Effect of Competencies and Incentives on Performance Through Job Satisfaction

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Abstract

This study's population was 107 employees at the Bulukumba Regency Health Office, so the sampling technique used was a saturated sample. Data collection was carried out using a questionnaire which was distributed directly to all respondents. The analytical method used in this research is the path analysis technique with the help of SPSS software, and the Sobel test is carried out. The results of this study indicate that: (1) Competence has a positive and significant effect on employee job satisfaction. (2) Incentives have a positive and significant impact on employee job satisfaction. (3) Competence has a positive and significant impact on employee performance. (4) Incentives have a positive and significant impact on employee performance. (5) Job satisfaction has a positive and significant impact on employee performance. (6) Competence positively and significantly impacts employee performance through job satisfaction. (7) Incentives positively and affect employee performance substantially through job satisfaction.

Keywords: Competence, Incentives, Job Satisfaction, Employee Performance

1. Introduction

Every agency or company is always trying to improve performance that will affect an agency or organization's development. To improve performance, it requires employees who have good performance. Suppose an employee carries out his duties according to the responsibilities assigned to him. In that case, the company can take various ways to improve employee performance to increase the agency's effectiveness and efficiency in carrying out activities and work that have been planned and programmed. This is because humans have the potential to be developed continuously in each of their work activities. However, without the support of good performance, an agency will not run optimally.
According to Mangkunegara (2008), employee performance is the result of work in terms of quality and quantity achieved by an employee in carrying out his duties according to the responsibilities assigned to him. Employee performance is the work performance or work output (output) both in quality and quantity achieved by the human resources for carrying out their work tasks following the responsibilities assigned to them by the agency or company. Health workers' performance is a critical issue to study to maintain and improve health development. Organizations generally believe that to achieve excellence, they must strive for the highest possible individual performance. However, ironically, the performance of the Bulukumba Regency Health Office is not yet optimal. This can be seen from each Public Health Centre (Puskesmas) feeling that they are not getting optimal support, especially regarding medicines' distribution. Apart from that, medical services that the Puskesmas should have quickly received in need did not occur due to the slow performance of the Bulukumba Regency Health Office. The less-than-optimal performance above is several factors, including competency, incentives, and employee job satisfaction.

Competence is the knowledge and skills or abilities of a person carrying out a task or job following the position occupied. The targets are achieved from the concept of competence: the behavior, skills, and knowledge that are part of the emergence of a person's competence. A particular job or position has different conditions. No matter how high the competence or knowledge someone has in carrying out the work. Each profession in a specific position will have certain characteristics that will become the basis for achieving the agency's effectiveness in determining the vision and mission to be performed (Likdanawati, 2018; Mu’adi et al., 2020; Nawawi et al., 2020). Incentive factors can also affect employee performance improvement. This is in line with the theory put forward by Hasibuan (2010) that incentives are stimulants given to employees based on their work performance to encourage employees to increase their work productivity so that the resulting performance is better. According to Rivai (2010), the primary purpose of incentives is to provide responsibility and encouragement to employees to improve their work quality and quantity. This incentive provision is intended so that employees still want to work well and achieve higher performance levels.

The role of job satisfaction is also critical in influencing employee performance improvement. According to Martoyo in Fengky et al. (2017), job satisfaction is the emotional state of employees where there is or does not occur a meeting point between the value of remuneration for employees from the company and the level of remuneration value that is desired by employees who are concerned. Employee remuneration, whether in the form of "financial" or "non-financial." Job satisfaction contributes significantly to organizational effectiveness, as well as stimulates morale and loyalty. Corporate members’ satisfaction can be related to their work results and overall organizational performance (Hadiwijaya and Hanafi, 2016; Nuraini et al., 2019; Umanailo, 2020, 2019). The Bulukumba District Health Office, one of the public service organizations, also experienced a condition where the financing process and logistics services on the network were not optimal even though it had established standard operating procedures (SOPs) staff performance. The ineffective performance of the implementation of both the process of planning, administration, budgeting, and accountability is caused by the activities and human resources involved, both the organization's leadership and the staff in the organization. Some of the factors that affect performance include the ability/competency factors of the resources they have, more proportional incentives, a work environment that is not fully supportive, and job satisfaction that is not optimal, resulting in performance not being achieved.

