

The Effect of Competence and Organizational Culture on Work Motivation and Its Impact on Employee Performance of Kayu ARO Barat District Kerinci Regency

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ABSTRACT: This study aims to determine the purpose of competence and organizational culture on employee performance with motivation as a mediating variable. This research is motivated by level of employee ability or employee competency is still low so that employee performance becomes difficult to achieve, relations between colleagues in the organization are still low, Employee motivation and encouragement from the organization still cannot impact employee performance and the performance of employees who are still not stable so that target institutions have not been achieved.

The research method with a quantitative approach with the path analysis method. Data collection techniques with questionnaires, observation and interviews. The respondents of this study were 42 employees of Kayu Aro Barat District. The sampling method uses the total sampling method in which the entire population in this study is the research sample. Hypothesis testing was calculated with the IBM Statistical Package for Social Science (SPSS) program version 24.0.

The results of this study found that competence has a significant effect on work motivation, organizational culture has a significant effect on work motivation, work motivation has a significant effect on employee performance, competence has a significant effect on employee performance, organizational culture has a significant effect on employee performance, work motivation as a mediating variable does not have a significant effect between competence and employee performance, work motivation as a mediating variable does not have a significant effect between organizational culture and employee performance at Kayu Aro Barat District Kerinci Regency.

Keywords: competence, organizational culture, work motivation, employee performance.

1. INTRODUCTION

The life of an organization determined by human resources and existing resources. The activator of an organization is human by uniting all energy, thoughts, talents, creativity and always trying for the life of the organization. Organizations are formed to achieve common goals, but to achieve effective goals requires good and correct management. Organizational problems are inseparable from the human element as organizational resources that must be managed as other resources. Humans are resources in participating organizations and contribute according to their respective fields of work and in accordance with the strategies determined by the organization in achieving its goals.

For the Kayu Aro Barat District employee performance issues are important factors so that they will greatly affect the success of regional management, especially in regional autonomy. One of the factors that became the main problems that occurred in the Kayu Aro Barat district office was the emergence of complaints from the public about services to the community that were not optimal and the facts prove that the performance of the

sub-district staff was still apprehensive due to the high percentage of work delays and non-standard task implementation. The selection of Kayu Aro Barat District as a research factor is based on the decline and instability of institutional performance in 2017, 2018 and 2019, which relates to the previous explanation, that of the many human resources owned by the organization, human resources are seen as sources human power is very important for life. Human resources can make an organization run effectively and efficiently, while other resources are dependent on the human resources that use them. Human resources must be managed professionally so that they can make an optimal contribution to the achievement of organizational goals.

The following is a table of targets and performance realization of Agencies / Services carried out at the Kayu Aro Barat District for the period of 2017 to 2019:

Table 1. Performance Targets and Realization

YEAR	TARGET (%)	REALIZATION (%)	DEFICIENCY (%)
2017	100	50	50
2018	100	55	45
2019	100	40	60
Average	100	48	52

Source: Secondary Data. Kayu Aro Barat District (by Writer 2019)

Based on the table above, the realization of the Kayu Aro Barat District work program for the past 3 (three) years is unstable. In 2017, from 100% the planned target could only be achieved by 50%. And in 2018 it can only be realized by 55% and in 2019 it can only be realized by 40% of the 100% target. From these data it can be concluded that there are problems that occur in the performance of Kayu Aro Barat District, both from the system and its implementation, so that the target and realization of work program achievements from year to year has decreased. The level of achievement requires a process of performance, at this stage of the process subordinates are more dominant in doing it, while the output is the level of achievement of results, both the poor achievements of the output / performance of the most influential agencies are members of the organization / agency / company, however the leadership sometimes does not care Given the potential conditions of existing employees, especially issues of competency, organizational culture, work motivation and performance produced by employees, this will certainly effect the low performance of organizational performance.

Performance according to Mangkunegara (2012, p.18) 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 the results of research by Ali Baba (2014) that competency, communication and organizational culture have a positive and significant effect on the performance of employees of PT. Semen Bosowa Maros. This is also in line with Zarvedi, R, dkk., (2016) that the results of the study prove that both simultaneously and partially leadership, organizational culture and competence effect the employee performance of the Regional Secretariat Pidie Jaya Regency. The performance of Kayu Aro Barat District Kerinci Regency is an important factor in the government bureaucracy, because civil servants are the implementing elements and functions of government activities, among others, in service activities. However, in reality the performance of employees in the Kayu Aro Barat District Kerinci Regency is still relatively low as evidenced in the table below:

Table 2. District Employee Performance Report

No	Phenomenon	Number of people	Percentage (%)
1.	Low ability to carry out tasks quickly and precisely.	5	23.81
2.	Lack of employee participation in implementing the rules.	7	33.33
3.	Lack of employee desire to improve performance.	5	23.81
4.	Lack of employee performance in carrying out tasks.	4	19.05
Total		21	100

Source: Author's initial observations, 2019

The results of the initial survey conducted by the writer above shows that the low performance of employees is shown by the low ability to carry out tasks quickly and precisely as many as 5 people (23.81%), Lack of employee participation in implementing the rules of 7 people (33.33%), desires of employees in improving performance by 5 people (23.81%), and Lack of employee performance in carrying out tasks by 4 people (19.05%). There is something underlying or said characteristic that is more important in predicting work success, it is more valuable

than academic intelligence. This can be determined accurately, can be a determining point (critical factor) for an employee or an employee, also called competence. Competence is the ability of individuals to carry out tasks with their expertise, knowledge, and behavior. The use of competence as a principle of various aspects of human resource management is now increasingly becoming a trend in realizing a learning organization.

