

**THE ROLE OF WORK COMPETENCE, MOTIVATION, AND
WORK ENVIRONMENT IN IMPROVING EMPLOYEE
PERFORMANCE**

**A Study at Regional Planning, Research, and Development Board
Tabanan Regency**

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ABSTRACT

Competence and motivation do not necessarily improve or worsen employee performance; even working environment not only might be excessive but also might have less attention. This study aimed at exploring the changing role of working competence, motivation and environment to produce business value in achieving the excellent employee performance. This study was conducted at the Regional Planning, Research and Development Board in Tabanan Regency with a population of 80 employees by applying a sampling technique with saturated samples. The findings of this study led the results of increasing competence actually worsened the performance. However, motivation in carrying out work improved the performance due to wholeheartedly working performance and the employees realized about taking part in the work so that it can affect the performance of the organization itself. Meanwhile, good competence here meant the quality of building good working environment as positive and significant as the working motivation. Taking into account, conducive working environment encouraged employee performance in carrying out the work.

Keywords: Work Competence, Motivation, Work Environment, Employee Performance

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INTRODUCTION

Human resource cannot be replaced by technology especially employee because employee acts as the executor or the one who conducts the company operational system, thus it is necessary to share understanding point related to improving employee performance such as competence, motivation, environment or other aspect to encourage the quality of employee performance. Performance itself is quality and quantity result balanced with time management. The organization needs to supervise the employee performance to achieve the target and the performance problem can be solved. Working performance is the essential factor to attain the vision so that the executive management should consider it seriously.

Performance means the work progress achieved by an employee quality and quantity based on his/her responsibility (Mangkunegara (2009). Further, Sedarmayanti (2009) defined performance as a result of people work, an entire management process of organization and performance must be proven by clear and measurable evidence. The problem raised related to working performance showed that the employee only can execute 85% document or work per year which meant quantity work target only reached 97,22% while the average work quality of each employee reached 81%. The target achievement is attached on employee performance target abbreviated SKP in Indonesian. The assessment of SKP will be the parameter of work quantity. Wibowo (2007) stated that personal factors such as skill, competence, motivation and commitment will influence the employee performance. There are also some factors such as *leadership factor* is supported by encouragement, supervision, and support given by the manager and team leader. *System factors* are shown by facility and work system. *Contextual / situational factors* are shown by work pressure and external-internal working environment. For this study, competence and environment were used as the influencing factors.

The result of interview with 15 employees indicated the lowest working quality in the company due to lack of motivation supported by partner or management. Moreover, the untidy and monotonous working environment cause boredom and stress especially in high pressure of work load. Azmiu (2019) found that motivation, competence, and environment have positive and significant influence simultaneously towards employee performance at Lalabata subdistrict, Soppeng regency and partially motivation has dominant influence of employee performance there. Government regulation number 46 in 2011 about The Assesment of Civil Servant Performance stated that the assesment is conducted periodically to investigate the success and failure of an employee and elicit the strength and weakness of the employee in finishing the work. As regulated in Law Number 5 of 2014 concerning State Civil Apparatus (ASN) article 75 related to performance appraisal and article 76 (2) states that the “performance appraisal of civil servants is carried out in an objective, measurable, accountable, participatory, and transparent manner”. Further, The Regional Planning, Research and Development Board (Bapedalitbang) as one of the work units within the local government of Tabanan Regency must be able to play a role in achieving the vision and mission of regional development. Bapedalitbang carries out the duties and responsibilities as a regional development planner, research and development of

regional policies that oversee the direction of Tabanan Regency development so that it runs well, systematically arranged, synergistically, coordinative, participatory, comprehensive and sustainable to fully lead the Tabanan Regency vision and mission. This agency was established based on the needs, developments, progress and current technological advances of the government sector to assist local governments to develop especially in the government sector.

Wibowo (2012) states that competence is a person's ability to complete his work through his abilities and skills. Competence thus indicates the skills and knowledge that are characterized by professionalism in a particular field as the priority and the most important in that field. Besides, compensation is a very important factor in a company. The provision of compensation can be used to motivate employees and motivation is very important in improving employee performance. Ulfatin and Triwiyanto (2016) emphasized that compensation is an award or reward received by employees given by the organization based on contributions and better productive performance in an organization. Additionally, Wibowo (2009) stated that competence is an the ability possessed by a person in doing a job based on knowledge and skills and followed by a supportive work attitude for the work carried out. Prasetyo's research (2014) investigated the effect of working competence, motivation and environment on employee performance at PT. Indonesian Port III (Persero) Pati Kemas Semarang and concluded that compensation, motivation and environment affect employee performance. In addition to the factors mentioned above, employee performance can be improved with work motivation. Work motivation can be interpreted as an impulse that arises in a person so that he becomes more enthusiastic to do something in an effort to achieve a goal. Success in achieving goals will make him more satisfied and more motivated to do something. The more precise the motivational effort, the higher the productivity of the workforce, as a result, it benefits both the company and the employees.

