



# **A CONCEPTUAL MODEL OF THE EFFECT OF COMPETENCE ON PERFORMANCE WITH MEDIATED BY INCENTIVES AT THE BUREAU OF PLANNING AND PERFORMANCE MANAGEMENT OF THE SECRETARIAT GENERAL OF THE MINISTRY OF MANPOWER**

**Mukarromah<sup>1</sup>, Amaliyah<sup>2</sup>, Noverdi Bross<sup>3</sup>**

**<sup>1,2,3</sup>Department of Management, Faculty of Economic and Business, Trilogi University, Jakarta, Indonesia**

## **ABSTRACT**

This study seeks to develop a conceptual model to determine the effect of competence on employee performance in the Bureau of Planning and Performance Management of the Secretariat General of the Indonesian Ministry of Manpower of the Republic of Indonesia. Determined mediating variables are incentives and moderating variables are motivation. The study uses a quantitative approach to taking a saturated sample of 58 bureau employees. Data will take in the form of primary data using questionnaires and observations and secondary data through institutional documents. Analysis of the data is done by inferential. Literature review, conceptual model, hypotheses development and research methodology are discussed. Practicing this paper instantly would provide information about the relationship of work conflict, career development, job stress and employee performance at the Inspectorate General of the Ministry of Manpower.

## **KeyWords**

Competence, Performance, Incentives, Motivation, Conceptual Model

## INTRODUCTION

Pella (2016) stated that there are seven problems related to the steps of strategy implementation, one of which is the lack of performance indicators for each position. The organization is not at all serious about making, clarifying, documenting and sharpening performance indicators for its employees even though according to Kaplan and Norton (1996), the Learning and Growth perspective is an important and fundamental perspective for other perspectives.

Performance comes from the word Job Performance or Actual Performance which is the actual job performance or achievement achieved by someone. Performance according to Mangkunegara (2009: 9) is the work of quality and quantity achieved by an employee in carrying out their duties in accordance with the responsibilities given to him. It can be concluded that performance is the result or overall level of success of a person during a certain period in carrying out the task. Bass and Avolio (1990) explain that in formal organizations, individual or group employee performance depends on their efforts and the direction and competence and motivation to show performance as expected to achieve goals based on their position in the system (Alimuddin, 2002).

Employee performance refers is measured based on standards or criteria set by the organization. Management needs to achieve high employee performance, especially to improve overall organizational performance. Factors that influence employee performance include organizational strategy (the value of short-term and long-term goals, organizational culture and economic conditions) and individual attributes such as abilities and skills.

The Planning and Performance Management Bureau has the task of carrying out coordination, preparation, alignment, and integration of planning and budgeting, performance management, monitoring, evaluation, and reporting, preparation of leadership materials and fostering functional officials of ministry planning. In the implementation of work programs, the Bureau of Planning and Performance Management seeks to increase its role in promoting quality to support programs to improve energy productive work, innovative and competitive, and to support employment service quality that is simple, transparent and accountable.

Based on the duties and functions of the above, the bureau has a role and influence that is very important in the delivery of services and the achievement of organizational goals. It takes a leader who has the abilities to be qualified in the field of planning and budgeting especially in coordinating all fields in the ministry. The problems currently faced by the planning and performance management bureau, namely; firstly, the coordination between parts and subsections in the bureau has not been coordinated; secondly, administrative staff have not yet performed their functions and duties optimally; and third, not yet optimal standard operating procedures (SOP).

## LITERATURE REVIEW

### 1. Competence

Definition of competence according to Government Law No 101 Year 2000 cited by EdySutrisno (2009) in Sandy (2013) "Competence is the ability and the characteristics of which are owned by an employee of domestic civil form of knowledge, attitude, and behavior that is required in the task and position (Article 3). Suparno (2012) defines competence as an ability to perform a task or as having the skills and competence that is implied.

