

THE EFFECT OF CREDIT RISK AND BANK SIZE ON BANK PROFITABILITY IN INDONESIA BEFORE AND DURING THE COVID-19 PANDEMIC



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Abstract

Competency is a person's characteristic that can directly impact a person's performance in carrying out work or tasks on the basis of skills, knowledge and attitudes that show the employee's professionalism so that they have a competitive advantage in a particular job, with skilled behavior, competitive work and a good attitude. This research aims to further explore the influence of competency and work discipline on employee performance through motivation of company employees operating in the forward manufacturing sector located in Jakarta. In this research, 137 respondents were obtained who were employees of companies operating in the forward manufacturing sector by distributing online questionnaires. Respondents for this research were selected using a purposive sampling method. This research is quantitative research using the Structural Equation Model (SEM) method, while data analysis and processing uses SMART-PLS software. The research results show that competency has an influence on work motivation, work discipline has a positive influence on motivation, motivation has a positive influence on employee performance, competency has no influence on employee performance and work discipline has an influence on employee performance. The managerial implication of the research for organizations is to contribute to improving employee performance by providing motivation and applying discipline in order to improve their ability to work.

Keywords: Competence, Work Discipline, Motivation, Employee Performance

INTRODUCTION

The role of human resources is vital in an agency, be it in the government or private sector. These human resources include individuals who give their dedication, talents, thoughts, efforts and creativity in operating business activities. Thus, every agency, whether government or private, always strives to recruit employees who have superior performance and achievement (Paulus, 2023). Organizations will be able to grow and compete in a competitive environment with the support of employees who have quality and competence in their respective fields (Kawiana et al., 2023). Employee performance refers to individual activities in performing job-related tasks in the workplace (Malureanu et al., 2021). Employee performance means the results achieved at an agency in accordance with the responsibilities and roles carried out by individuals or groups, to realize agency goals (Chien et al., 2020). Performance is inseparable from work happiness, which is determined by a person's skills, abilities, and personality qualities (Pawirosumarto et al., 2017).

Apart from individual characteristics, employee performance is also determined by their ability to improve service quality, which has an impact on achieving organizational goals (Rahmat & Rina, 2019). For this reason, competence refers to the quality, ability, or expertise of individuals or groups in terms of knowledge, behavior, and the various skills they have (Abadi, 2021). Individuals who have high competence will monitor their performance continuously so that it can trigger high motivation to outperform the performance of their peers (Yang, 2021). Individuals with a high level of expertise usually have a lot of potential in terms of work enthusiasm. Conversely, high levels of laziness indicate low levels of morale. Morale is defined as a change in a person's ability to want or not want to come to work (Hajjali et al., 2022). (Krishnan et al., 2002) also stated that someone who has good competence prioritizes superior performance motivation from others, so they put in extra effort than others in preparation and work productivity. Work productivity itself can be influenced by many factors. This results in business actors having to make efforts to maximize these productivity elements. One of them is discipline at work is a determining variable (Prasetyo et al., 2021).

An indication of decreased performance is an indication of problems in the workplace. One of the causes is the work discipline factor. Employee indiscipline can be seen in frequent

tardiness, violation of company regulations, negligence in completing tasks, or procrastinating workers (Irfan, 2022). (Aziz et al., 2022) suggest that discipline at work is behavior, attitudes, and actions based on agency rules, whether written or unwritten. Discipline reflects the willingness and awareness of an individual to obey all social norms and laws that are enforced (Noel et al., 2017). Discipline can be observed in attitudes, responsibilities, actions, and behavior in complying with all forms of regulations while working (Sitopu et al., 2021). The existence of work discipline will greatly affect the effectiveness and efficiency of achieving company goals. This will increase work motivation and achieve company goals with increased performance from employees (Putra et al., 2021).

Work motivation is considered important for organizational success because it can improve the effective performance of employees (Vo et al., 2022). Employees who are less motivated may feel pressured by the demands and difficulties of achieving targets, so their motivation decreases (Irfan, 2022). Motivation can be considered a driver that regulates a person's level of dedication, seriousness, and perseverance in achieving the goals they set (Razak et al., 2018). In addition, motivation is a factor that has an impact on employee performance, in addition to discipline in improving employee performance (Prasad et al., 2020). In order to optimize employee performance, can be carried out through providing motivation that suits their main needs, be it physiological needs or other needs. This can obtain quality resources in accordance with the job specifications they carry (Prastiwi et al., 2022). Workplace motivation is an important criterion for a healthy organization (Aslam et al., 2022).

Based on several previous studies, it has been documented that competence has a relationship with employee performance research conducted (Reza Putra, 2020). In line with the findings (Hajjali et al., 2022) employee performance is positively influenced by competence. Meanwhile, the relationship between work discipline on employee performance such as research conducted by (Zysman & Costinot, 2022) that work discipline has a positive and significant effect on employee performance, which means that if employee performance increases by one value, it will greatly affect employee performance. In line with the findings (Putra et al., 2021) employees who have high work discipline will be influential in doing their work to achieve company goals while improving their performance. Furthermore,

research that explains motivation on employee performance as carried out by (Chien et al., 2020) shows that work motivation has a positive relationship with employee performance. In line with the findings, (Paulus, 2023) that specifically work motivation has the most dominant influence on employee performance. The results of this study indicate the importance of remuneration management and motivation in improving employee performance. In addition, research related to competence on employee performance with moderation of work motivation as research conducted (Suyanto, 2018a), states that competence has a positive influence on employee performance through work motivation. This means that a higher level of competence will increase work motivation among employees.

