THE INFLUENCE OF COMPETENCE AND WORK MOTIVATION ON EMPLOYEE PERFORMANCE OF PT PAL INDONESIA

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Abstract

This study aims to determine the effect of competence and work motivation on employee performance at PT PAL Indonesia. The research method used is a quantitative approach with a sample of 92 employees selected through proportional stratified random sampling. Data analysis techniques employ multiple linear regression with t-test and F-test for hypothesis testing. The results show that competence and work motivation have a positive and significant effect on employee performance, both partially and simultaneously. The coefficient of determination (R^2) value of 54.3% indicates that competence and work motivation contribute significantly to improving employee performance, while the remaining percentage is influenced by other factors. These findings emphasize the importance of competence development and motivation improvement to support optimal employee performance.

Keywords: Competence, Work Motivation, Employee Performance, PT PAL Indonesia

INTRODUCTION

Employee performance is one of the crucial factors in achieving organizational goals, especially for state-owned enterprises (SOEs) such as PT PAL Indonesia, which operates in the national shipbuilding and maritime defense industry. In an era of increasingly competitive and complex global competition, the success of a company is not only determined by technology and capital but also highly dependent on the quality of its human resources. Competent and highly motivated human resources are the key to creating optimal performance, thereby supporting the achievement of the company's strategic targets. As one of the nation's strategic state-owned companies, PT PAL Indonesia plays an essential role in supporting national maritime defense while meeting the demands of both domestic and international shipbuilding markets. Therefore, the company is required to have human resources who are not only capable of carrying out their technical duties but also able to adapt to developments in information technology, industrial digitalization, and global production standards.

However, in reality, PT PAL Indonesia still faces challenges regarding employee performance that has not yet reached its optimal level. This can be seen from fluctuating productivity, delays in achieving work targets, and a lack of initiative and innovation among some employees. Based on internal company reports, the average achievement of employee work targets in 2023 only reached 82.5%, although it showed an improvement compared to previous years. One of the main causes of this suboptimal performance is the gap between employees' competencies and the evolving demands of their jobs. Competence, which includes knowledge, skills, and appropriate work attitudes, is essential to ensure that employees can perform their tasks effectively. In addition, work motivation is also a vital factor that affects employees' enthusiasm and dedication to their work. Low work motivation often leads to decreased productivity and undisciplined work behavior.

Competence and work motivation are two interrelated variables that shape employee performance. Employees with high competence but lacking motivation will not be able to perform at their best. Conversely, motivated employees without adequate competence will also not be able to make optimal contributions to the company. Therefore, PT PAL Indonesia needs to implement integrated human resource management through enhancing employee competence via training, career development, and opportunities to learn new technologies. On the other hand, the company must also build an effective motivation system, such as providing rewards, incentives, a comfortable work environment, and involving employees in decision-making processes. Through these efforts, it is expected that employee performance can be significantly improved, thereby enabling the company to compete in national and international markets.

Based on these problems, this research aims to analyze the influence of competence and work motivation on employee performance at PT PAL Indonesia. The results of this study are expected to serve as a reference for the company's management in formulating appropriate human resource development policies to enhance performance and improve corporate competitiveness at the global level.

REVIEW OF LITERATURE

Human Resource are essential assets in an organization that directly contribute to the achievement of corporate goals. According to Mangkunegara (2019), human resources are

the potential of individuals in the form of thoughts, feelings, skills, and power that serve as organizational assets to realize its vision and mission. Robbins and Judge (2021) also emphasize that human resource management is an integral part of an organization's strategy in facing globalization and digitalization challenges. High-quality human resources are characterized by high competence, strong work motivation, and the ability to adapt to changing business environments. Therefore, companies need to focus on human resource development through training, career development, and employee motivation management to enhance organizational competitiveness.