According to Sutrisno (2011, p.202) competence is an ability based on skills and knowledge supported by work attitudes that refer to specified work requirements. Meanwhile according to Wibowo (2013, p.323) that competence is said to be one of the factors that influence performance. Competence is needed to help organizations create a high work culture, the many competencies used by human resources will improve performance. Employee competence in Kayu Aro Barat District Kerinci Regency is not yet fully good, this can be seen from the employees in carrying out their duties, unable to adjust to the situations and conditions needed by the agency and lacking special expertise and skills in carrying out work. And also the mismatch of working hours so that the high delay. The results of research from Ngatemin dan Arumwanti, W., (2012) that from the partial test known competency and compensation variables significantly effect the employees work motivation of hotel in Karo Regency. And the same thing with Sutedjo, A.S., (2013) that Competence has a significant effect on the performance of wholesale employees who work at PT. Inti Kebun Sejahtera.

According to Robbins in Sudarmanto (2011, p.181) organizational culture is formed from the subjective perceptions of organizational members towards the values of innovation, risk tolerance, pressure on the team and people's support. The overall perception will form a culture which in turn influences employee performance and satisfaction. According to the results of research from Hidayat, A., (2019) that organizational culture has a positive effect on job satisfaction of employees of PT. Binagriya Upakara Insurance. And the results of research from Gultom, D.K., (2014) that organizational culture has a significant and positive effect on employee performance at PT. Perusahaan Gas Negara (Persero) Tbk. Medan.

Work motivation is one of the factors that effect employee performance. According to Hasibuan (2016), work motivation is a number of physical and mental activities to do a job. A worker is able to do a job, but if he does not want to do it then the work will not be done. According to the results of research from Hidayat, A., (2019) that work motivation has a positive effect on the employee performance of PT. Binagriya Upakara Insurance. The same thing is the result of research by Sutedjo, A.S., (2013) that work motivation significantly effects the performance of wholesale employees working at PT. Inti Kebun Sejahtera.

Personal characteristics which include; encouragement, nature, self-image, knowledge, will determine how people's behavior works. Behavior which is a person's actions at work is also determined by the extent to which he is supported by the skills or expertise possessed. The assumption is that the more skilled or more skilled people are in certain jobs, the more they will encourage good and superior work performance. Based on the data above, the writer would like to know further by conducting a study entitled "The Effect of Competence and Organizational Culture on Work Motivation and Its Impact on the Employee Performance of Kayu Aro Barat District, Kerinci Regency".

The objectives to be achieved in this study are to find out and analyze:

1. Effect of competence on work motivation of Kayu Aro Barat District Kerinci Regency Employees.
2. Effect of organizational culture on work motivation of Kayu Aro Barat District Kerinci Regency Employees.
3. Effect of work motivation on the performance of Kayu Aro Barat District Kerinci Regency Employees.
4. Effect of competence on the performance of Kayu Aro Barat District Kerinci Regency Employees.
5. Effect of organizational culture on the performance of Kayu Aro Barat District Kerinci Regency Employees.
6. Effect of work motivation as a mediation between the competence and performance of Kayu Aro Barat District Kerinci Regency Employees.
7. Effect of work motivation as a mediation between organizational culture and performance of Kayu Aro Barat District Kerinci Regency Employees.

2. LITERATURE REVIEW

2.1 Employee Performance

Performance is a result of work achieved by a person in carrying out the tasks assigned to him based on skill, experience and sincerity and time (Hasibuan, 2013). And as for the indicators to measure individual employee performance according to Robbins (2010, p.260) there are 5 (five) indicators, namely: (a) Quality, (b) Quantity, (c) Timeliness, (d) Effectiveness, and (e) Independence.

2.2 Competence

Mc. Lelland in Moeheriono (2013) competence is a basic characteristic of personnel that determines whether a person is successful in doing a job or in a particular situation. The indicators of competence according to Rucky Ahmad (2006) competency has a type (indicator) consisting of: (a) Personal Character, (b) Self Concept, (c) Knowledge, (d) Skills, (e) Motivation.

2.3 Organizational Culture

David (2012) defines that organizational culture as a pattern of beliefs of organizational values that are understood, imbued, and practiced by organizations so that the pattern gives its own meaning and becomes the basis of organizational behavior. The indicators of organizational culture according to Robbins and Judge in Diana Angelica (2010, p.256) are: (a) Innovation and courage to take risks, (b) Attention to details, (c) Orientation of results (d) Orientation of people, (e) Team orientation, (f) Aggressiveness, and (g) Stability.