From the research that has been done by these researchers, it is still not comprehensive. However, researchers try to develop further research from previous researchers by conducting further research and adding Competency variables with Work Discipline to Employee Performance. In addition, the author adds the mediating variable of motivation as a variable that can have an impact on employee performance. While the following research aims to further explore the effect of work discipline and competence on employee performance through motivation in employees engaged in the forwarder sector. It is hoped that research can contribute to the theoretical understanding of each variable studied and provide managerial implications to related organizations.

REVIEW OF LITERATURE

Competence

Competence is the capacity to perform work or tasks on the basis of skills, knowledge, and attitudes that demonstrate the professionalism of employees so that they have a competitive advantage in a particular job, with the behavior of expertise, competitive work, and good attitudes (Abadi, 2019). Competence is related to the leader's ability to solve problems, make the right decisions, use innovation, set a vision, and manage change (Swanson et al., 2020). Work competence is an individual characteristic that contributes to the success of a person in completing work (Sjahrazad et al., 2009). Meanwhile, according to Boulter et al. (2003), competence is a characteristic that allows a person to work very well.

The same thing has been stated by Spencer & Spencer (1993) that competence is a characteristic of an individual that can directly affect a person's performance. Employee competence is a fundamental characteristic that influences the way they think, act, and deal with various situations (Satriawan et al., 2022).

Work Discipline

Work discipline includes respect for and compliance with the rules that are enforced, whether written or not, and the ability to operate by not ignoring sanctions for violations of responsibilities and duties that have been given (do Rosario Pereira, 2023). Discipline is the attitude of how an employee respects the rules and regulations that apply (Samak et al., 2022). In essence, good work discipline will develop and emerge as a result of human awareness. The level of discipline of a person can be judged by how responsible he is for the responsibilities given to him, which increases morale and helps the company achieve its goals (Razak et al., 2018). Discipline is the attitude of willingness and willingness of an individual to respect and comply with the norms and policies enforced in his environment (Zysman & Costinot, 2022). Work discipline is a mental attitude that appears in people's actions or behavior as compliance with rules or regulations imposed by the government as well as moral standards, social norms, and laws set for certain purposes (Astarina et al., 2019).

Work discipline is a method used by company management to interact with employees about the need to improve their behavior and increase awareness of the importance of complying with regulations (Saputra & Mahaputra, 2022). Parameters that have an impact on the level of discipline of a person in a company that has abilities and goals. The purpose is the work assigned to employees based on their abilities (Pawirosumarto et al., 2017). Meanwhile, Discipline indicators according to (Suyukoh et al., 2021a). There are four, namely; Attendance on time, punctuality in carrying out a job, complying with work regulations, implementing work procedures, and using office equipment properly.

Employee Performance

Employee performance refers to the achievement of results that provide added value. Efforts to achieve this added value can be measured from various aspects such as quantity, quality, efficiency, and effectiveness. Meanwhile, employee behavior can be grouped based on how much it contributes to increasing the added value of the Company (Rahman, 2020).

Employee performance is a measure to determine how effective a person's work is in carrying out their duties (Ullah et al., 2022). Employee performance is the overall result of a person's success during a certain period of duty as measured by performance, which is compared with predetermined criteria or targets, and work standards. However, performance is not the only factor. Job satisfaction and compensation are also related to performance, which is affected by a person's skills, abilities, and traits (Pawirosumarto et al., 2017). Employee performance is the consequence of employee effort when carrying out the tasks assigned to him based on expertise, experience, and timeliness (Nurchahyo & Indradewa, 2022).

Employee performance reflects the extent to which an organization's programs, activities, or policies are carried out to achieve its goals, vision, and mission in accordance with the organization's strategic planning. Employee performance has an important value for an organization because it is a very important factor in achieving business success, and has great significance for individual development (Duong & Nguyen, 2023). Performing well can support the business in realizing organizational goals. The results of employee work are greatly felt by the company and are very beneficial for the continued existence of the Company (Sitopu et al., 2021). There are dimensions of Employee Performance that become performance benchmarks, including quality parameters such as the level of damage, errors, and accuracy. Quantity, which is the volume of work completed. Time spent at work, including absenteeism, tardiness, productive time, and lost work hours (Herwina, 2022).

Motivation

Work motivation is the drive that encourages an individual to act and work effectively and diligently based on their responsibilities (do Rosario Pereira, 2023). Motivation refers to aspects of behavior and action and a person's desire to act (Urhahne & Wijnia, 2023). According to (Van Thang & Nghi, 2022), work motivation is a collection of internal and external strong energy of an individual to perform work behavior and determine the direction, intensity, and drasi of work. Work motivation is the most important thing in an organization, providing motivation will help employees to achieve personal and organizational goals (Chien et al., 2020). In addition, there are various factors to consider regarding one's motivation, including perceptions of one's abilities and the amount of support from coworkers to achieve excellence. Motivation, ability, and support influence each other: if one

of these aspects is lacking, performance is likely to decline even if the other factors are optimal (Pawirosumarto et al., 2017). In addition, work motivation is a condition where representatives need full appreciation for their work, a familiar atmosphere at work, job security, large compensation, interesting work results, and intelligent control of each manager (Suyukoh et al., 2021b).