The environment in which employees work will be able to affect their emotions. A comfortable environment will make employees feel more comfortable and productive at work so that the performance shown will optimistically be improved. The work environment in question is not only related to the physical environment but also the non-physical or emotional environment of employees. The working relationship between employees, both vertically and horizontally, is also included in the work environment that must be considered by the company to improve performance optimally. Working environment is also important to improve employee performance. Working environment is the material and psychological conditions that exist in the organization. According to Supardi (2006), working environment is a state around the workplace both physically and non-physically that can give a pleasant, secure, reassuring impression and feel at home or work and so on. In general, employees want a safe and comfortable workplace, moreover it has good facilities, so that employees can work comfortably and can concentrate on doing their job. The performance of the employees determines the performance of the organization. The high and low results of the performance evaluation are theoretically appraised to determine the high and low performance of the organization.

Assessment of employee performance must be done; unfortunately the assessment of employee performance is still rarely done. For this reason, this research

was conducted to knowing the level of employee performance, this research was also expected to explain the aspects which support and at the same time hinder employee performance. Dewi (2021) in her study found the results that working motivation and competence have no significant effect on employee performance, while working environment and organizational commitment have a significant effect on employee performance. Based on data obtained from the planning and evaluation subsection, the results of the quantity of employee work in 2018 reached 88%, in 2019 reached 86%, while in 2020 reached 83% and the target value had been set at 100%. Based on these data, it can be stated that the results of the quantity of employee performance have not reached the predetermined target and in 2018 decreased. Due to the research gap, this study was conducted by the focus of the influence of competence, motivation and environment on employee performance at Bapedalitbang Tabanan Regency which consisted of six chapters. The first chapter was an introduction and the second chapter focused the result of the literature review and the process of building a hypothesis. The third section elaborated a methodology, discussing the data and methodology, while section four presented the results of the analysis, chapter five discussed the research results and the sixth section was the final section providing recommendations for further practice and study.

LITERATURE REVIEW

Employee Performance

Performance shows the quality and quantity of work achieved by an employee in carrying out his/her duties commensurate with the responsibilities given to him/her (Badrianto & Ekhsan, 2019). Performance is an achievement or result of work, both quality and quantity achieved by human resources for a period of time in carrying out their work in accordance with their responsibilities. According to Nursaid *et al.*, (2020), performance is the result of work in line with organizational goals, such as work quality, work quantity, efficiency, and other effectiveness criteria. Employee performance means the work achieved by employees in an organization consistent with the authority and responsibility given by the organization in order to achieve the vision, mission, and goals of the organization, not violating the law and in obedience to morals and ethics. Related to the definitions, the indicators concern such as a) work performance conforming to the company standard, b) discipline referring to employee compliance with the company regulations and timeline, c) work effectiveness and efficiency focusing on utilizing all company resources appropriately and maximally, d) responsibilities indicating the readiness of employees to carry out their duties and authorities in accordance with the position they hold, including the readiness to bear all the consequences, e) the level of employee absenteeism focuses on the level of employee attendance during work, both in and out of work, asking for permission not to attend, or not being present without any information which as a whole will greatly affect their performance, f) relationships among partners insisting the ability to maintain harmonious relationships with fellows, leaders and co-workers (Sulistiyanti, 2010)

Competence

Employee competence is a capability to carry out work based on skills and knowledge supported by the attitude required by the job. Competence is a familiar term

in working circumstances. Spencer in Moeheriono (2014: 5) argues that competence is an ability or characteristic possessed by a person and is related to his effectiveness at work or a causal relationship that becomes a reference in determining an individual's ability in his work. In addition, Spencer also emphasized that a person's competence lies within himself and also his personality which can be used as a predictive tool in strengthening his performance to complete the tasks assigned to him. Meanwhile, Palan (2007) found there are two terms arising from two different streams about the concept of suitability in work. The terms are competency (competence) which is a description of behavior and competence (skills) which is a description of tasks or work results. Brian E. Becher, Mark Huslid et al. (Sudarmanto, 2009:47) defined competence as knowledge of skills, abilities, or individual personal characteristics that directly affect job performance. Competence is mastery of the tasks, skills, attitudes, and appreciation needed to support success.