2.4 Work Motivation

Hasibuan (2016, p.141), work motivation is to question how to direct the power and potential of subordinates, so that they want to cooperate productively to achieve and realize the goals that have been determined. And indicators of work motivation in this study use the theory of Herzberg in Slamet (2007, p.137), namely: (a) Relationships with coworkers and superiors, (b) The work environment has work support facilities, (c) Opportunities to increase knowledge and skills and (d) Allowances.

3. RESEARCH LOCATION

The research conducted by the author is a study within the scope of human resource management, namely analyzing the influence of organizational competence and culture on employee performance through work motivation as an intervening variable in Kayu Aro Barat District Office Kerinci Regency employees. This research was conducted at the Kayu Aro Barat District Office in Kerinci Regency. As for the time of this research the author began in November 2019 until February 2020, which was carried out by distributing questionnaires to respondents.

3.1 Conceptual framework

Based on the research objectives, the conceptual framework of this study:

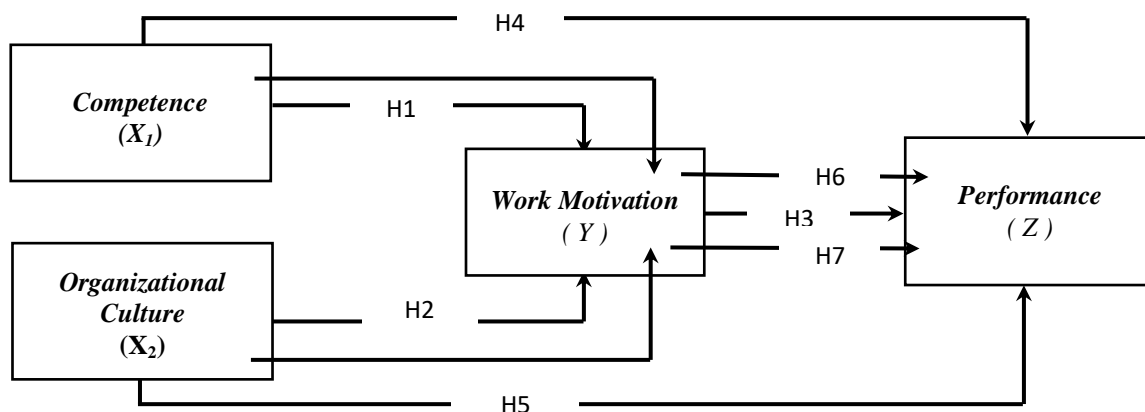


Figure 1. Research Conceptual Framework

3.2 Hypothesis

Based on the conceptual framework above, it can be formulated a hypothesis in this study as follows:

- H1** : Competence has a significant effect on work motivation of Kayu Aro Barat District Kerinci regency employees.
- H2** : Organizational culture has a significant effect on work motivation of Kayu Aro Barat District Kerinci regency employees.
- H3** : Work motivation has a significant effect on performance of Kayu Aro Barat District Kerinci regency employees.
- H4** : Competence has a significant effect on performance of Kayu Aro Barat District Kerinci regency employees.

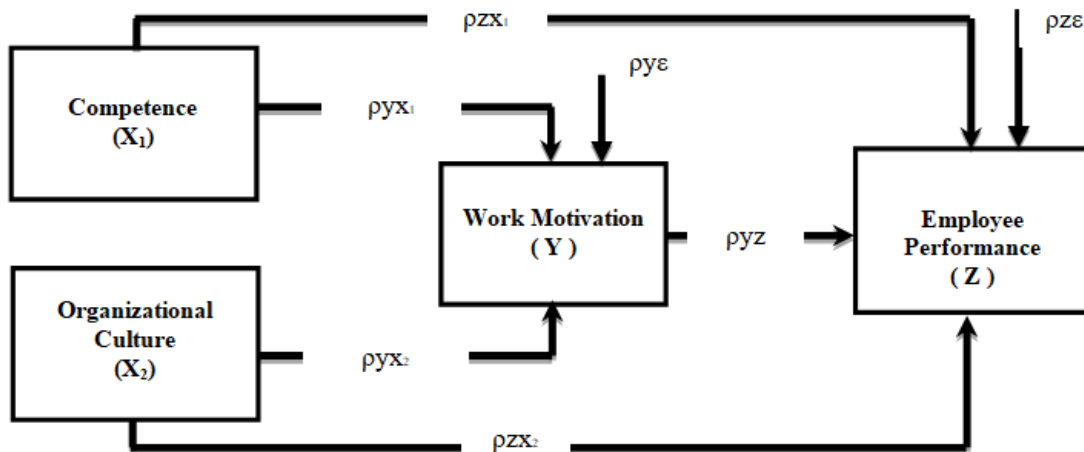
- H5 : Organizational Culture has a significant effect on the performance of Kayu Aro Barat Kerinci regency employees.
- H6 : Work motivation as a mediating variable has a significant effect between competence and performance of Kayu Aro Barat District Kerinci Regency employees.
- H7 : Work motivation as a mediating variable has a significant effect between organizational culture and performance of Kayu Aro Barat District Kerinci Regency employees.