Competence

Competence is a fundamental ability that must be possessed by every employee to perform tasks effectively and efficiently. Spencer and Spencer in Wijaya (2022) define competence as the basic characteristics of individuals related to effective performance in a job or particular situation. Competence consists of knowledge, skills, attitudes, values, and personal traits that influence one's ability to perform tasks. Sutrisno (2021) adds that competence is a benchmark for determining whether a person is capable of performing a job according to organizational standards. In modern industries, including the shipbuilding industry like PT PAL Indonesia, high competence is required not only in technical aspects but also in analytical thinking, problem-solving, and mastering information technology to meet the demands of Industry 4.0.

Work Motivation

Work Motivation is an internal and external drive that encourages employees to work optimally. Robbins and Judge (2019) describe motivation as the force that drives individuals to act, determining the direction, intensity, and persistence of work. Herzberg in Mangkunegara (2020) divides motivation into two types: intrinsic and extrinsic motivation. Intrinsic motivation comes from within employees, such as self-actualization, achievement, and job satisfaction. Meanwhile, extrinsic motivation originates from external factors such as salary, rewards, work environment, and relationships with supervisors. High work motivation significantly impacts employee enthusiasm and loyalty, thus enhancing productivity and optimal work quality.

Employee Performance

Employee performance is the work result achieved by an individual in carrying out tasks and responsibilities based on predetermined standards or criteria. According to Armstrong and Taylor (2020), employee performance is the actual contribution of employees to the organization through behaviors and work results aligned with organizational goals. Pradhan and Jena (2023) also mention that performance includes three main dimensions: task behavior, contextual behavior, and adaptive behavior. Good performance is shown through high productivity, quality work, timeliness, and positive contributions to teams and organizations. In the context of PT PAL Indonesia, employee performance is a crucial factor in meeting production targets and ensuring the quality of ships built according to national and international standards.

RESEARCH METHOD

This study employs a quantitative method with an associative approach, aiming to identify and analyze the influence of competence and work motivation on employee performance at PT PAL Indonesia. The research was conducted at PT PAL Indonesia, located

in Surabaya, a shipbuilding company engaged in maritime defense and commercial ship production. The population in this study consists of all employees of PT PAL Indonesia. The sample used in this study amounted to 92 respondents, determined using the proportional stratified random sampling technique, which is a random sampling method based on proportional representation from each division or department within the company, so that the sample proportionally represents the entire population.

Data collection was conducted using questionnaires (survey forms) distributed directly to the respondents. The questionnaire was designed based on the indicators of each research variable, namely competence, work motivation, and employee performance, using a 5-point Likert scale, ranging from "Strongly Disagree" to "Strongly Agree." In addition to primary data obtained from the questionnaires, this research also used secondary data obtained from documentation studies such as annual reports of the company and other relevant official documents.

The data analysis method used in this study is multiple linear regression analysis to determine the influence of competence (X1) and work motivation (X2) on employee performance (Y), both partially and simultaneously. Before conducting the regression analysis, the research instruments were tested through validity and reliability tests to ensure their accuracy and consistency. Furthermore, classical assumption tests were performed, including normality test, multicollinearity test, heteroscedasticity test, and autocorrelation test, to ensure that the data meet the requirements for regression analysis. Hypothesis testing was carried out using both t-test (partial test) and F-test (simultaneous test), and the coefficient of determination (R^2) was calculated to determine how much competence and work motivation contribute to explaining employee performance at PT PAL Indonesia.

RESULTS AND DISCUSSION

This section presents the results of data analysis conducted to examine the effect of competence and work motivation on employee performance at PT PAL Indonesia. The data obtained from questionnaires distributed to 92 respondents were analyzed using multiple linear regression analysis. The analysis aims to determine the partial and simultaneous influence of competence and work motivation on employee performance. In addition, hypothesis testing through t-test and F-test was carried out to assess the significance of each variable. The coefficient of determination (R^2) was also calculated to measure the contribution of competence and work motivation in explaining employee performance. The results of this analysis are described in detail below.