Competence, as defined by Wibowo (2012), is the ability to perform a job or task based on the skills and knowledge supported by the work attitudes required for the job. Competence can also be said to be a skill or ability possessed by a person to enable them to complete their duties and responsibilities during work so that they can work professionally by increasing performance to raise their work standards for the better. Competence is a characteristic causing a person to be able to predict his/her surroundings in a job or situation. In addition, the dimensions and indicators are: a) knowledge, b) company, c) ability/skills, d) value and attitude, e) interest. The competencies possessed by human resources will make them able to survive in completing the vision and also the strategies implemented by the company to process its resources more effectively to achieve bigger goals (Sutrisno, 2011). Those are the dimensions of competence, but the dimensions of competence in this study included knowledge, skills, abilities and employee performance. According to Hutapea and Thoha (2008:28), human resource competence is the ability and willingness to perform work effectively and efficiently in order to achieve organizational goals. Furthermore, Hutapea and Thoha stated that there are three indicators in the competence of human resources, a) knowledge, b) ability, c) attitude.

Motivation

Motivation is a concept used to describe the existence of impulses arising from an individual who ultimately moves or directs the behavior of the individual concerned (Tohardi, 2008). Meanwhile, Mangkunegara (2010) states that to form motivation, it is necessary to have an attitude of employees who are ready to face all work situations in their company. This motivation becomes the impetus that directs employees to improve their ability to achieve company goals, so a positive work attitude is needed that can support them to achieve more optimal results. Mangkunegara (2010) also defines work motivation as a process that starts from internal stimulation to meet needs so that they choose to do something to achieve that goal. Therefore, leaders must give motivation by satisfying the needs of employees so that employees can devote their abilities, skills and expertise to the work for which they are responsible. In conclusion, work motivation is a condition that encourages or raises the moral of an employee to achieve company goals. The indicators of work motivation according to Riduwan (2012:66) are a) self-actualization, b) awards, c) social needs, d) the need of a sense of security, e) physical needs.

Environment

The importance of the work environment in the company must be a concern that cannot be separated from management supervision. This is because the work environment will have a great influence on the emotions of employees which can affect their performance so that the company's production can be disrupted. The work environment can be said to be the atmosphere available in the company for employees while working. Companies that are able to provide a conducive work environment will make their employees show more optimal results. employees will also feel more comfortable working in a positive environment so that the activities carried out can make the work time provided more efficient and the company's goals can be achieved. Nitisemito and Nuraini (2013) state that the work environment is everything that is in the place where employees work and can have an influence on employee performance to complete the tasks assigned to them. Meanwhile, Mardiana (2005) argues that the work environment is where employees do their work in the company. Based on some of these definitions, it can be said that the work environment is a place where employees work in the company to complete their tasks optimally which can include work facilities and emotional relationships at work. The indicators of a good working environment are a) lighting in the workplace, b) room temperature, c) humidity in the workplace, d) air circulation, e) mechanical vibration, f) bad odor, g) color, h) decoration, i) music at work, and j) safety.

Hypothesis Development

Employee competence will greatly determine the ability of employees to complete their work. Competent employees will show better work results and can also complete their work more quickly and precisely. This ability will be able to help in improving performance better. Aima *et al.*, (2017), Wahyudi (2018), Lestari *et al.*, (2018), Parashakti *et al.*, (2020) found that employee competence was able to improve performance positively and significantly. Therefore, the proposed research hypothesis is:

H₁: Competence has positive influence on performance

The motivation of employees will greatly affect the performance of employees in the company. Employees with positive motivation will show positive performance in building maximum work results. Employees will also become more responsible with their work so they must optimize their performance. Turang *et al.*, (2015), Muogbo (2013), Prayetno & Ali (2020), Nursaid *et al.*, (2020) found that motivation was able to improve performance positively and significantly. Related to those descriptions above the hypothesis created as follows:

H₂: Motivation has positive influence on performance

Employee competence in carrying out their duties in the company will foster a good work environment between employees. Employees with the same skills can build a more synchronized work environment that will make every employee comfortable. A work environment that is built with competent employees will make the work done better. Akbar (2017), Chandra & Priyono (2015), Nursaid *et al.*, (2020), Esthi *et al.*, (2020) found that employee competence was able to improve work environment

positively and significantly. Related to those descriptions above the hypothesis created as follows:

H₃: Competence has positive influence on work environment

Employees who are motivated at work will show a positive work environment in the company. This motivation is very important because it will affect the willingness of employees during work so that it can affect the environment in which they work. Employees who have high motivation during work will make their work environment more positive and can show more optimal results. Noorizan *et al.*, (2016), Badrianto & Ekhsan (2019), Rozi & Sunarsi (2020), Parashakti *et al.*, (2020) found that motivation was able to improve work environment positively and significantly. Related to those descriptions above the hypothesis created as follows:

H₄: Motivation has positive influence on work environment

Employee competence will greatly determine the ability of employees to complete their work. This ability will be able to help in improving performance better. Badrianto & Ekhsan (2019), Nursaid *et al.*, (2020), Nguyen *et al.*, (2020), Chandra & Priyono (2015) found that employee competence was able to improve performance positively and significantly. Related to those descriptions above the hypothesis created as follows:

H₅: Work environment has positive influence on performance

Based on the theory and result of the previous studies, the mindmap of research is seen as the figure below:

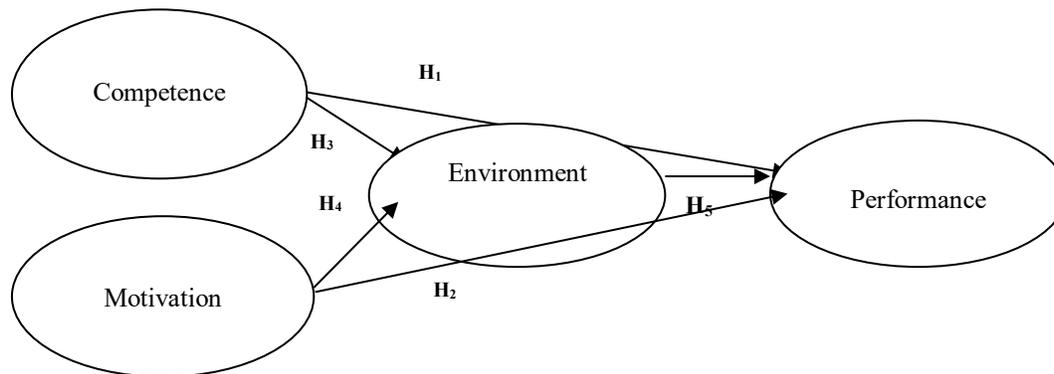


Figure 1.
Research Mindmap

RESEARCH METHOD

Quantitative method was applied in this research to investigate data and theory by examining hypothesis and observing whether the competence and motivation influence the performance and whether the variables play important role in working competence and environment transformation at government board. Data were processed by SmartPLS. Samples were taken from government officers by census, all employees involved in filling out the questionnaire as many as 80 people as the respondents. The sampling technique used a saturated sample or census, which meant a sampling technique by making all employees as respondents (Sugiyono, 2018).

Data were collected from direct field observations, and also obtained from local governments. This study divided the questionnaire into four parts. The first section focused on the personal demographic characteristics of the population such as name, age, education. The second part was the information about the business such as the business legality, the length of the business establishment and the type of business field, the status of technology adoption and the status of the business sector for being formal or still informal. The third part was a question about the variables used in this study including social capital, information sharing, technology and technological transformation. A Likert scale of 1 and 5 was used to measure (from 1 "strongly disagree" to 5 "strongly agree").

Data processing in PLS analysis can be done by evaluating structural equation models. This evaluation had two basic evaluations. First, an evaluation of measurement models (external models) to determine the validity and reliability of indicators that measure latent variables. The criteria used to test instrument validity and reliability in this study relate to discriminant validity, convergent validity, and combined reliability. We then evaluated the internal or structural model to examine the relationship between study model construction, significance and R-squared. Testing of the internal model in PLS analysis was done by bootstrap resampling.

RESULTS AND DISCUSSION

The overall sample distributed only produced 140 data which met the requirements for testing, and respondents were 80 (57%) in the culinary sector, 30 (21.5%) in the clothing sector, 20 (14%) in the agricultural sector and 12 (7.5%) in other sectors. This proved that the creative industry in demand by entrepreneurs in Bali was more in the culinary field. Culinary is a product industry that will never die because it was the first time industry established in Bali. Culinary has become a lifetime industry because it is a basic need of every human being. In rural areas in Bali, accommodation for culinary is abundant, as can be seen from the agricultural products of farmers in Bedugul Village, Bali, which can be processed into a variety of productive food preparations.

Meanwhile, women have a higher desire to be creative industry role as seen from the number of female entrepreneurs which are about 86 (61.4%) and men only 54 (38.5%). Women are the backbone of families in Bali; many strong women were born in Bali and substitute male job seekers, besides women also can play multiple roles when they become entrepreneurs compared to when they work. In addition, young adults are more creative in the industry and more committed to being 75 (54%) compared to millennials 40 (28.5%) or baby boomers 25 (17.8%). Because the age is already established by life experience and generally has a family so that it becomes the greater demands to trigger entrepreneurship and remain productive. This is certainly interesting because there will be many young people with businesses and independent youth in Denpasar, Bali. The findings also showed that in Denpasar, the majority respondents (80%) had bachelor degree, 10% were in masters, and 10% finished a high school education level and courses. The group of entrepreneurs with undergraduate education had a higher desire for time freedom. Unfortunately, at the high school level, training or courses, there are more limited job vacancies for them and the master level

wants to get additional financial income. Nearly 80% of respondents filled out that they had never been familiar with technology and it was not optimal due to the limited knowledge and they were from an 80% informal sector with a business span between 1-2 years.