Motivation is an impetus that drives the realization of a behavior to achieve satisfaction. There are several indicators of motivation, namely the desire to achieve, the desire to make improvements, and the desire to always improve work abilities and make changes to have work knowledge (Astarina et al., 2019). Meanwhile, there are three dimensions of work motivation, namely: the need for achievement, the need for power, and the need for affiliation according to (Suyukoh et al., 2021b).

Relationship between Competence and Motivation

Competence is a determining factor in employee performance. However, competence without high motivation will not achieve maximum performance. Therefore, effective performance can be achieved when a person has a combination of competence and high motivation. Motivation has an important role because it supports and encourages human behavior to work enthusiastically and actively in realizing maximum results. This encouragement will make employees active in realizing goals, whether consciously or unconsciously, which in turn improves their behavior and performance (Heriyanto et al., 2018). Competence always has a purpose or goal, which is the driving force behind the qualities or characteristics that drive an activity to produce certain results (Parashakti et al., 2020). Three guiding concepts guide human resource management, one of which is that managers should give employees the most opportunities to actively participate in the business to make work more enjoyable intended to boost employee morale and encourage them to complete tasks more effectively and to continuously improve their overall performance. Thus, competence affects employee motivation to work better and more effectively (Parashakti et al., 2020).

Research on the relationship between competence and motivation has been conducted by previous researchers, such as research by (Suyanto, 2018b); (Hajjali et al., 2022) which examines the effect of competence on motivation where the results of their research explain

that competence has a positive influence on motivation. This explains that high competence can optimize motivation. Based on the research carried out (Suyanto, 2018b); (Hajiali et al., 2022), the authors try to determine the initial hypothesis including:

H1: Competence has a positive effect on Work Motivation.

Relationship between Work Discipline and Motivation

Work discipline is needed to control group behavior, where each individual needs to regulate the impulses that exist in their personalities and be able to work together to achieve company goals (Bergman, 2012). (Atatsi et al., 2019) states that one of the goals of discipline is that employees can behave and contribute according to the norms imposed on a company. This can increase employee morale and performance. Employee performance has a crucial role in the running of a business, to achieve it must be supported and disciplined in carrying out their work (Simatupang & Saroyeni, 2018). A disciplined attitude is needed to bring the organization to achieve its goals quickly because discipline encourages everyone involved to be able to comply with every rule and policy made and do work with full responsibility. The definition of discipline is the willingness and awareness of an individual to obey all social norms and regulations that have been enacted. Because discipline teaches people to complete work on time, disciplined people certainly will not neglect every task assigned to them. (Astarina et al., 2019)

Research on the relationship between Work Discipline and Motivation has been conducted by previous researchers, such as research by (Astarina et al., 2019); (Simatupang & Saroyeni, 2018), which examines the effect of Work Discipline on Motivation where the results of their research explain that Discipline has a positive impact on Motivation. Based on the research (Astarina et al., 2019); (Simatupang & Saroyeni, 2018), the authors try to determine the initial hypothesis including:

H2: Work discipline has a positive effect on Motivation.

Relationship between Motivation and Employee Performance

Motivation is very important for organizational performance to maintain good work continuity and help the organization survive (Abdi Mohamud et al., 2017). A performance will be achieved by individuals or groups in a business either quantitatively or qualitatively (Robbins & Judge, 2017). Various activities carried out to optimize the productivity of a

business are one of the forms of performance carried out. (Raineri, 2017) states that the success of realizing superior performance requires the strategic role of managers and employees as actors in every business activity. This becomes possible if managers can understand the desires of workers to motivate them to achieve the best results. Therefore, work motivation is one of the main significant aspects that greatly impacts employee performance and optimizes workforce productivity through motivation policies.

Research regarding the relationship between Motivation and Employee Performance has been carried out by previous authors as research carried out (Razak et al., 2018); (Prasad et al., 2020); (Abdi Mohamud et al., 2017); which examines the effect of Motivation on employee performance where the results of his research explain that Motivation has a positive impact on Employee Performance. This explains that strong and high motivation can optimize employee performance. Based on research conducted (Razak et al., 2018); (Prasad et al., 2020); (Abdi Mohamud et al., 2017); the authors try to determine the initial hypothesis including:

H3: Motivation has a positive effect on Employee Performance.

Relationship between Competence and Employee Performance

Competence can be interpreted as a characteristic that allows a person to work very well (Boulter et al., 2003). This is supported by Spencer & Spencer (1993) who also describe competence as a characteristic of an individual that directly affects his performance at work. The competence of an employee will be able to have a positive effect on employee performance if an agency can survive by using strategies to be able to respond to any changes that occur internally and externally in the organization (Widayanto & Nugroho, 2022). Competency modeling is an important innovation because it is a way to make organizations pay attention to job-related information and employee skills in employee management, it explains that competence has a huge impact on employee performance (Campion et al., 2011).