Multiple Linear Regression Analysis

Based on the results of multiple linear regression analysis to examine the influence of Competence (X1) and Work Motivation (X2) on Employee Performance (Y) at PT PAL Indonesia, the following results were obtained:

Table 1.
Multiple Linear Regression Analysis Results

Coefficientsa						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.148	2.240		1.405	.163

Kompetensi	.524	.134	.404	3.910	.000
Mk	.499	.132	.390	3.773	.000
a. Dependent Variable: Kinerja Karyawan					

Source: Data Processed, 2025

Determination Coefficient (R²)

To see how much influence competence and motivation have on performance simultaneously:

Table 2.
Coefficient of Determination (R²)

Model Summary[b]			
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.737[a]	.543	.532	2.016

Source: Data Processed, 2025

The R^2 value is 0.543, meaning 54.3% of employee performance is influenced by competence and motivation, while the remaining 45.7% is explained by other factors.

F-Test (Simultaneous Test)

Table 3.
F-Test Results (ANOVA)

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	429.014	2	214.507	52.780	000[b]
	Residual	361.714	89	4.064		
	Total	790.728	91			

Source: Data Processed, 2025

F-count = 52.780, Sig. = 0.000 < 0.05, meaning Competence and Work Motivation together significantly influence Employee Performance.

t-Test (Partial Test)

Table 4.
t-Test Results

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.148	2.240		1.405	.163
	KOMPETENSI	.524	.134	.404	3.910	.000
	MK	.499	.132	.390	3.773	.000
a. Dependent Variable: KK						

Source: Data Processed, 2025

Summary of Hypothesis Testing

Table 5.
Summary of Hypothesis Test Results

Hypothesis	Test	Result	Conclusion
H$_1$: Competence affects Employee Performance	t-test	t = 3.910, Sig. 0.000	Accepted (Significant Influence)
H$_2$: Work Motivation affects Employee Performance	t-test	t = 3.773, Sig. 0.000	Accepted (Significant Influence)
H$_3$: Competence and Work Motivation affect Employee Performance simultaneously	F-test	F = 52.780, Sig. 0.000	Accepted (Significant Simultaneous Influence)

Source: Data Processed, 2025

Based on the results of multiple linear regression analysis, the regression equation obtained is $Y = 3.148 + 0.524X1 + 0.499X2$, indicating that both Competence (X1) and Work Motivation (X2) have a positive influence on Employee Performance (Y). The partial t-test results show that Competence has a significant effect on Employee Performance, with a t-value of 3.910 and a significance level of 0.000 (< 0.05), thus supporting the first hypothesis. Additionally, Work Motivation also significantly influences Employee Performance, with a t-value of 3.773 and a significance level of 0.000 (< 0.05), confirming the second hypothesis.

Furthermore, the simultaneous F-test reveals that Competence and Work Motivation together have a significant influence on Employee Performance, with an F-value of 52.780 and a significance level of 0.000 (< 0.05), thereby accepting the third hypothesis. The coefficient of determination (R^2) is 0.543, which means that 54.3% of Employee Performance is explained by Competence and Work Motivation, while the remaining 45.7% is influenced by other variables not examined in this study.

These results indicate that the higher the competence and work motivation of employees, the better their performance will be. Therefore, improving competence through training and enhancing work motivation through various reward and recognition programs are essential strategies for PT PAL Indonesia's management to improve overall employee performance.

CONCLUSION

Based on the results of the research conducted, it can be concluded that competence and work motivation have a positive and significant influence on employee performance at PT PAL Indonesia, both partially and simultaneously. Competence, which includes knowledge, skills, and work attitude, is an essential factor in improving employee performance. The higher the competence possessed by employees, the better their performance will be. In addition, work motivation, which consists of intrinsic and extrinsic drives, encourages employees to work optimally and take responsibility for their tasks. Together, competence and work motivation contribute significantly to improving employee performance, as indicated by the coefficient of determination (R^2) value of 54.3%, meaning that both variables explain more than half of the variance in employee performance, while the remaining 45.7% is influenced by other factors not examined in this study. Therefore, to enhance employee performance optimally, the company needs to manage and improve

employee competence through continuous training and development, as well as implement effective motivation systems, such as providing rewards, incentives, and creating a supportive work environment.

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