

# **The Effect of Motivation and Competence on Millennial Job Performance and Job Satisfaction**

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## **Abstract**

Motivation and Competence are things that affect the good and bad performance of employees. Millennials thrive with immediate satisfaction from technology, spend a lot of time on social media, and are most commonly used to represent the lazy generation at work. This research aims to know the effect of motivation and competence on employee performance in the energy and mineral resources office of south Sumatra province. The object of research used in this study is Employee Performance ( $\eta_1$ ) as an endogenous variable. The exogenous variables in this study are Motivation ( $\xi_1$ ) and Competence ( $\xi_2$ ). This research was conducted at the Department of Energy and Mineral Resources of South Sumatra Province. The research method used is associative research because the author wants to know the effect of Motivation and Competence, on performance. The population in this study was 102 people. Sampling techniques with purposive sampling so that the sample in this study is 82 employees. Research using SEM method with the help of Smart pls software. The results of this study show that either partially or together motivation and competence have a positive and significant effect on performance. Meanwhile, from the results of this study, there is no significant influence between job satisfaction as an intervening variable between motivation and competence on employee performance.

**Keywords:** Motivation, Competence, Millennial, Performance.

**JEL Codes:** J24, J28, L31

## **How to Cite**

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## **1. Introduction**

Indonesia is currently experiencing a demographic dividend. It is estimated to end in 2045. According to the Indonesian Central Statistics Bureau is planned Indonesian working-age population (15-64 years old) 179.1 million people in 2020 and millennials (21-36). Contribute to about 63.5 million people. This makes millennials an important growth driver Indonesian economy. But with millennials, the data are similar to them. What is the big difference from the previous generation? More. The more we understand them, the better we

understand them. Judgments and decisions about millennials in the field of our work, and ultimately, we are in that field faster. (IDN Times, 2020)

One of the most important success factors for an organization is high-quality human resources. Job performance is a successful role-performing ability that results from one's actions. (Dewi et al., 2021) Competencies are a combination of knowledge, skills, values, and attitudes that are reflected in our thinking and actions (Supriyanto et al., 2021)

A dynamic process that keeps people alive through motivation and mobilization. Increases an individual's desire and desire to achieve a given individual and organizational goals. Work motivation is an internal process that creates personal preparation and mobilization. An individual to achieve an organization's goals, depending on the satisfaction of the individual's needs. (Özdemir, 2020)

## **2. Literature Review**

### *2.1. Performance*

Job performance is a measurable activity of an employee in fulfilling a specific task and responsibility. This is often referred to simply as the performance level of an employee's task or role. The requirements for a particular task or role are determined by the administrator. Therefore, job performance is an indicator of how well an employee meets the job requirements of a particular job. (Unguren & Arslan, 2021)

Three factors affect performance: the first. Individual factors such as competence, family background, work experience, social level, and demographics of people. Second, psychological factors: perception, role, attitude, personality, motivation, and job satisfaction, and a third organizational factor: organizational structure, workplace design, leadership, and reward system. Achievement is influenced by individual skills, motivation, support received, and the presence of work. They do so and their relationship with the organization. (Dewi et al., 2021)

### *2.2. Job Satisfaction*

Job satisfaction represents the emotion that arises from the perception that work meets material and psychological needs. (Loan, 2020) Job satisfaction is the emotional direction employees have for their work. Can be seen as an overall sensation about work or as a related constellation of different attitudes work side. (Hoboubi et al., 2017) Job satisfaction can manifest itself as employee involvement resulting from increased sense of purpose and improved performance at work. Job satisfaction reflects an employee's perception of their ability to perform their jobs. Employees with high job satisfaction contribute to positive values and results to the organization. They also feel like they have something clear understanding their contribution to work. In addition, satisfied employees feel more likely to be treated fairly both inside and outside the organization. (Choi et al., 2016)

### *2.3. Motivation*

Motivation in management is used to ensure that employees are using the energy available to be effective and productive in their business. Motivation is an important indicator that an employee is enthusiastic and determined to get the job done. At a high level. This increases engagement and personal consistency with the goals you set. (Malkoc & Dal, 2021)

One of the most quoted motivational theories is the hierarchy of needs theory proposed by Abraham Maslow. Maslow sees human needs from a hierarchical perspective from the lowest needs to the highest needs. Basic human needs that Maslow identified in order of importance: Physiological needs (basic needs), security needs, partner needs, acceptance (social needs), reward needs (gratitude needs), and self-actualization. There is a positive relationship between employees' motivation and performance. Higher employee motivation contributes to employee performance. (Setiyani et al., 2019)