Conversion of validity with reflective indicators can be seen from the correlation between indicator value and external loading variables. A score > AVE 0.50 or more indicated the model was good and all constructs used in this study had adequate *discriminant validity* (). Likewise, discriminant validity was used to assess the validity of the variables from the *average variance extracted* (AVE) value. The model was said to be good if the AVE of each variable was bigger than 0.50. In addition to the validity test, a variable reliability test was also carried out which was measured by two criteria, composite reliability and cronbach's alpha from the indicator block that measured the variable. Cronbach's alpha value was required above 0.60 and the significance at the 5%-test (t-statistical value > 1.96 or p-value <0.5). The composite reliability values (CR) of each construct were all expected to be more than 0.7 to meet the construct reliability requirements. Measurements showed that all indicators were valid and feasible to be used for analysis in the structural model (inner model). The result of the validity and reliability of the questionnaire was shown in Table 1 below:

Table 1
Validity Examination Recap and Research Instrument Reliability

No	Variable	Statement	Validity		Reliability	
			Coefficient Correlation	Status	Alpha Cronbach	Status
	Competence (X1)	1.1	,8890	valid	,862	reliable
		1.2	,8730	valid		
		1.3	,9200	valid		
	Motivation (X2)	2.1	,9190	valid	,822	reliable
		2.2	,8840	valid		
		2.3	,8960	valid		
		2.4	,8960	valid		
		2.5	,7870	valid		
	Environment (X3)	3.1	,8220	valid	,786	reliable
		3.2	,8700	valid		
		3.3	,8300	valid		
		3.4	,7730	valid		
		3.5	,8600	valid		

		3.5	X	0,850	valid		
		3.5	X	0,824	valid		
		3.5	X	0,888	valid		
		3.5	X	0,843	valid		
		3.5	X	0,900	valid		
	Performance (Y)	1	Y	0,885	valid	0,806	reliable
		2	Y	0,863	valid		
		3	Y	0,886	valid		
		4	Y	0,867	valid		
		5	Y	0,847	valid		
		6	Y	0,794	valid		

Source: processed data, 2022

Tabel 5.1 showed the four indicators measuring the competence variable (X₁) had more than 0,3 & 0.6 validity and reliability; moreover, the *outer loading* value was bigger than 0.70 and *T-Statistic* was higher than 1.96. It meant knowledge (X_{1.1}), skills (X_{1.2}), attitude (X_{1.3}) were the valid indicator to measure competence variable (X₁). Besides, attitude (X_{1.3}) was the strongest indicator of the competence variable (X₁) because it had the biggest *outer loading* value, 0,913.

From the result of motivation variable (X₂) showed that self-actualization (X_{2.1}); award (X_{2.2}); social need (X_{2.3}); the need of sense of security (X_{2.4}); physical need (X_{2.5}) had the bigger *outer loading* value than 0.50 and *T-Statistic* was more than 1.96. Meanwhile, self-actualization (X_{2.1}) was the strongest indicator of work motivation (X₂) with *outer loading* value of 0,912.

In the result of environment examination (Y₁), there were ten indicators had *outer loading* value more than 0.70 and *T-Statistic* was more than 1.96. This result showed lighting in the workplace (Y_{1.1}), room temperature (Y_{1.2}), humidity in the workplace (Y_{1.3}), air circulation (Y_{1.4}), mechanical vibration (Y_{1.5}), bad odor (Y_{1.6}), color (Y_{1.7}), decoration (Y_{1.8}), music at work (Y_{1.9}), safety (Y_{1.10}) were the valid indicator of measuring environment variable (Y₁) and room temperature (Y_{1.2}) was the strongest indicator of the satisfaction (Y₁) with *outer loading* value of 0,893.