In several studies, it has also been proven that improving employee performance is influenced by competency factors, incentives, and employee job satisfaction. Likdanawati (2018), whose findings confirm that competence affects employee performance, then Risanti’s (2017) research proves that incentive variables affect performance. On the other hand, Hadiwijaya and Hanafi (2016) research that competence has a direct effect on satisfaction, and Andini and Kasmirudin (2017) that incentives have a positive and significant impact on job satisfaction. Hadiwijaya (2015) found that incentives affect job satisfaction and affect performance, both directly and indirectly through job satisfaction.

2. Literature Review
2.1. Competence

According to Rukey in Sutrisno (2012), competence consists of several critical behaviors needed to carry out specific roles to produce satisfactory work performance. According to Mangkunegara (2012: 4), competence is an ability that is related to knowledge, skills, and personality characteristics that directly affect performance. According to Lyle Spencer and Signe Spencer in Moehernino (2010: 3), the characteristics that underlie a person are related to individual performance effectiveness in their work or personal characteristics. It has a causal relationship or as a cause and effect with criteria used as a reference, effective or performing prime or superior in place. Work or in certain situations. From this description, the researcher builds a hypothesis, namely:

H1: Competence has a positive and significant effect on employee job satisfaction.
2.2. Job satisfaction
According to Rivai (2005: 475), job satisfaction is individual. Everyone has a different level of satisfaction according to the value system that applies to him. The higher the assessment of the activity felt following the individual's wishes, the higher the satisfaction with these activities. Thus, satisfaction is an evaluation that describes someone is feeling of being happy or unhappy, satisfied or dissatisfied at work. Generally, employees who are confident about something obtained from the company will give more than expected and continue to strive to improve performance (Kanto et al., 2020; Lionardo et al., 2020; Rachman et al., 2019). For this reason, companies should recognize various things that make employees satisfied working at the company. By achieving employee job satisfaction, productivity will also increase. From this description, the researcher builds a hypothesis, namely:
H2: Incentives have a positive and significant effect on employee job satisfaction.

2.3. Employee Performance
Before explaining the concept of employee performance, the writer first explains the meaning of employees. According to Law no. 43 1999 concerning the main points of employment, employees have fulfilled the conditions entrusted to them and determined in the prevailing laws and regulations. They also are appointed by an authorized official and assigned to a state office or assigned to other state tasks—selected based on the general rules and regulations. Furthermore, in Law Number 43 of 1999 Article 5, it is stated that every Civil Servant obeys all applicable laws and regulations and carries out official duties entrusted to him with complete dedication, awareness, and responsibility. In carrying out Article 5, it is also stated that Civil Servants are the implementers of laws and regulations. Therefore, they are obliged to strive to comply with all these regulations. To be able to make this happen, it is necessary to have high work motivation. Employees are human, physical, and spiritual (mental and mental) labor that is always needed, and therefore one of the main assets is cooperation to achieve specific goals. From this description, the researcher builds a hypothesis, namely:
H3: Competence has a positive and significant effect on employee performance.
H4: Incentives have a positive and significant effect on employee performance.
H5: Job satisfaction has a positive and significant effect on employee performance.

3. Methods
The method used in this research is descriptive and verification. Descriptive analysis is intended so that research can answer the formulation of problems concerning Performance Improvement through Competence, Incentives, and Job Satisfaction of Bulukumba District Health Office Employees. The sample used is a saturated sample with all Bulukumba District Health Office employees as a sample or as many as 107 respondents.

4. Results
4.1. Path Analysis Results
The analysis of the path in this study will be obtained structural equations so that there are two regression tests whose results are shown in the following table.