Research on the relationship between Competence on Employee Performance has been carried out by previous authors such as in research that has been carried out (Swanson et al., 2020); (Rahman, 2020); (Abadi, 2021); (Widayanto & Nugroho, 2022), which examines the impact of Competence on Employee Performance has a positive impact on Employee

Performance. This explains that high competence can optimize employee performance. Based on the research (Swanson et al., 2020); (Rahman, 2020); (Abadi, 2021); (Widayanto & Nugroho, 2022), the authors try to determine the initial hypothesis as follows:

H4 : Competence has a positive effect on Employee Performance

Relationship between Work Discipline and Employee Performance

Good performance from employees will provide positive benefits for the company, making the company feel satisfied with the level of work discipline they show. The level of employee discipline has a direct impact on their productivity (Abdullah et al., 2023). Implementing discipline with high awareness and confidence can create harmony between expectations and performance, which in turn positively affects employee performance. Thus, work discipline acts as a form of coaching to improve employees' knowledge, attitudes, and behavior in order to work together and improve their performance (Endang & Sari, 2019). (Martin & Feinberg, 2024) argue that improving work discipline can be achieved by meeting and paying attention to employee needs and appreciating the results of the work they do so that it can significantly affect employee performance. Discipline is the dominant variable in performance. This means that increasing discipline has a higher positive impact on achieving the expected performance than increasing competence and work motivation (Suyanto, 2018). Applying discipline, either directly or indirectly, will be able to optimize employee performance properly (Endang & Sari, 2019).

Research on the relationship between Discipline and Employee Performance has been carried out by previous authors as in the research that has been carried out (Razak et al., 2018); (Endang & Sari, 2019) which examines the impact of Discipline on Employee Performance has a positive impact on Employee Performance. This explains that high discipline can optimize employee performance. Based on (Razak et al., 2018); (Endang & Sari, 2019), the authors try to determine the initial hypothesis as follows:

H5 : Discipline has a positive effect on Employee Performance

Using the fictitious framework presented above as a foundation, the study model can be summarized as can be observed in Figure 1:

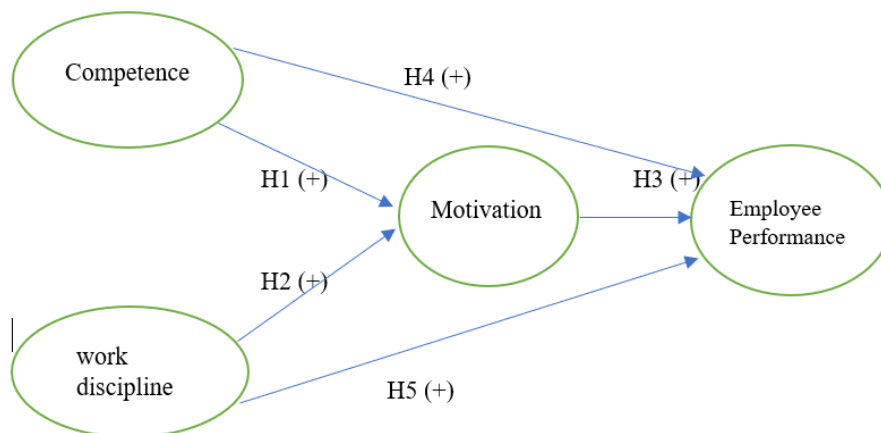


Figure 1.
Research Model

RESEARCH METHOD

The measurements in the following study use 2 independent variables, namely the Competency Variable using the dimensions adopted according to Brightson (2022) and indicators of 10 questions, while the Discipline Variable uses dimensions according to (Suyukoh et al., 2021) and indicators of 10 questions. The Motivation intervening variable uses the dimensions (Fernet et al., 2015) and (Fernet et al., 2017) and indicators of 11 questions, and the Employee Performance Dependent Variable using the dimensions (Suyukoh et al., 2021). As well as indicators totaling 11 questions. Researchers will spread the questionnaire through the use of a Likert scale of 1 to 5. Weight 1 means “strongly disagree”, weight 2 means “disagree”, weight 3 means “neutral”, weight 4 means “agree”, and weight 5 means “strongly agree” (Indradewa & Randi, 2021). The total number of measurements is 42 statements. Further details can be found in the operational variables in Appendix 2 and the questionnaire in Appendix 3.

The research uses a survey method through online questionnaire distribution via Google Forms in order to collect data. Online data collection techniques are carried out using Google Forms which will be filled in by respondents independently. The measurement in this study uses a Likert interval scale size of 1-5, with a weight of 1 meaning strongly disagree, while the number 5 means strongly agree.

The population in the following study were employees of companies operating in the forwarder sector located in Jakarta. The sample was selected using purposive sampling, where the data collection technique began with the distribution of an initial questionnaire (pre-test) totaling 30 people selected based on certain characteristics of the relevant population. The criteria for respondents in this study were women and men in the operations department aged between 19-40 years old in the forwarder company that was the subject of the research.

Researchers conducted validity and reliability tests as well as data processing and data analysis in the following studies using SmartPLS software. The use of smartPLS in the following research was carried out because smartPLS is characterized as a technique that is very suitable for exploratory modeling or predictive study purposes (Garson, 2016). In order to measure validity, correlations between variables were tested. This includes discriminant validity and AVE (Average Variance Extracted) with a desired AVE score of >0.5 . Testing validity by examining the factor loading weights on each indicator using the SmartPLS application. The prerequisite for assessing validity is that the loading factor weight must exceed 0.70. Then, discriminant validity is related to the concept principle that measurements of different constructs (manifest variables) are not highly correlated. The way to test discriminant validity with reflexive indicators is to test the cross loading weight of each variable. This weight must exceed other variables. Reliability testing is carried out to describe the consistency, accuracy, and accuracy of an instrument when measuring structures. Then continue using SEM-PLS (Structural Equation Modeling-Partial Least Squares) through the use of the SmartPLS application to measure construct reliability using recursive parameters. This can be done through the calculation of a composite reliability score. A commonly used condition to evaluate construct reliability is that the composite reliability should exceed 0.7 for confirmatory studies, while values between 0.6 and 0.7 are acceptable for exploratory studies.