*2.4. Competence*

Points of competency theory that knowledge and skills are at the core of the professional abilities of the members of the organization. Knowledge and skill acquisition are closely linked to an effective input environment. (Wang et al., 2021)

What is competency? Apply what the learner has learned and measuring ability means measuring a person's ability performance. (Kim et al., 2020)

McClelland believes that professional ability is related to personal qualities such as knowledge, attitude, values, and motivation. It is expressed in terms of work outcomes and is measured using specific methods. In this study it works abilities are a characteristic of an individual who can distinguish between different work performances, taking into account that they can be represented by high cognitive abilities, good scores, and good behavioral skills. (Diao & Chen, 2019)

*2.5. Research Hypothesis*

Based on the survey, this survey assumes that work skills have a positive impact on the well-being of employees in the service industry and that employment insecurity plays an important intermediary relationship. In doing so, this study designed the research framework shown in Figure 1 and proposed relevant hypotheses.

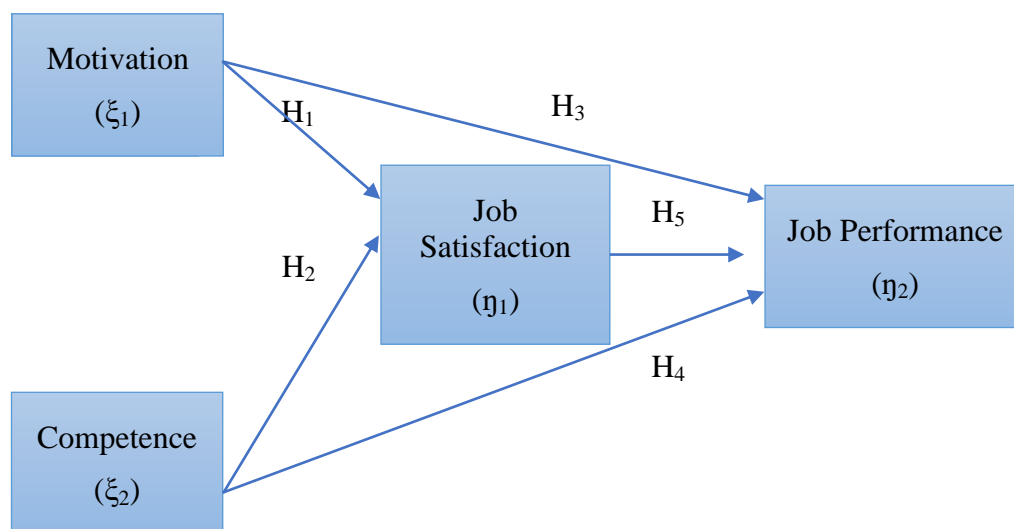


Figure 1. Research Model with variable Artifacts, Motivation, Competency, Job Performance, Job Satisfaction

The author concerning the above conceptual framework made the following hypothesis:

H<sub>1</sub>: There is an influence between Motivation and Job satisfaction

H<sub>2</sub>: There is an influence of Competence on Job satisfaction

H<sub>3</sub>: There is an influence between Motivation and Performance

H<sub>4</sub>: There is an influence between Competence and Performance

H<sub>5</sub>: There is an effect of Job satisfaction on Performance

H<sub>6</sub>: There is an influence of Motivation on Performance through Job Satisfaction

H<sub>7</sub>: There is an influence of Competence on Performance through Job Satisfaction

### **3. Research Methods**

The method in this study uses a quantitative method that uses a questionnaire as a research instrument with a Linkert scale of 1-5. The total population of Millennial employees in the Mining and Energy Service of South Sumatra Province is 102 people, and the sample is 82 people. In the study, an associative type of research was used because the author wanted to know the influence of competence, motivation, and job satisfaction on performance.

### **4. Findings And Discussion**

#### *4.1. Statistical Analysis*

This research uses the Structural Equation Method model with Smart Pls. this is because the number of samples is below 100 so Smart Pls is the right choice.