4. RESEARCH METHODS

4.1. Path Chart

The first step in path analysis is to design a path diagram according to the hypothesis developed in the study. Based on the research title, the path analysis model in this study can be described as follows:

Figure 2. Path Diagram - Effect of Competence, Organizational Culture and Work Motivation on Employee Performance



4.2. Structural Equation

The picture or diagram used in this research is to use path analysis technique which is a picture that shows the structure of the causal relationship between variables. The results of the path diagram shows the effect of each independent variable on the dependent variable called the path coefficient. Furthermore, the diagram above can be broken down into 2 (two) substructures as follows:

A. Substructure I

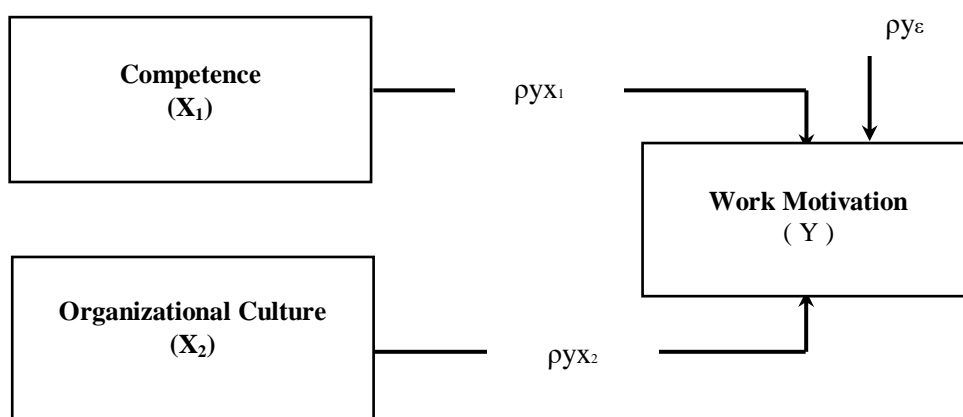


Figure 3. Substructure I - Effect of Competence and Organizational Culture on Work Motivation

Based on Substructure I, the following equation can be put forward that structure is:

$$Y = \rho_{yx_1} X_1 + \rho_{yx_2} X_2 + \rho_{y\epsilon}$$

Information:

X₁ = Competence

X₂ = Organizational Culture

Y = Work Motivation
 ρ_{yx_1} = Correlation coefficient of competence with work motivation
 ρ_{yx_2} = Correlation coefficient of organizational culture and work motivation
 $\rho_{yx_1} X_1$ = Path coefficient of competency to work motivation
 $\rho_{yx_2} X_2$ = Path coefficient of organizational culture to work motivation
 $\rho_{y\epsilon}$ = Other factors that effect work motivation

B. Substructure II

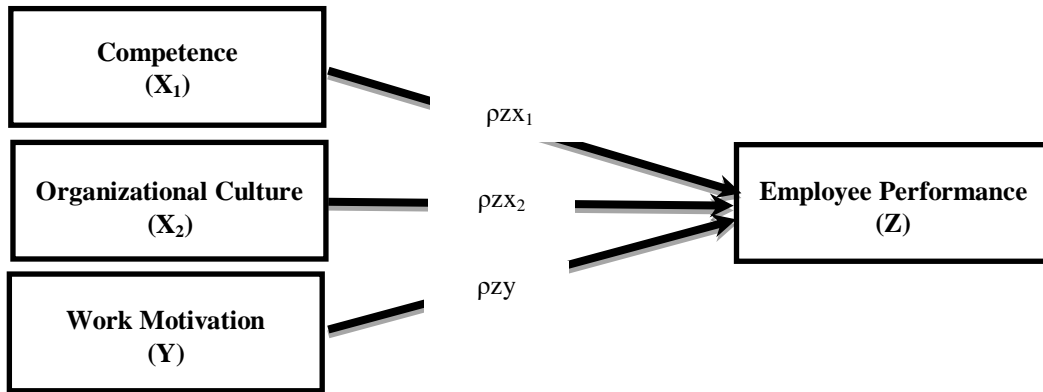


Figure 4. Substructure II - Effect of Competence, Organizational Culture and Work Motivation on Employee Performance

Based on Substructure II, the following structure equation can be stated, namely:

$$Z = \rho_{zx_1} X_1 + \rho_{zx_2} X_2 + \rho_{zy} Y + \rho_{z\epsilon}$$

Information:

X_1 = Competence
 X_2 = Organizational Culture
 Y = Work Motivation
 Z = Employee Performance
 ρ_{zx_1} = Correlation coefficient of competence with employee performance
 ρ_{zx_2} = Correlation coefficient of organizational culture and employee performance
 ρ_{zy} = Correlation coefficient of work motivation with employee performance
 $\rho_{zx_1} X_1$ = Path coefficient of competency to employee performance
 $\rho_{zx_2} X_2$ = Path coefficient of organizational culture to employee performance
 $\rho_{zy} Y$ = Path coefficient of work motivation to employee performance
 $\rho_{z\epsilon}$ = Other factors that effect employee performance

C. Direct and Indirect Effects

To determine the effect of an independent variable on the dependent variable directly or indirectly, it can be seen as follows:

- a. X_1 Variable
 - The direct effect of variable X_1 to Z
 $Z \leftarrow X_1 \rightarrow Z(\rho_{zx_1})(\rho_{zx_1})$
 - The indirect effect from X_1 to Z through Y
 $Z \leftarrow X_1 \rightarrow Y \rightarrow Z(\rho_{zx_1})(\rho_{yx_1})(\rho_{zy})$
- b. Variable X_2
 - The direct effect of variable X_2 to Z
 $Z \leftarrow X_2 \rightarrow Z(\rho_{zx_2})(\rho_{zx_2})$
 - The indirect effect from X_2 to Z through Y
 $Z \leftarrow X_2 \rightarrow Y \rightarrow Z(\rho_{zx_2})(\rho_{yx_2})(\rho_{zy})$
- c. Variable Y
 - The direct effect of variable Y to Z
 $Z \leftarrow Y \rightarrow Z(\rho_{zy})(\rho_{zy})$

5. DATA ANALYSIS AND DISCUSSION

5.1 Description of Research Results

This type of research is quantitative analysis using the path analysis method, while the variables in this study are competence, organizational culture, work motivation, and employee performance. The sample collection method used is the total sampling method, where the population is at the same time a research sample of 42 employees of the Kayu Aro Barat District Kerinci Regency. Data collection techniques in this study using a questionnaire and processed using the IBM SPSS for Windows version 24.0. The results of this study are generally based on the results of the questionnaire given to respondents, seen in the following table:

Table 3. Variable Descriptive Analysis Results

	N	Min	Max	Mean	Std. Deviation	Statement Item	TCR	Information
	Stat	Stat	Stat	Stat	Stat			
Competence	42	38	49	42.33	2.893	10	84.66	Good
Organizational Culture	42	39	49	43.02	2.414	10	86.04	Good
Work Motivation	42	36	49	41.61	2.408	10	83.22	Good
Employee Performance	42	36	49	42.40	3.649	10	84.80	Good
Valid N (listwise)	42							

Source: Primary Data, Processed by IBM SPSS 24.0, 2020.

From the table above it can be seen that each variable has an average of 41.61% - 43.02% and Respondents Achievement Rate (TCR) between 83.22% - 86.04% with an average TCR of 84.80%. This can be interpreted that each respondent variable has a good average categorized response.

5.2 Validity Test

The validity test used is the Pearson Product Moment correlation technique by means of correlating the scores of each variable with the total scores. A variable / statement is said to be valid if the statement's score correlates significantly with the total score where the test uses the help of the IBM SPSS version 24.0 program. To find out the validity of the questionnaire is done by comparing r_{table} with r_{count} . The validity test results of each variable can be seen in the table below:

Table 4. Validity Test Results

Item	r_{count}	r_{table}	Result
Competence (X_1)	0.4955	0.3044	Valid
Organizational Culture (X_2)	0.4781	0.3044	Valid
Work Motivation (Y)	0.4519	0.3044	Valid
Employee Performance (Z)	0.6512	0.3044	Valid

Source: Primary Data, Results of IBM SPSS 24.0, 2020.

From the table above, we know the value of r_{count} for all items of variable statement is greater than r_{table} , meaning that all statement items are declared valid.

5.3 Reliability Test

Reliability test is used to determine the reliability of a variable. A variable is said to be reliable if it has a Cronbach Alpha greater or equal to 0.60 and if it is smaller than 0.60 then the variable is said to be not reliable. Where testing uses the help of the IBM SPSS program version 24.0.

The reliability test results of the variables in this study can be seen in the following table:

Table 5. Reliability Test Results

No.	Variable	Number of Valid Items	Cronbach's Alpha	Information
1	Competence	10	0.706	reliable
2	Organizational Culture	10	0.688	reliable
3	Work Motivation	10	0.682	reliable
4	Employee Performance	10	0.760	reliable

Source: Primary Data, Results of IBM SPSS 24.0, 2020.

It is known that the Cronbach's Alpha value for all variables is greater than 0.6. The meaning is that the measuring instrument used of all variables in this study is reliable or trustworthy.

6. HYPOTHESIS TEST

The analysis of the research results is based on the formulation of the problem and the hypotheses put forward. And the analysis conducted in the discussion is based on data obtained through research which is then processed with the IBM SPSS version 24.0 program to determine the significance and magnitude of the coefficient of influence of independent variables on the dependent variable through path analysis. Path analysis is a test used to analyze the pattern of relationships between variables. Path analysis is the use of regression analysis to estimate the relationship of causality between variables (causal models) that are predetermined based on theory.