The result of performance examination (Y₂) showed all indicators had *outer loading* more than 0.70 and *T-Statistic* was more than 1.96. It proved that quantity (Y_{2.1}), quality (Y_{2.2}), punctuality (Y_{2.3}), presence (Y_{2.4}), team work (Y_{2.5}), and responsibility (Y_{2.6}) were valid indicator in measuring employee performance (Y₂). Quantity (Y_{2.1}) was the strongest indicator representing employee performance (Y₂) with *outer loading* value of 0.902. Further, the reliability of the instrument in this study referred to the following examinations:

Discriminant validity: the recommended *AVE* score was more than 0.50 as shown by the table below:

Table 5.2
Discriminant Validity Examination

Variable	VE	AVE	Correlation			
			1	2	1	2
Competence (X ₁)	,798	,836	000			
Motivation (X ₂)	,769	,843	,530	000		
Environment (Y ₁)	,715	,837	,682	,596	000	
Performance (Y ₂)	,737	,834	,494	,715	,754	000

Source: processed data, 2022

Based on the result of *discriminant validity* (Tabel 5.8), it showed that *AVE* score was bigger than 0.50, and the four latent variables had *square root of average variance extracted* (\sqrt{AVE}) score bigger than the other coefficient and correlation variables. In conclusion, the *discriminant validity* was good.

Composite Reliability aimed at evaluating the the value of reliability between the indicator blocks of the constructs that form it. The results of the *composite reliability* assessment in the measurement model (Table 5.9) showed that the *composite reliability* value of the four latent variables was above 0.70, so that the indicator block was declared to be reliable in measuring the variable.

Cronbach Alpha: the reliability test with high *composite reliability* can be strengthened by using the *Cronbach alpha* value. A variable can be declared reliable or fulfills *cronbach alpha* if it had a *cronbach alpha* value > 0.6 (Simamora, 2004). The results of the *cronbach alpha* assessment in the measurement model (Table 5.9) showed that the *cronbach alpha* value of the four latent variables was > 0.6, so that the indicator block was declared reliable in measuring the variable.

Table 5.3
Reability Examination Recap

Variable	<i>Composite Reliability</i>	<i>Cronbach Alpha</i>
Competence (X ₁)	0,922	0,874
Motivation (X ₂)	0,943	0,924
Environment (Y ₁)	0,962	0,956
Performance (Y ₂)	0,944	0,929

Source: processed data, 2022

Based on the evaluation of *convergent*, *discriminant validity* of each indicators and *composite reliability* of gained block indicator, it can be concluded that each indicator of latent variable was valid and reliable. The next step was the analysis of *inner model* to investigate *goodness of fit model* in this research.

Structural Model Evaluation (*Inner Model*)

After evaluating the measurement, the next step was evaluating the structural model by viewing *R-square* as the examination of *goodness-fit model* (to observe the value of exogenous variable together with endogenous variable). Then, to investigate the significant influence (based on the hypothesis) is executed by coefficient parameter and significant value of *t statistics*. Structural model of this research illustrated as follows:

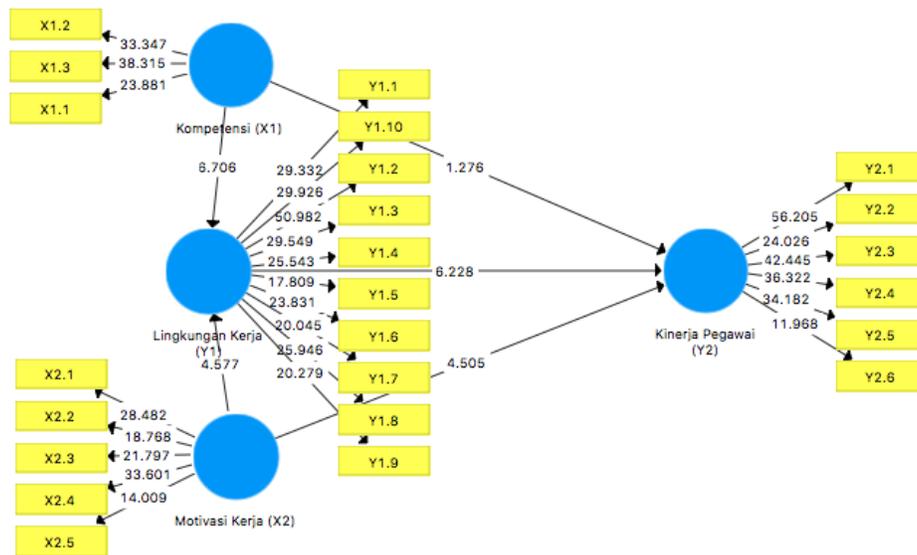


Figure 2.
Inner Model (Structural Model)

Structural model was evaluated by focusing on *Q² predictive relevance model* which measures the positivity of observation value produced by *Q²* based on coefficient determination of all dependent variables. *Q²* has range value $0 < Q^2 < 1$, the closer score into range number 1, the better model can be. There are two endogenous (dependent) variables in structural model, they are organization commitment (Y1) and work performance (Y2), thus the two determination coefficient (R2) can be calculated and become the parameter of *Q² predictive relevance model* as shown in the Tabel 5.4.