Different types of competencies are associated with aspects of human behavior and with the ability to demonstrate the ability of the behavior. There are several types of competencies according to Wibowo (2014), which can be explained as follows:

1. Planning Competency
2. Influence of competence
3. Communication competency
4. Interpersonal competency
5. Thinking competency
6. Organizational competency,

7. Human resources management competency,
8. Leadership competency,
9. Client service competency,
10. Business competency,
11. Self-management competency,
12. Technical / operation competency,

## 2. Job Performance

Performance comes from the word Job Performance or Actual Performance which is the actual job performance or achievement achieved by someone. Performance according to Mangkunegara (2009) is the result of quality and quantity of work achieved by an employee in carrying out their duties in accordance with the responsibilities given to him. According to Stout (BPKP, 2000), performance measurement is the process of recording and measuring the achievement of the implementation of activities in the direction of achieving mission (mission accomplishment) through the results displayed in the form of a product, service or a process.

Through performance measurement, it is expected that work patterns and implementation of development tasks and general tasks of government will be carried out efficiently and effectively in realizing national goals.

Indicator assessment of performance by Suwondo and Sutanto (2015) measured by four things, namely :

1. Accuracy in completing work;
2. The level of initiative at work;
3. Mental dexterity; and
4. Discipline of time and presence.

## 3. Incentive

Incentives are a motivating tool in the form of material, which is given as an incentive or deliberate impulse to workers so that within them arises a great enthusiasm to increase work productivity in the organization (Gorda, 2004: 141). Manullang (2003: 147) states that incentive is a means of motivation or a means that encourage employees.

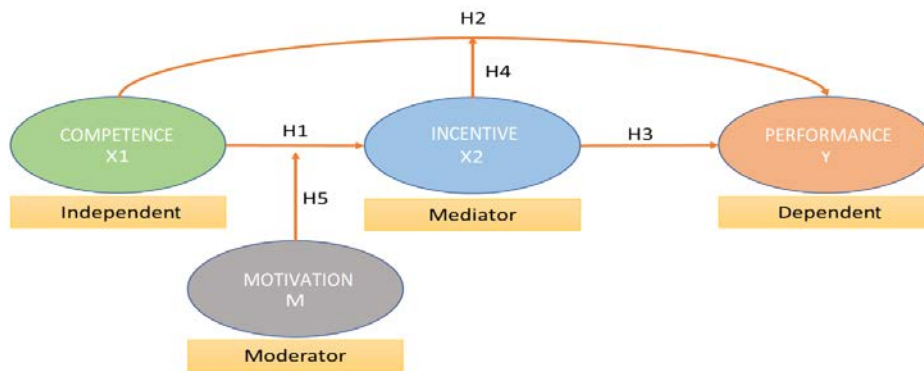
Based on who the incentives are given, the types of incentives can be classified into three groups, namely:

1. Individual Incentive, ie the incentives that are given to employees based on effort or achievement of work of each employee.
2. Group Incentive, ie the incentives that are given by the standard of each group
3. Overall Incentive, ie the incentives that are given to the whole employees of the company based on the criteria of payment.

Incentive arrangements must be set carefully and precisely and must be closely linked to the objectives of the company. The amount of incentives given to a person must be related to the amount or what has been achieved during a certain period, according to the distribution formula that is known to all parties in real terms. The incentive distribution formula is set fairly so that it can encourage more work output and increase the strong desire to achieve additional income and benefit all parties.

## CONCEPTUAL MODEL

This study aims to determine the relationship between competence and performance with incentives as mediating variables and motivation as moderating variables. The framework of the concept of research is illustrated as follows:



**Figure 1: The Conceptual Model**

## HYPOTHESIS DEVELOPMENT

### 1. The Effect of Competence on Performance

The result of Syarthini's (2014) research shows that there is a partial influence of skills on performance at PT. Bengkulu Branch MPM. This was reinforced by the results of research Rizal et al., (2013) at the Jakarta Agro Industri Go Public company showed the influence of competency factors on individual performance in Jakarta. Based on those results, the following research hypothesis is proposed:

H1: Competence affects on employee performance.