<table>
<thead>
<tr>
<th>TABLE 1. First Equation Path Analysis Results</th>
</tr>
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<tbody>
<tr>
<td>COEFFICIENTS</td>
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<tr>
<td>MODEL</td>
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<tr>
<td>Unstandardized Coefficients</td>
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<td>1</td>
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<tr>
<td>Competence</td>
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<tr>
<td>Incentives</td>
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<tr>
<td>A. DEPENDENT VARIABLE: JOB SATISFACTION</td>
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</tbody>
</table>

Source: Processed Primary Data, 2019

Based on Table 1. on the model I of path analysis for the influence of competencies and incentives on job satisfaction as follows:

\[ Y1 = 0.459X1 + 0.475X2 + e1 \]

Based on these equations, it can be interpreted that:
1. The value of the variable competency coefficient of 0.459 means that if the competency increases by one unit, job satisfaction will increase by 0.459.
2. The value of the incentive variable coefficient of 0.475 means that if the incentive increases by one unit, then job satisfaction will increase by 0.475.

<table>
<thead>
<tr>
<th>Table 2. Second Equation Path Analysis Results</th>
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<tbody>
<tr>
<td><strong>COEFFICIENTS</strong></td>
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<tr>
<td>MODEL</td>
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<tr>
<td>(Constant)</td>
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<tr>
<td>Competence</td>
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<tr>
<td>Incentives</td>
</tr>
<tr>
<td>Job Satisfaction</td>
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</tbody>
</table>

A. DEPENDENT VARIABLE: EMPLOYEE PERFORMANCE

Based on Table 2, on the model I of track analysis for the influence of competencies, incentives, and job satisfaction on employee performance as follows:

And2 = 0.168X1 + 0.530X2 + 0.231Y1 + e2

Based on these equations, it can be interpreted that:
1. The value of the variable competency coefficient of 0.168 means that if the competency increases by one unit, employees' performance will increase by 0.168.
2. The value of the incentive variable coefficient of 0.530 means that if the incentive increases by one unit, the employee performance will increase by 0.530.
3. The value of the variable coefficient of job satisfaction of 0.231 means that if job satisfaction increases by one unit, employees' performance will increase by 0.231.

4.2. Hypothesis Test

Meanwhile, test results hypothesis based on the analysis of the path in the first and second equations as shown in tables 1 and 2, the findings in this study are as follows:

1. The Effect of Competence on Job Satisfaction
   
   The hypothesis of this study is: Competence has a positive and significant effect on employee job satisfaction. The criteria for acceptance of hypotheses are if t-count > t-table and P-value ≤ α (0.05), while the hypothesis is rejected if t-count < t-table and P-value > α (0.05). Guided by the t-table is 1,983 and obtained t-count of 6,754. This indicates that the t-count of the table or 6,754 > 1,983, as well as the p-value of the t-test result of the competency variable, is 0.000 smaller than the significant level of α = 5% or (0.000 < 0.05), hence the accepted hypothesis which means competency has a positive and significant effect on employee job satisfaction.

2. The Effect of Incentives on Job Satisfaction
   
   The hypothesis of this study is: Incentives have a positive and significant effect on employee job satisfaction. The criteria for acceptance of hypotheses are if t-count > t-table and P-value ≤ α (0.05), while the hypothesis is rejected if t-count < t-table and P-value > α (0.05). Guided by the t-table is 1,983 and obtained t-count of 6,983. This indicates that the calculated table or 6,983 > 1,983, as well as the p-value of the t-test result of the incentive variable, is 0.000 smaller than the significant level of α = 5% or (0.000 < 0.05), hence the accepted hypothesis which means incentives have a positive and significant effect on employee job satisfaction.

3. Effect of Competency on Employee Performance

   The hypothesis of this study is: Competence has a positive and significant effect on employee performance. The criteria for acceptance of hypotheses are if t-count > t-table and P-value ≤ α (0.05), while the hypothesis is rejected if t-count < t-table and P-value > α (0.05). Guided by the t-table is 1,983 and obtained t-count of 2,076. This indicates that the t-count of the table or 2,076 > 1,983 and the p-value of the t-test result of the competency variable, is 0.040 smaller than the significant level of α = 5% or (0.040 < 0.05). Hence the accepted hypothesis means competency has a positive and significant effect on employee performance.

4. Effect of Incentives on Employee Performance

   The hypothesis of this study is: Incentives have a positive and significant effect on employee performance. The criteria for acceptance of hypotheses are if t-count > t-table and P-value ≤ α (0.05), while the hypothesis is rejected if t-count < t-table and P-value > α (0.05). Guided by the table is 1,983 and obtained t-count of 6,497. This indicates
that the calculated table or $6,497 > 1,983$, as well as the $p$-value of the t-test result of the incentive variable, is 0.000 smaller than the significant level of $\alpha = 5\%$ or $0.000 < 0.05$, hence the accepted hypothesis which means incentives have a positive and significant effect on employee performance.

