evaluate employee performance: quality of work produced, completed work, incredible dedication, job ability, effective use of resources, and work commitment. According to Basalamah et al. (2019), another factor related to employee performance did not directly influence organizational commitment, compensation, and leadership. It means the employee performance can also affect the indirect aspect, which comes from the company itself. Chien et al. (2020) also explain the other employee motivation can be financial, external self-concept, enjoyment of work, internal self-concept and goal internalization. This result in line with Maslow's hierarchy of needs theory in Figure 1. If deeply exploring employee performance factors, internal and external concepts lead to the employee and the company itself.

5. Conclusion

Following the problems raised in this research that requires conceptual answers, it can be concluded that employee performance can be influenced by work competence and motivation.

In line with theoretical analysis and empirical studies, the conclusions of this research can be compiled in more detail where the competency and motivation variables affect employee performance. It is recommended to research to test the conceptual framework in business, manufacturing, and service organizations.

6. Acknowledgement

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7. Declaration of Conflicting Interests

The authors have declared no potential conflicts of interest concerning the study, authorship, and/or publication of this article.

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