Then the reliability test uses Cronbach's Alpha measurement. Cronbach's Alpha is used to calculate the correlation value between answers on the assessment tool between all variables, a high-reliability value must be as close to 1 as possible to be acceptable (Sullivan, 2011).

RESULTS AND DISCUSSION

This study obtained a total of 137 respondents from companies operating in the forwarder sector in Jakarta. The majority of respondents were male with a percentage of 68.61 percent, and female 31.39 percent. Based on age, most of the subjects were 31-35 years old, followed by 26-30 years old. The majority of respondents worked 5-10 years with a percentage of 52.55%. The marketing department had the highest number of respondents in contrast to the others. The average respondent has a competency certificate, with the most positions as staff and the most education undergraduate and diploma. The distribution of respondent departments and managerial positions of the following research respondents can be seen in Appendix 5 table 8 of the respondent's data.

The analysis method used is PLS (Partial Least Squares). The PLS method has unique advantages, including data does not need to be multivariate normally distributed (parameters with categorical, interval, and ordinal contrast scales can be used in the same modeling), and there is no need to adjust the sample size. This is based on the number of respondents in this study, which is 137 people. In addition to theory confirmation, PLS can also be used to test the correlation between latent variables.

The research results that have been processed using smartPLS are as can be observed in Figure 2:

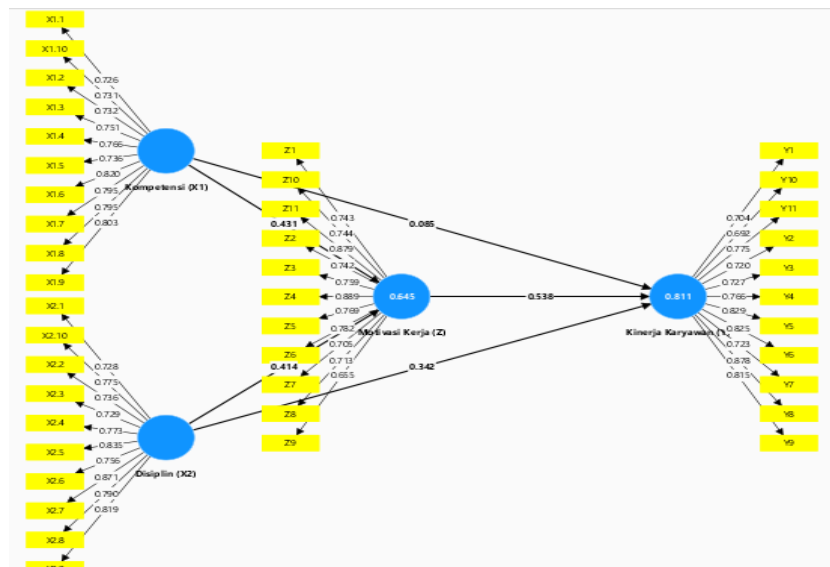


Figure 2.
SEM-PLS Analysis Measurement Model

The next stage is to measure Convergent validity which aims to understand the validity of each correlation between parameters and latent variables or constructs. When running the convergent validity test, it can be assessed according to the outer loading or loading factor and AVE (Average variance Extranced). The results of outer loading on each dimension with each indicator that provides a loading factor value of > 0.6 or > 0.7 . This shows that all construct indicators are sufficient and valid. According to Hartono and Abdillah (2015) testing construct validity can generally be measured through indicator weight loading on research modeling (Rule of Thumbs > 0.7) and using AVE indicators. Based on the table above, overall it meets the requirements. As for variable Z or motivation, it can be considered or accepted if the SEM-PLS Algorithm calculation results meet the requirements and are declared valid.

The test in the following research is the construct validity test, including the convergent validity test, discriminant validity, and composite reliability test. The following stage is carried out by evaluating convergent validity. It measures the effectiveness of reflective parameters as variable indicators by looking at the outer loading weight of each variable indicator, as can be seen in Appendix 5.

If the loading score is between 0.5-0.7, then the author should not eliminate the parameter with the loading weight as long as the AVE and commonality value of the indicator is > 0.5 . Therefore, the requirements are met at this stage.

Next is the test of convergent validity, namely AVE. The minimum AVE weight is 0.5. This weight illustrates sufficient convergent validity, which means that the average of a variable can explain more than half of the variance in its indicators (Ghozali, 2016). AVE is calculated as the average square loading of each indicator related to a construct. Statistically, $AVE > 0.50$ Hair et.al, 2021). For Discipline: 0.612, Employee performance: 0.594, Competence: 0.587, Motivation: 0,585. The AVE value of all these variables is declared valid.

Another validity test is discriminant determined to ensure the distinctiveness of the constructs in the following study. Discriminant validity is a measure of the extent to which items distinguish between constructs or measure different concepts (Rahul Kumar, 2021). This explains that the constructs in the following research have their own characteristics and

the relationship is not too high with other constructs in the following research (Sarstedt et al., 2021). Discriminant validity in SMART-PLS is determined using 3 different techniques but the ones used in the following research are Fornell and Larcker Criterion and Cross Loadings. The Fornell-Larcker weights can be observed in Appendix 5 table 9.