6.1 Substructure Hypothesis Test I

To analyze the effect of the competence (X_1) and organizational culture (X_2) on work motivation (Y) which is put forward in the following table:

Table 6. Effect of X_1 and X_2 to Y

Effected Variable	Standardized coefficients	Sig
Competence (X_1)	0.390	0.008
Organizational Culture (X_2)	0.494	0.015

Source: Primary Data, IBM SPSS Data Processing Results Ver. 24.0, 2020.

Based on the table above, it can be seen the equation of substructure I, namely:

$$= 0,390X_1 + 0,494X_2$$

Description of Substructure I equation:

$b_1 = 0.390$; it means there is a positive effect between the competency variable (X_1) on work motivation (Y). This shows that the better the competency, the employees work motivation will increase.

$b_2 = 0.494$; it means there is a positive effect between organizational culture variables (X_2) on work motivation (Y). This shows that the better the organizational culture, the employee work motivation will increase.

From table 6, we can do partial tests of each of the cause variables on the effect variables as follows:

1. Effect of competence (X_1) on work motivation (Y)
The results of the analysis effect of the competency variable (X_1) on work motivation variables (Y) obtained ρ_{YX_1} value = 0.390 with a significant level of $0.008 < 0.05$. The results of the analysis showed that there was a significant effect between the competency variables on work motivation of Kayu Aro Barat District employees in Kerinci Regency.
2. Effect of organizational culture (X_2) on work motivation (Y)
The results of the analysis effect of competency variables (X_2) on work motivation variables (Y) obtained value $\rho_{YX_2} = 0.494$ with a significant level of $0.015 < 0.05$. The results of the analysis showed that there was a significant effect between organizational culture variables on work motivation of Kayu Aro Barat District employees in Kerinci District.

The results of substructure I can be shown in figure 5 below:

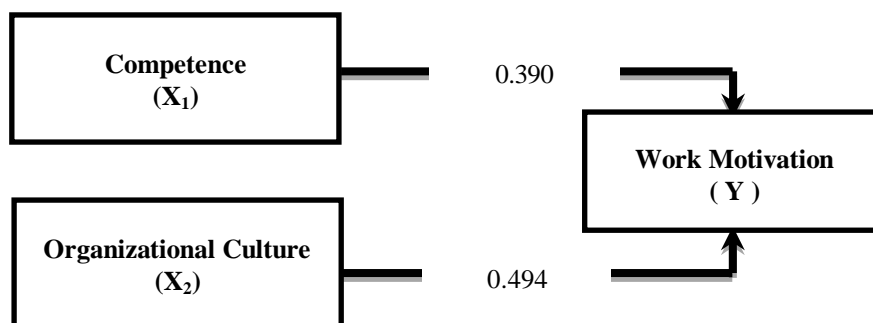


Figure 5. Model I – Substructure I

The summary of the first and second hypothesis testing can be shown in the following table:

Table 7. Summary of Hypothesis Testing Results Substructure I

Hypothesis	Statement	Results
H ₁	Competence has a significant effect on work motivation of Kayu Aro Barat District Kerinci Regency employees.	Accepted
H ₂	Organizational Culture has a significant effect on work motivation of Kayu Aro Barat District Kerinci Regency employees.	Accepted

Source: Primary Data, IBM SPSS Data Processing Results Ver. 24.0, 2020.

6.2 Substructure Hypothesis Test II

To analyze the effect of Competency (X₁), Organizational Culture (X₂) and work motivation (Y) on employee performance (Z) presented in the following table:

Table 8. Effect of X₁, X₂ and Y on Z

Effected Variable	Standardized coefficients	Sig.
Work Motivation (Y)	0.269	0.002
Competence (X ₁)	0.276	0.007
Organizational Culture (X ₂)	0.541	0.000

Source: Primary Data, IBM SPSS Data Processing Results Ver. 24.0, 2020.

Based on the table above, it can be seen the equation of substructure II, namely:

$$= 0.269Y + 0.276X_1 + 0.541X_2$$

Substructure II equation description:

b₁ = 0.269; it means that there is a positive effect between work motivation variables (Y) on employee performance (Z). This shows that the better the employee's work motivation, the employee's performance will be better.

b₂ = 0.276; it means that there is a positive effect between competency variable (X₁) on employee performance (Z). This shows that the better the competence, the employee's performance will be better.

b₃ = 0.541; it means that there is a positive effect between organizational culture variables (X₂) on employee performance (Z). This shows that the better the organizational culture, the employee's performance will be better.

From table 8 we can do partial tests of each of the cause variables on the effect variables as follows:

1. Effect of work motivation (Y) on employee performance (Z)
The analysis shows that the significant level of 0.002 < 0.05. This result can be interpreted that there is a significant effect between work motivation on the performance of Kayu Aro Barat District employees in Kerinci Regency.
2. Effect of competence (X₁) on employee performance (Z)
The analysis showed that the significant levels of 0.007 < 0.05. This result can be interpreted that there is a significant effect between competencies on the performance of Kayu Aro Barat District employees in Kerinci Regency.
3. Effect of organizational culture (X₂) on employee performance (Z)
The analysis showed that the significant levels of 0,000 < 0.05. This result can be interpreted that there is a significant effect between organizational culture on the performance of Kayu Aro Barat District employees in Kerinci Regency.