5. Effect of Job Satisfaction on Employee Performance
The hypothesis of this study is: Job satisfaction has a positive and significant effect on employee performance. The criteria for acceptance of hypotheses is if $t$-count > $t$-table and $P$-value $\leq \alpha$ (0.05), while the hypothesis is rejected if $t$-count < $t$-table and $P$-value $> \alpha$ (0.05). Guided by the $t$-table is 1.983 and obtained $t$-count of 2.374. This indicates that the calculated table or $2.374 > 1.983$, as well as the $p$-value of the t-test result of the job satisfaction variable of 0.019, is less than the significant level of $\alpha = 5\%$ or $0.019 < 0.05$, hence the accepted hypothesis which means job satisfaction has a positive and significant effect on employee performance.

5. Discussion
5.1. Effect of Competence on Job Satisfaction
The results of data analysis that have been carried out are related to whether competence has a positive and significant effect on employee job satisfaction. Based on the t-table, which is 1.983, and the t-count is 6.754. This shows that $t$-count > $t$-table or 6.754 > 1.983, and the $p$-value of the t-test result of the competency variable is 0.000 smaller than the significant level $\alpha = 5\%$ or $0.000 < 0.05$, then the hypothesis is accepted, which means competence has a positive effect and influential on employee job satisfaction. This means that employees will have high job satisfaction if the competence of employees is also getting better.

This research is in line with several findings from previous researchers, among others, by Hadiwijaya and Hanafi (2016) that competence directly affects satisfaction. Pranazhira and Sukmawati (2017) stated that a person's job satisfaction is greatly influenced by higher competence. Furthermore, Deswarta (2017) also found that competence has a significant effect on job satisfaction.

5.2. Effect of Incentives on Job Satisfaction
The results of data analysis that have been carried out are related to whether incentives positively and significantly affect employee job satisfaction. Based on the t-table, which is 1.983, and the t-count is 6.983. This shows that $t$-count > $t$-table or 6.983 > 1.983, and the $p$-value t-test results of the incentive variable is 0.000 smaller than the significant level $\alpha = 5\%$ or $0.000 < 0.05$, then the hypothesis is accepted, which means that incentives have a positive effect and influential on employee job satisfaction. This means that employees will have high job satisfaction if the competence of employees is also getting better.

This research is in line with several findings from previous researchers, among others, by Andini (2017) that incentives significantly impact employee job satisfaction. Pranazhira and Sukmawati (2017) stated that a person's job satisfaction is strongly influenced by compensation providing timely incentives. Fengky et al. (2017) and Kasmirudin (2017) found that incentives affect job satisfaction.

5.3. Effect of Competence on Employee Performance
The results of data analysis that have been carried out are related to whether competence has a positive and significant effect on employee performance. Based on the t-table, which is 1.983, and the t-count is 2.076. This shows that $t$-count > $t$-table or 2.076 > 1.983, and the $p$-value of the t-test results of the competency variable is 0.040 smaller than the significant level $\alpha = 5\%$ or $0.040 < 0.05$, then the hypothesis is accepted, which means competence has a positive effect and essential to employee performance. This means that employees will have high job satisfaction if the competence of employees is also getting better.

This study is in line with several findings from previous researchers, including Pandaleke (2016), that competence significantly affects performance. Likdanawati's (2018) findings prove that competence affects employee performance.

5.4. Effect of Incentives on Employee Performance
The results of data analysis that have been carried out are related to whether incentives positively and significantly affect employee performance. Based on the t-table, which is 1.983, and the t-count is 6.497. This shows that $t$-count > $t$-table or 6.497 > 1.983, and the $p$-value of the t-test results from the incentive variable is 0.000 smaller than the significant level $\alpha = 5\%$ or $0.000 < 0.05$, then the hypothesis is accepted, which means that incentives have a positive effect and influential on employee performance.
effect and essential to employee performance. This means that employees will have high job satisfaction if the competence of employees is also getting better.