According to the Fornell and Larcker Criterion, discriminant validity is established when the root of the AVE for a particular construct exceeds its correlation with all other constructs (Henseler et al., 2015). In addition, the validity measurement is continued on the Cross loadings criterion which can be examined in Appendix 5 Table 10. Cross loadings are certain items must have higher loadings on their own parent constructs compared to other constructs in this study. If an item loads well onto other constructs compared to its own parent construct, then there is a discriminant validity issue.

Furthermore, reliability testing on composite reliability is stated to exceed 0.7 and Cronbach's alpha exceeds 0.6. CR (Composite Reliability) is a measure of reliability, but Cronbach's alpha implies that factor loadings are the same across items. Cronbach Alpha is a measure of the internal accuracy or consistency of a construct measurement, that is, as a category, how closely related the set of objects comprising the construct is. The general effect is a number from 0 to 1. An alpha value of 0.7 is considered accurate and appropriate and alpha 0.9 is considered the flagship attribute of Cronbach alpha (Ammad et al, 2022).

After fulfilling the validity and reliability tests which have been declared valid and reliable, a significant test is carried out with the outer model which can be observed in Table 2:

Table 1.
Measurement of Reliability Test

Variable	Cronbach's Alpha	(rho_A)	Composite Reliability	Description
Discipline	0.929	0.931	0.940	Reliable
Employee Performance	0.931	0.932	0.941	Reliable
Competence	0.922	0.923	0.934	Reliable
Work Motivation	0.928	0.931	0.939	Reliable

After fulfilling the validity and reliability tests which have been declared valid and reliable, a significant test is carried out with the outer model which can be observed in Appendix 5 Table 11.

The results of the t-values are greater than the t-table using a two-tailed of 1.98 with a significant level of 5%. Based on the table above, shows all the results for each indicator in each construct with the resulting t-statistic weight > from the t-table, which is > 1.98. This means that in this outer model test the data is declared eligible and significant in the measurement analysis model.

After the measurement model test is carried out, the structural model test (inner model) will be carried out by displaying the results of the R-squares score in each endogenous latent variable as a predictor of the structural model. Changes in the R-squares score can also be used to explain the impact of certain exogenous latent variables on endogenous latent variables and whether they have a substantive impact (Ghozali and Latan, 2015).

To see the evaluation results on the structural model (inner model), the coefficient of determination is one of the criteria with a rule of thumb between 0.67-0.75 which can be said to be a strong model to be able to explain the influence of exogenous latent variables. Chin qualifies the R square score of 0.67, 0.33, and 0.19 as strong, moderate, and weak (Ghozali and Latan, 2015). The following is the R2 score on each variable displayed in the following table:

Table 2.
Structural Model R- Squares

Variable	R Square	R Square Adjusted
Employee Performance	0.811	0.805
Motivation	0.645	0.63

The analysis above shows that where the simultaneous R square has an impact on Employee Performance worth 0.811, namely all exogenous constructs simultaneously affect Y worth 81.1 percent. And the remaining 18.9 percent is explained by other indicators. Then the effect of exogenous constructs on Y is moderate. Where the R square simultaneously affects the intervening variable, namely Motivation of 0.645, namely all exogenous

constructs simultaneously affect Y worth 64.5 percent. And the remaining 35.5 percent is explained by other indicators.

R-squares value > 0.50 with R-squares (R2) values of 0.75, 0.50, and 0.25 which can be concluded with strong, moderate, and weak models. (Hair et al., 2014). So the r square obtained in the analysis results is classified as moderate. This study can still be said to be quite good even though there is a poor value on the manifest variable construct/indicator due to other factors that can strengthen in explaining other constructs.

The next analysis is hypothesis testing to test the variables in the study. The following table shows the results of hypothesis testing:

Table 3.
Hypothesis Testing Results

Hypothesis Statement	Original Sample (O)	Standard Deviation (STDEV)	T Statistics	P Values	Description
H1: Competence has a positive impact on Work Motivation	0.431	0.092	4.710	0.000	Data supports the hypothesis
H2: Work discipline has a positive impact on Motivation	0.414	0.082	5.034	0.000	Data supports the hypothesis
H3: Motivation has a positive impact on Employee Performance	0.538	0.070	7.724	0.000	Data supports the hypothesis
H4 : Competence has a positive impact on Employee Performance	0.085	0.082	1.036	0.303	Data does not support the hypothesis
H5 : Discipline has a positive effect on Employee Performance	0.342	0.083	4.129	0.000	Data supports the hypothesis

Based on the table of hypothesis test results, it can be understood that 4 hypotheses have a T-value with a score exceeding 1.96, so it can be concluded that the data supports the following 4 research hypotheses. While the competency hypothesis on employee performance has a T-value score of less than 1.96, meaning that the data does not support the

hypothesis. Complete information on the results of SEM analysis can be examined through Appendix 5 table 12.