### 2. The Effect of Competence on Incentives

Based on the results of previous research conducted by Cahyaningrat, Erviantono, and Wismayanti, (2017), it is shown that the influence of competence on the incentives of employees in the Denpasar City Library, Archives and Documentation Board.

H2: Competence affects on Incentives.

### 3. The Effect of Incentives on Performance

The results of previous studies conducted by Olubusayo et al., (2014) on how incentives affect employee attitudes at work or can be said to be employee performance in the Parastatals government. The study concludes that a number of incentives (monetary, tangible and non-monetary non-tangible) play a major and significant role in improving the attitude of employees who do better jobs.

H3: Incentives affects on employee performance.

### 4. The Effect of Incentives on Competence and Performance

Results of previous studies conducted by Murbijanto, (2013) showed significant influence of competence with the performance of employees. Research conducted by Ismail et al., (2011) who has conducted research on interactional justice as a mediator between the relationship between paying performance and satisfaction confirms that interactional justice is fully mediated by the effect of paying performance (ie, participation in the salary system and pay adequacy) on job satisfaction in the organization. This result has also supported salaries for performance mostly issued in Western countries. Therefore, research and practice in the pay system model needs to consider the perception of interactional justice as an important aspect of the salary system.

H4: Incentives simultaneously affect employee competency and performance.

### 5. Effect of Motivation on Competencies and Incentives

Research results earlier were performed by Rumpak et al., (2017) shows the influence of motivation to work on the performance of employees at Bank Indonesia. According to Gomez (2003: 177) performance is a function of motivation and ability or can be written with the formula  $P = f(M \times A)$  where  $P$  = performance,  $m$  = motivation,  $a$  = ability.

Conclusion can be drawn that the employee is able to perform the job and want to achieve more in their work. Establishing maximum performance takes an impulse to bring the willingness and spirit of the work, which is motivation. Motivation serves to stimulate the ability of employees; it will create maximum performance results.

H5: Motivation mediates the relationship between employee competencies and incentives.

## METHODOLOGY

This research uses quantitative research methods. To get quantitative data, a Likert scale is used in the questionnaire. The analysis data is by using inferential analysis tool. The types of data used in this study include primary data and secondary data. Primary data were obtained from questionnaires distributed to respondents of Planning and Performance Management Bureau employees who were selected as samples or equal to the total population. Secondary data were obtained from the reports published monthly or yearly by the Ministry of Labor website and then processed into data needed for analysis.

In this study, the population used was all employees of the Planning and Management Bureau of Performance as much as 58 by calculating the sample size conducted using Slovin technique. This study uses the saturated sample technique as an approach to sampling technique that makes all members of the population as a sample. A saturated sample is also called a census, where all members of the population are sampled.

The research instrument was a questionnaire which divided into some parts, the demographics of the respondents, a statement about the competence, performance and incentives, as well as questions about the competence, performance and incentives. In addition to incentives, observations are also made of objects at the place where an event occurs. Data analysis was performed with a validity test, a reliability test, and hypotheses tests.

## CONCLUSION

This paper was written to find out a conceptual model of the relationship between employee competence and performance where there are mediating variables namely incentives and moderating variables namely motivation. The study was conducted at the Planning and Performance Management Bureau of the Secretariat General of the Indonesian Ministry of Labor. The paper also described the background, a review of literature, hypotheses development, and the methodology of the study. Practicing this paper instantly will find out the relationships between variables in the conceptual model.