This research is in line with several findings from previous researchers, including Hariyani (2017), that employees' incentives have a significant impact on their performance. Risanti (2017) also found that incentives have a substantial direct effect on performance. Then Hadiwijaya (2015) found that incentives not only affect job satisfaction but also affect performance.

5.5. Effect of Job Satisfaction on Employee Performance
The results of data analysis that have been carried out are related to whether job satisfaction has a positive and significant effect on employee performance. Based on the t-table, which is 1.983, and the t-count is 2.374. This shows that t-count > t-table or 2.374 > 1.983, and the p-value of the t-test results of the job satisfaction variable is 0.019 smaller than the significant level \( \alpha = 5\% \) or \( 0.019 < 0.05 \), then the hypothesis is accepted, which means job satisfaction. positive and significant effect on employee performance. This means that employees will have high job satisfaction if the competence of employees is also getting better.

5.6. Effect of Competence on Employee Performance through Job Satisfaction
The results of data analysis that have been carried out are related to whether competence has a positive and significant effect on employee performance through job satisfaction. Based on the t-table, which is 1.983, and the t-count is 2.239. This shows that t-count > t-table or 2.239 > 1.983, and the p-value of the t-test result of the job satisfaction variable is 0.025 smaller than the significant level \( \alpha = 5\% \) or \( 0.025 < 0.05 \), then the hypothesis is accepted, which means that competence affects. Positive and significant impact on employee performance through job satisfaction. This means that employees will have high performance if through increased job satisfaction and the presence of employee competencies that are also getting better.

Based on the description of variables related to competence, the first statement item is that employees know the job given by their superiors well (X1.1), respondents who answered disagree 1.9%, neutral answers 72.9%, answers agree 17.8%, and the answers strongly agree 7.5%, so that the average respondent's answer is 3.31. The second statement item, namely the knowledge of employees increased during work (X1.2), respondents who answered strongly disagree were 0.9%, 1.9% disagree answers, neutral answers 29.9%, answers agree 42.1%, and the answers strongly agree 25.2%, so that the average respondent's answer is 3.89. The third statement item is skilled employees in accelerating work in the office (X1.3), respondents who answered strongly disagree as much as 0.9%, answers disagree 1.9%, neutral solutions 15.0%, answers agree 66.4%, and the answers strongly agree 15.9%, so that the average respondent's answer is 3.94. The fourth statement item, namely employees have behavior that can affect work productivity (X1.4), respondents who answered disagree 1.9%, answers agree 91.6%, and answers strongly agree 5.6%, so that the average respondent's solutions which are 4.00.

5.7. Effect of Incentives on Employee Performance through Job Satisfaction
The results of data analysis that have been carried out are related to whether incentives have a positive and significant effect on employee performance through job satisfaction. Based on the t-table, which is 1.983, and the t-count is 2.247. This shows that t count > t table or 2.247 > 1.983, and the p-value of the t-test results of the job satisfaction variable is 0.025 smaller than the significant level \( \alpha = 5\% \) or \( 0.025 < 0.05 \), then the hypothesis is accepted. It means that incentives affect a positive and significant impact on employee performance through job satisfaction. This means that employees will have high performance if through increased job satisfaction and better incentives.

6. Conclusion
Competence has a positive and significant effect on employee job satisfaction. This means that employees will have high job satisfaction if the competence of employees is also getting better. Incentives have a positive and significant effect on employee job satisfaction. This means that employees will have high job satisfaction if the competence of employees is also getting better. Competence has a positive and significant effect on employee performance. This means that employees will have high job satisfaction if the competence of employees is also getting better. Incentives have a positive and significant effect on employee performance. This means that employees will have high job satisfaction if the competence of employees is also getting better. Job satisfaction has a positive and significant effect on employee performance. This means that employees will have high job satisfaction if the competence of employees is also getting better. Competence has a positive and significant effect on employee performance through job
satisfaction. This means that employees will have high performance if through increased job satisfaction and the presence of employee competencies that are also getting better. Incentives have a positive and significant effect on employee performance through job satisfaction. This means that employees will have high performance if through increased job satisfaction and better incentives.

References


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