Discussion

In the following research, it shows that there is a positive impact of competency variables on work motivation. This explains that when competence is increased, work motivation in employees will increase. Where the ability to rise faster and be able to carry out tasks carefully. In the forwarder company, employees in the operational section are required to constantly adapt to changes in the environment and internal and external circumstances. Supported by the company's motto, this corporate philosophy makes it possible to provide the highest level of service quality to clients around the world and shape a business culture that is a key driver of success. It is a winning culture designed to capitalize on the synergy, trust and understanding that are the cornerstones of clients' strategic partnerships. A culture that focuses on long-term commitment, cooperation, and communication, one that allows for the sharing of knowledge, information, and resources, thereby reducing risks and costs and increasing profits for all involved. The company is engaged in shipping services for goods (isotank) and containers using ships by sea. The development of trade between countries requires efficient and effective logistics transportation arrangements, in order to increase the competitiveness of business actors in meeting the needs of the community. One form of logistics activity as a supply chain of goods from producers to consumers is the activity of moving goods between countries, which is marked by a ship charter agreement in accordance with the agreement of the owner of the goods with entrepreneurs engaged in sea transportation.

In an increasingly environmentally-conscious global context, forwarders are also focusing on sustainable practices and complying with environmental regulations and compliance with international environmental and social standards. When employees have good competence in their tasks, they tend to be more confident in getting the job done well. This can increase motivation as they feel capable and competent in their work. How employees can carry out tasks carefully and thoroughly. Checking employees' work for accuracy and completeness. Being found enthusiastic when meeting with customers, anticipating problems, and responding to customer needs in a timely manner. Where

employees do not abuse authority and power. Will influence and increase motivation in the role, provide stimulation in the job, perform the job well, and all things that are intrinsic and extrinsic. Employees can also provide alternative service products and can find solutions to existing problems. High employee goals and how employees can work hard in achieving them. Other supporting research conducted by (Lianasari & Ahmadi, 2022) states that competency variables have a positive effect on work motivation. Where effective employee management, through efforts to improve skills and knowledge through training and higher education of employees, as well as achieving good work performance or performance, can all result in benefits from increased competence and motivation.

The following research found that work discipline has a positive impact on motivation. Having good discipline indicates how much responsibility individuals have for the work assigned to them. When an employee is consistent in carrying out their duties with discipline, it can provide a motivational boost for them to improve their performance. Discipline is about consistency in doing things that matter, even when there is no direct supervision. Discipline can remind individuals of the importance of consistency in maintaining long-term motivation with consistency and responsibility. In line with the research conducted (Wahyuni, L., & Karneli, 2021) states that when an employee is consistent in carrying out their duties with discipline, it can provide a motivational boost for them to improve their performance.

The next thing discussed in this study is the positive influence given by motivation on employee performance, meaning that when motivation is increased, the performance of employees will increase. Where there is an impact on how employees have good work results in order to achieve the goals desired by the forwarder company. Where employees can do the job well and have the quality of shared responsibility. And employees are able to complete additional work well, by carrying out any task seriously. Motivation is the drive that inspires a person to collaborate, effectively, and efficiently through maximum effort in achieving goals. The key to employee and organizational success is when there is high motivation, and the concept of motivation that shows capabilities and work opportunities. Motivation is a factor that influences behavior in the organizational context. Other supporting research conducted by (Wahyuni, L., & Karneli, 2021) states that work motivation has a significant positive impact on employee performance. Research conducted (Agustine Pariesti et al.,

2022) mentions the impact of motivation on performance and is able to moderate from performance variables to employee performance variables. The results of research conducted (Wahyudi, 2019) explain that the contribution of motivation is stated to be significant on performance. These results explain that performance is impossible to achieve if one of them lacks motivation. In descriptive analysis, interesting information was found regarding work motivation. Employees feel motivated because of the needs of life that must be met and a comfortable work environment. However, some other aspects of motivation are not considered helpful, such as: External motivation, especially from the leadership. The attentive attitude of the leadership is considered to affect the mental state of employees in daily work activities. Given that every work task is directly connected to the leadership. However, it seems that leaders do not fully understand the dynamics of social relations within the organization, more likely to focus on achievement. Internal motivation, especially self-confidence. Employees face difficulties in maintaining motivation on a daily basis. In one month of work, various dynamics occur in turn, but their mentality is not yet stable. Under these circumstances, support from leaders and coworkers is crucial.

Furthermore, the competency variable does not affect employee performance. This condition is in line with research that has been carried out (Hidayat, 2021), competence has no impact on employee performance because the company does not pay much attention to the experience and expertise that employees have so employee performance is not very competent in their fields. Competence is a habit possessed by individuals that includes the knowledge, attitudes, and skills needed to complete their work and obligations, so that employees can carry out their work effectively, efficiently, and professionally. Competence also refers to the combination of attitudes, knowledge, and skills possessed by employees in performing tasks and achieving expected results. on the other hand, performance includes how well employees achieve the goals and standards set by the Company. In addition, in this study, indicators or measures of employee competence may not be relevant or appropriate to their work.

The next thing found in the following research is where work discipline has a positive impact on employee performance in forwarder companies, where when discipline is applied properly, employee performance will increase. Likewise, on the contrary, if discipline is not

applied properly, as a result, employee performance can decrease. Research conducted (Hasibuan & Silvyva, 2019) states that work discipline has a significant positive impact on employee performance. Good discipline from employees will help the company achieve its goals faster, while lack of discipline can be an obstacle and hinder the achievement of company goals. Disciplined employees tend to be more productive because they tend to value time and take responsibility for their work. They are more likely to complete tasks on time and to the expected standard. In line with research conducted by (Junaedi & Digidowiseiso, 2023) good discipline from employees will help the company achieve its goals faster, while lack of discipline will become an obstacle and slow down the achievement of the company. In a forwarder company, discipline is key in the organization. When clear rules and expectations are followed, employees will feel more secure and better able to achieve their goals.