## REFERENCES

- [1] Alimuddin. 2002. *Pengaruh Gaya Kepemimpinan terhadap Kinerja Pegawai Badan Pengawasan Daerah Kota Makassar*. Yogyakarta: Universitas Gajah Mada.
- [2] Bass, B. M dan Avolio, 1990, "The Implications Of Transactional and Transformational". *Team and Organization Development*, 4, P. 231-273.
- [3] Cahyaningrat; Erviantono; dan Wismayanti. 2016. *Pengaruh Kompetensi Terhadap Kinerja Pegawai Di Badan Perpustakaan, Arsip dan Dokumentasi Kota Denpasar*. Bali.
- [4] Gomez, Faustino Cardoso. 2003. *Manajemen Sumber Daya Manusia*. Yogyakarta: Andi Offset.
- [5] Gorda, I Gusti Ngurah. 2004. *Manajemen Sumber Daya Manusia*. Edisi Revisi. Denpasar: Astabrata Bali bekerjasama dengan STIE Satya Dharma Singaraja.
- [6] Ismail, (2010). *Manajemen Perbankan*. Edisi pertama. Jakarta: Kencana
- [7] Kaplan, Robert S. dan Norton, David P., 1996, *Balanced Scorecard, Menerjemahkan Strategi Menjadi Aksi*, Alih Bahasa: Peter R. Yosi Pasla, 2000, Jakarta: Erlangga.
- [8] Lembaga Administrasi Negara dan BPKP. 2000. *Akuntabilitas dan Good Governance: Modul Sosialisasi Sistem Akuntabilitas Kinerja Instansi Pemerintah*. Modul 1-5. LAN dan BPKP, Jakarta.
- [9] Mangkunegara, Anwar Prabu (2009). *Manajemen Sumber Daya Manusia Perusahaan*. cet. 2; Bandung: PT Remaja Rosdakarya.
- [10] Manullang, M. (2003). *Management Personalia*. Cetakan Keenam. Edisi Revisi. Jakarta: Balai Aksara.
- [11] Murbijanto, R., E. (2013). Analisis Pengaruh Kompetensi Kerja Dan Lingkungan Kerja Fisik Terhadap Kinerja Pegawai (Studi Pada Pegawai Dinas Tenaga Kerja Kabupaten Bekasi). *Fakultas Ekonomika Dan Bisnis Universitas Diponegoro Semarang. Skripsi*, hlm. 36-37.
- [12] Olubusayo, Stephen, dan Maxwell. (2014). Incentives Packages and Employees' Attitude to Work: A Study of Selected Government Parastatals In Ogun State, South-West, Nigeria. *International Journal of Research in Business and Social Science*. Vol. 3, No. 1.
- [13] Pella, Darmin Ahmad. 2016. Problem Implementasi Strategi. Jakarta: Aida Infiniti Maksima.
- [14] Rizal et al. (2013). Pengaruh Faktor Kompetensi Terhadap Kinerja Individu di Perusahaan Agroindustri Go Public. *Jurnal IPB* Vol. 8 No.1, hal. 1-8.
- [15] Rumpak dan Wattimena. 2017. Pengaruh Motivasi, Disiplin, dan Kepuasan Kerja Terhadap Kinerja Tenaga Kependidikan Sekolah Pascasarjana Institut Pertanian Bogor. *Jurnal Magister Manajemen*. Volume 3 (2), hal. 1-36.
- [16] Suparno, Erman. 2012. *Kebijakan dan strategi penempatan tenaga kerja*. Melalui <http://www.setkab.go.id/index.php?pg=detailartikel=3518>.
- [17] Sutrisno, Edy. (2009). *Manajemen Sumber Daya Manusia*. Jakarta: Kencana.
- [18] Suwondo, Diah Indrian dan Sutanto, Eddy Madiono. 2015. Pengaruh Lingkungan Kerja dan Disiplin Kerja Terhadap Kinerja Karyawan. *Jurnal Manajemen dan Kewirausahaan*, Vol.17, No. 2, hal. 142.
- [19] Syarthini, Nuning Purnama. 2014. Pengaruh Pendidikan, Keterampilan, Dan Pengalaman Kerja Terhadap Kinerja Karyawan Pt. Mitra-Pinasthika Mustika Finance Cabang Bengkulu. *Skripsi Universitas Bengkulu*: Bengkulu
- [20] Wibowo. (2014). *Manajemen Kinerja*. Jakarta: Rajawali Pers.