Table 5.4
Structural Model Evaluation (*Inner Model*)

Structural Model	Dependent Variable	<i>Q-square</i>
1	Environment (Y ₁)	0,373
2	Performance (Y ₂)	0,484
$Q^2 = 1 - (1 - R1^2)(1 - R2^2) \dots (1 - Rp^2)$ $Q^2 = 1 - (1 - 0,373^2)(1 - 0,484^2)$ $Q^2 = 1 - (1 - 0,139)(1 - 0,234)$ $Q^2 = 1 - (0,868)(0,766) = 0,336$		

Source: processed data, 2022

The table showed Q^2 for Y_1 was 0,373. Therefore, $Q^2 = 0,373 > 0$, which meant X_1 and X_2 had relevancy for Y_1 . If $Q^2 = 0,373$ was higher than 0,35, it had strong prediction relevancy. Meanwhile, Q^2 for Y_2 was 0,484. Therefore, $Q^2 = 0,484 > 0$, which meant X_1, X_2 and Y_1 had prediction relevancy for Y_2 . If $Q^2 = 0,484$ was higher than 0,35, it had strong prediction relevancy.

The result of *bootstrapping* examination of PLS analysis (Figure 2) is described in Table 5.

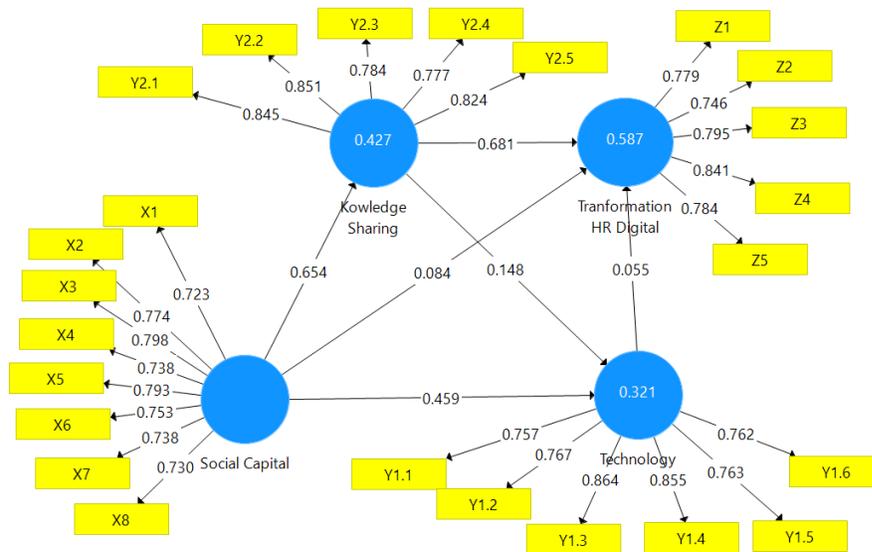


Figure 3.
 PLS analysis

Table 5
 The Result of Direct Influence Hypothesis Examination

o	Variable connection	Co efficient line	P Values	S tatus
	Competence (X_1) → Performance (Y_2)	- 0,139	0 ,202	i nsignific ant
	Motivation (X_2) → Performance (Y_2)	0,4 38	0 ,000	si gnificant
	Competence (X_1) → Environment (Y_1)	0,5 09	0 ,000	si gnificant
	Motivation (X_2) → Environment (Y_1)	0,3 26	0 ,000	si gnificant
	Environment (Y_1) → Performance (Y_2)	0,5 87	0 ,000	si gnificant

Source: processed data, 2022

The negative coefficient means it has negative influence while positive coefficient means it has positive influence. If t statistics $< 1,960$ and P-value $> 0,05$ means insignificant, t statistics $> 1,960$ and P-value $< 0,05$ means significant. The explanation of Table 3 related to the result of Hypothesis 1 – 5 examinations described as follows:

1) Competence (X1) has negative influence and insignificant towards performance (Y2). The result showed negative coefficient line was -0,139 with *P Values* = 0,202 (*P Values* > 0,05), and meant Hypothesis-3 (H3) : competence influences positively and significantly towards performance was not acceptable. This result means the better employee competence at Regional Planning, Research, and Development of Tabanan Regency, the worse employee performance in conducting the work.

2) Motivation (X2) has significant influence towards performance (Y2). The result showed the coefficient line was 0,438 with *P Values* = 0,000 (*P Values* < 0,05), and meant Hypothesis-4 (H4) : motivation influences positively towards performance and improves the working performance.