On the other hand, strong and great motivation can provide an increase in employee performance. Vice versa, if the motivation is low, it will make the employee's performance decrease. In forwarder companies, employee motivation is needed, it can be seen from how employees who feel motivated will be more eager to learn, improve skills, innovate at work, and be more proactive in completing work and facing challenges. In line with other research conducted (Mudayana & Suryoko, 2016) involving compensation variables, the work environment has an impact on employee performance and motivation as an intervening variable. The existence of work motivation can be a mediator between competence, compensation, and employee performance. When employee competence, the amount of compensation, and conducive working conditions increase, work motivation also increases, which in turn improves employee performance. Motivation variables act as mediators between performance variables, leading to the formation of work motivation that encourages employees to achieve better performance.

Research conducted by (Agustine Pariesti et al., 2022) states the effect of motivation on performance and is able to mediate from performance variables to employee performance variables. However, research conducted (Lianasari & Ahmadi, 2022) on work motivation cannot mediate competency variables and employee performance. Similar research was also carried out by (Kuriniawan & Heryanto, 2021) which explained that work discipline through

work motivation has a significant impact on employee performance. Other research also explains that work discipline has a significant positive impact on employee performance with work motivation as an intervening variable (Wahyuni, L., & Karneli, 2021). In the descriptive analysis, it is stated that employee discipline, especially in terms of attendance and obedience to leaders, is quite good. However, there are a number of conditions that need to be optimized, including Awareness of employee discipline, which is driven by the existence of rules and also by feelings of discomfort if they are not disciplined by the leadership. Employees realize the importance of discipline, but building a disciplined nature or character is sometimes difficult. Therefore, rules and the role of leaders are very helpful for employees. Despite realizing the importance of discipline, employees do not fully have a strong level of compliance. They realize that a disciplined lifestyle has not fully materialized in their personality. The level of compliance with discipline tends to be high when there is a threat of punishment or adverse consequences. For some employees, following the rules is enough, without understanding the essence or meaning of the rules. This leads to a lack of traction in their personality.

CONCLUSION

Based on the research, it is concluded that competence has a significant positive impact on work motivation. An increase in employee competence can increase their motivation, which makes them quicker to rise, look for alternatives, and carry out tasks carefully and thoroughly. Employees with good competence have in-depth knowledge, skills, and understanding in their field, thus improving the quality of their work. High competence also increases confidence and motivation to achieve work goals at a forwarder company located in Jakarta. Meanwhile, work discipline has a positive impact on motivation. This explains that increased work discipline contributes to higher motivation. Good discipline reflects responsibility for work, and consistency in carrying out tasks creates a sense of achievement that increases motivation in employees at the forwarder company. High motivation makes employees more productive and energized, as they have an internal drive to achieve goals. This not only improves individual well-being but also organizational success and health. Investing in high motivation is beneficial in the long run. However, in other studies,

competence has no influence on employee performance. This explains that if companies do not consider the positive contribution of competencies to performance, this can hinder the effectiveness of HR management strategies. Conversely, good competencies are important for optimal performance and professional growth, so companies need to understand and develop employee competencies as part of their HR management strategy. On the other hand, work discipline has a positive impact on employee performance. This explains that good work discipline improves employee performance by paying attention to their needs and rewarding their work. Conversely, a lack of discipline can reduce performance and hinder the achievement of company goals. Consistent discipline creates an efficient work environment and supports the achievement of organizational goals.

This study still has a number of limitations or limitations that can be developed for future research. The researcher recognizes that the following study has a number of limitations. Among the main limitations is that when collecting data, it is possible that the information submitted by respondents through questionnaires may not fully reflect their true opinions, because there are differences in understanding, thinking, and judgment among subjects. The following research is also limited to using only primary data collected through questionnaires, which makes it unable to specifically explain the existing situation of the object of research. This study only conducted research in forwarder companies in the Jakarta area. Therefore, for future research suggestions, the competency measurement tool should look for other alternatives in order to get different results. Research can be conducted in other industries and regions so as to strengthen the research conducted and can include other variables that can be linked to the following research.

This research has several important managerial implications to be carried out in improving employee performance in companies engaged in forwarders, namely: First, respond positively to change, accept and use new values to achieve goals, and be able to solve problems by doing tasks carefully and thoroughly. Competency development in employees also needs to be considered because it allows them to develop to the next level and have good work results to achieve the desired goals. Consistent application of disciplinary policies in the work environment is essential to create an efficient and productive environment by complying with workplace rules by arriving and leaving at a predetermined

time. The Forwarder company also applies discipline and rules always respects opinions and maintains Company secrets. Build an organizational culture that supports employee growth and development and promotes motivation to prove to oneself that one can do the job right. Leaders should lead by example and build an environment that rewards, motivates, and supports employees, in achieving group goals. By paying attention to these managerial implications, leaders can strengthen the relationship between competence, discipline, motivation, and employee performance, which in turn can facilitate the achievement of overall organizational goals.

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