The results of substructure II can be shown in the following figure:

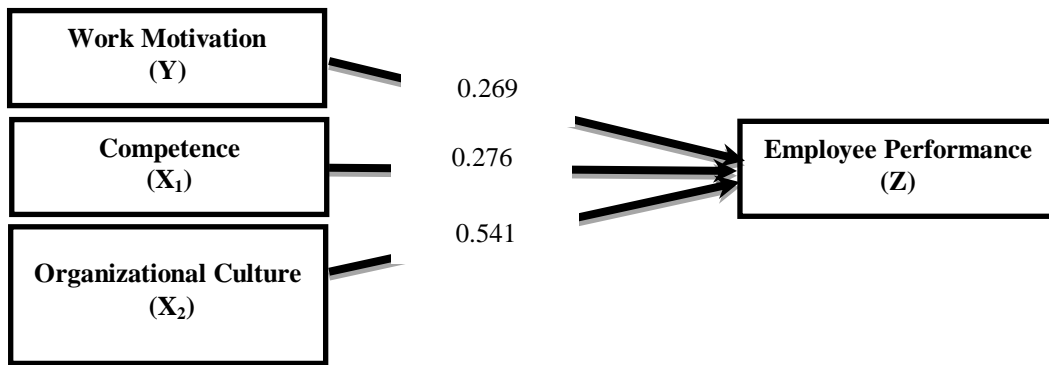


Figure 6. Model II – Substructure II

The summary results of testing the third, fourth and fifth hypotheses can be shown in the following table:

Table 9. Summary of Hypothesis Testing Results Substructure II

Hypothesis	Statement	Results
H ₃	Work motivation has a significant effect on employee performance of Kayu Aro Barat District Kerinci Regency.	Accepted
H ₄	Competence has a significant effect on employee performance of Kayu Aro Barat District Kerinci Regency.	Accepted
H ₅	Organizational Culture has a significant effect on employee performance of Kayu Aro Barat District Kerinci Regency.	Accepted

Source: Primary Data, Author Processed in 2020.

6.3 Path Analysis

Intervening is an intermediate variable that mediates the relationship between the independent variable and the dependent variable. The research model provides an indirect effect of competence and organizational culture on employee performance through work motivation. Intervening test is carried out using path analysis as follows:

1. Work motivation plays acts as an intervening variable between competency and employee performance in Kayu Aro Barat District, Kerinci Regency.

To determine the effect of an independent variable to the dependent variable both directly and indirectly can be seen as follows:

- a. The direct effect of variable X₁ to Z

$$Z \leftarrow X_1 \rightarrow (\rho ZX_1) \times (\rho ZX_1) \\ = (0.276) \times (0.276) = 0.0761 = 7.61\%$$

- b. The indirect effect from X₁ to Z through Y

$$Z \leftarrow X_1 \rightarrow Y \rightarrow Z (\rho ZX_1) \times (\rho YX_1) \times (\rho ZY) \\ = (0.276) \times (0.390) \times (0.269) = 0.0289 = 2.89\%$$

Based on the above calculation, it is obtained that the direct effect of competence on employee performance is 0.0761 (7.61%), while the indirect effect of competency variables on employee performance through work motivation is 0.0289 (2.89%). From these results it can be concluded that the work motivation variable cannot act as an intervening variable relationship between competence and employee performance because the coefficient value is greater than the direct effect (0.0289 < 0.0761).

2. Work motivation acts as an intervening variable between organizational culture and employee performance in Kayu Aro Barat District, Kerinci Regency.

To determine the effect of an independent variable to the dependent variable both directly and indirectly can be seen as follows:

- a. The direct effect of variable X₂ to Z

$$Z \leftarrow X_2 \rightarrow (\rho ZX_2) \times (\rho ZX_2) \\ = (0.541) \times (0.541) = 0.2926 = 29.26\%$$

- b. The indirect effect from X₂ to Z through Y

$$Z \leftarrow X_2 \rightarrow Y \rightarrow Z (\rho ZX_2) \times (\rho YX_2) \times (\rho ZY) \\ = (0.541) \times (0.494) \times (0.269) = 0.0718 = 7.18\%$$

Based on the above calculation, it is obtained that the direct effect of organizational culture on employee performance is 0.2926 (29.26%), while the indirect effect of organizational culture variables on employee performance through work motivation is 0.0718 (7.18%). From these results it can be concluded that the work motivation variable cannot act as an intervening variable in the relationship between organizational culture and employee performance because the coefficient value is smaller than the direct effect (0.0718 < 0.2926).