3) Competence (X1) has positive and significant influence towards environment (Y1). The result showed positive value of coefficient line 0,509 with *P Values* = 0,000 (*P Values* < 0,05), and meant Hypothesis-1 (H1) : competence has positive and significant influence towards environment. The better competence the better environment improved.

4) Motivation (X2) has positive and significant influence towards environment (Y1). The result showed positive coefficient line was 0,326 with *P Values* = 0,000 (*P Values* < 0,05) and meant Hypothesis-2 (H2) : empirically motivation has positive and significant influence towards environment. The motivated employee will be able to build good working environment.

5) Environment (Y1) has positive and significant influence towards performance (Y2). The result showed positive coefficient line was 0,587 with *P Values* = 0,000 (*P Values* < 0,05), and meant Hypothesis-5 (H5) : working environment has positive and significant influence towards performance.

Table 6
Direct, Indirect, and Total Impacts

No.	Variable Connection	Direct impact	Indirect impact	Total impact
1	Competence (X1) → Performance (Y2)	-0,139 ^s	0,094 ^s (0,160*0,587)	0,045 ^s
2	Motivation (X2) → Performance (Y2)	0,438 ^s	0,370 ^s (0,630*0,587)	0,808 ^s
3	Competence (X1) → Environment (Y1)	0,509 ^s	-	0,509 ^s
4	Motivation (X2) → Environment (Y1)	0,326 ^s	-	0,326 ^s
5	Environment (Y1) → Performance (Y2)	0,587 ^s	-	0,587 ^s

Source: processed data, 2022

Motivation can improve the performance well and indirectly influence working satisfaction bigger than direct influence of motivation to the performance itself. Moreover, direct influence is not truly significant which means the organization satisfaction is getting better although the employee does not have a good motivation. The clear illustration attached in the diagram below:

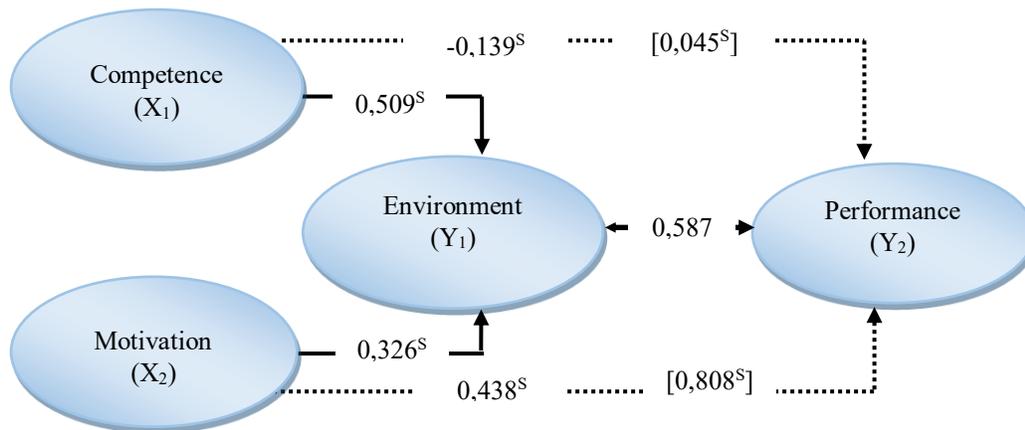


Figure 4.
Analysis Result Path Chart

CONCLUSION

Competence has no effect on employee performance; the rise and fall of employee competence does not necessarily increase or decrease employee performance. Work motivation has a positive and significant effect on employee performance. As a result, the higher motivation of employees in carrying out their work, the more they will be able to improve their performance. Employee competence has a positive and significant effect on the employee's working environment. In other words, the higher competence of the employees, the better working environment conditions will be. The greater the level of their ability to complete their tasks, the level of difficulty also decreases and it can lead to a good environment. Work motivation has a positive and significant effect on working environment. These results indicate that the more motivated employees are in carrying out their work, they are able to directly improve the working environment towards the organization which has an effect on employee performance. Moreover, a good environment for the organization will improve employee performance in carrying out their duties and work. The findings of this study indicate that working environment of employees in carrying out work improved the performance due to wholeheartedly working performance and the employees realized about taking part in the work, thus it can affect the performance of the organization itself. Meanwhile, good competence here meant the quality of building good working environment as positive and significant as the working motivation. Taking into account, conducive working environment encourage employee performance in carrying out the work. The improvement of working motivation has

been able to create a good working environment and bring a good impact to employee performance.

Further, it is necessary to improve the employee attitude in order to support the excellent working performance which can affect the organization performance to be much better. Competence and motivation plays important role in building a good working environment and employee performance dominantly. Therefore, the evaluation needs to be conducted to create a fair, cooperative, effective, and efficient work.

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