Based on the results of path analysis, the following sixth and seventh hypothesis test results can be obtained as follows:

Table 10. Summary of Path Analysis Testing Results

Hypothesis	Statement	Results
H ₆	Competence has a significant effect on employee performance with work motivation as an intervening variable in Kayu Aro Barat District, Kerinci Regency.	Rejected
H ₇	Organizational Culture has a significant effect on employee performance with work motivation as an intervening variable in Kayu Aro Barat District, Kerinci Regency.	Rejected

Source: Primary Data, Author Processed in 2020.

The path structure of the results of this study can be described again as follows:

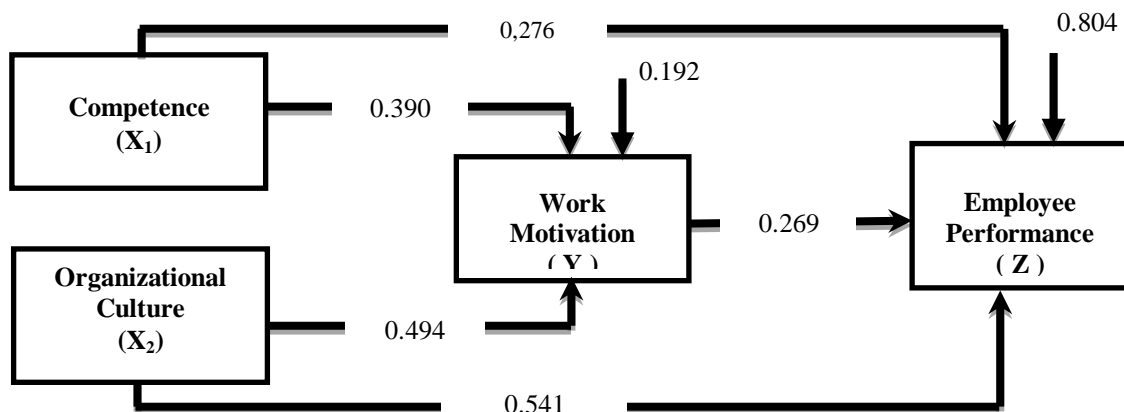


Figure 7. Path Analysis Model

6.4 Coefficient of Determination (R²)

The results of the calculation of the coefficient of determination for the equation of substructures I and II can be shown in the following table:

Table 11. Result of Calculation Determination Coefficient

Equation	Variabel Relationship	R Square
Substructure I	Competence and Organizational culture on work motivation.	0.192
Substructure II	Competence, organizational culture and work motivation on employee performance.	0.804

Source: Primary Data, IBM SPSS Data Processing Results Ver. 24.0, 2020.

Based on the table above, we can calculate the total R² value as follows:

- For substructure equation I
 $P_{e1} = \sqrt{1 - R^2} = \sqrt{1 - 0.192}$
 $P_{e1} = \sqrt{0.808} = 0.899$
- For substructure equation II
 $P_{e2} = \sqrt{1 - R^2} = \sqrt{1 - 0.804}$
 $P_{e2} = \sqrt{0.196} = 0.443$
- Total R²
 $= 1 - (0.899 \times 0.443) = 1 - 0.398 = 0.602$

From the above results obtained a total determination coefficient of 0.602. This means that 60.2% of employee performance can be explained by variables of competence, organizational culture and work motivation. While the remaining 39.8% is explained by other variables not examined in this study. Because the coefficient of determination is close to 1 (one) it means that the independent variables in explaining the variation of the dependent variable are very strong.

7. CONCLUSIONS AND SUGGESTIONS

7.1 Conclusions

Based on the results of research and data processing that have been done before, some conclusions can be drawn as follows:

1. Competence has a significant effect on work motivation of Kayu Aro Barat District Kerinci Regency employees.
2. Organizational Culture has a significant effect on work motivation of Kayu Aro Barat District Kerinci Regency employees.
4. Work Motivation has a significant effect on the performance employees of Kayu Aro Barat District Kerinci Regency.
5. Competence has a significant effect on the performance employees of Kayu Aro Barat District Kerinci Regency.
6. Organizational Culture has a significant effect on the performance employees of Kayu Aro Barat District Kerinci Regency.
7. Work Motivation as a mediating variable does not significantly effect on competence and performance of Kayu Aro Barat District Kerinci Regency employees.
8. Work Motivation as a mediating variable does not significantly effect on organizational culture and performance of Kayu Aro Barat District Kerinci Regency employees.

7.2 Suggestions

Based on the findings and conclusions of the study. For this reason the authors propose the following:

1. Researchers suggest Kayu Aro Barat District Kerinci Regency to be able to provide new insights or knowledge to employees so that the competencies possessed by employees can develop to support the achievement of agency performance.
2. Researchers suggest Kayu Aro Barat District Kerinci Regency to be able to provide new innovations or changes in the work system so that employees can be motivated to work because it will add experience and new insights into work.
3. Researchers suggest Kayu Aro Barat District Kerinci Regency to be able to consider the addition of employees, so that the performance of employees according to their fields can run well.

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