#### *4.2. Outer Model*

This model is used to measure the validity and reliability of the sample itself. Test validity using Outer loading and AVE. Outer Loading must be  $>0.7$  while for AVE  $>0.5$  it can only be declared valid. While the reliability uses Cronbach Alpha and Composite Reliability must be  $>0.7$ . In this study, this can be seen from the following picture:

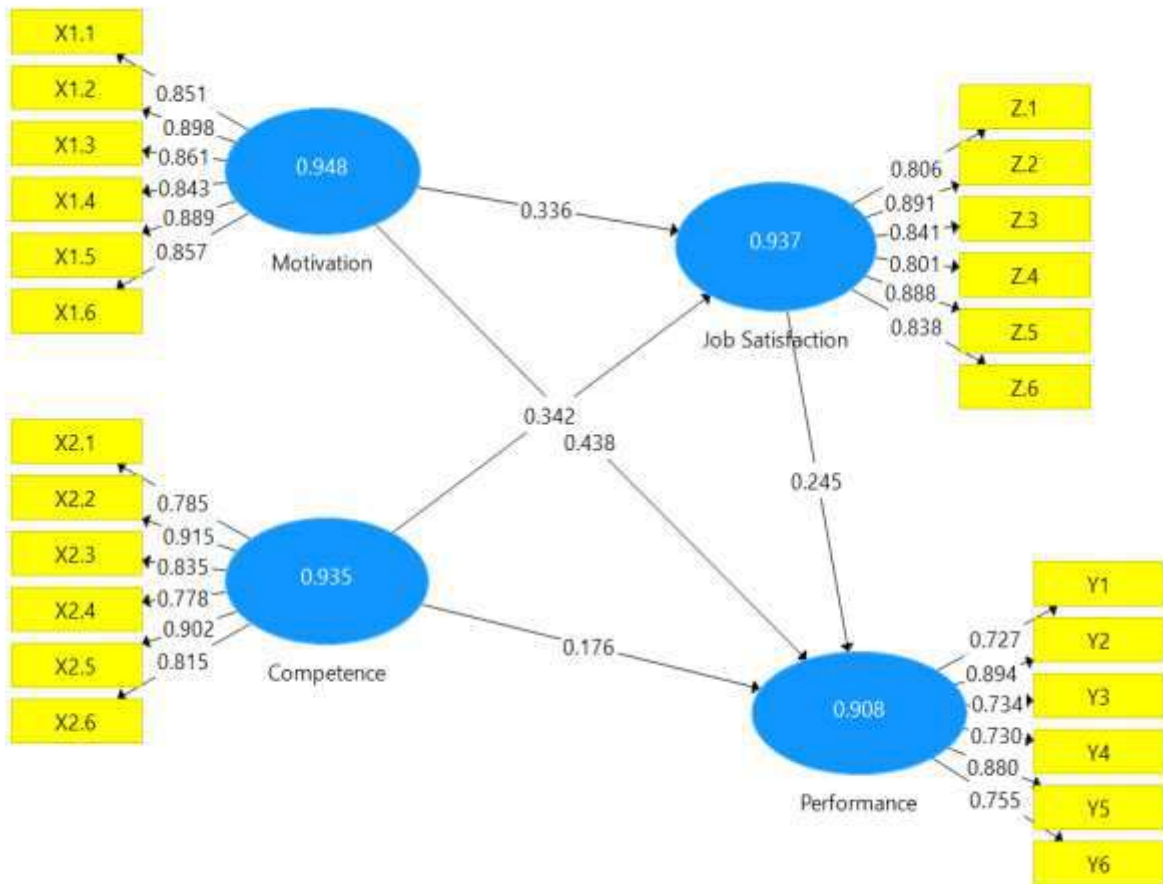


Figure 2. Outer Model

In Figure 2, it can be seen that the sample has met the criteria for validity and reliability. However, this can be further clarified through the table below:

Table 1. Validity test results

Variable	Competence	Job Satisfaction	Motivation	Performance	Result
X1.1			0.851		Valid
X1.2			0.898		Valid
X1.3			0.861		Valid
X1.4			0.843		Valid
X1.5			0.889		Valid
X1.6			0.857		Valid
X2.1	0.785				Valid
X2.2	0.915				Valid
X2.3	0.835				Valid

X2.4	0.778				Valid
X2.5	0.902				Valid
X2.6	0.815				Valid
Y1				0.727	Valid
Y2				0.894	Valid
Y3				0.734	Valid
Y4				0.73	Valid
Y5				0.88	Valid
Y6				0.755	Valid
Z.1		0.806			Valid
Z.2		0.891			Valid
Z.3		0.841			Valid
Z.4		0.801			Valid
Z.5		0.888			Valid
Z.6		0.838			Valid

Table 2. Reability Test Results

Variabel	Cronbach's Alpha	Composite Reliability	Result
Competence	0.918	0.935	Reliable
Job Satisfaction	0.92	0.937	Reliable
Motivation	0.934	0.948	Reliable
Performance	0.88	0.908	Reliable

*4.3. Inner Model*

The internal model is a structural model for predicting causal relationships (causal relationships) between latent variables or variables that cannot be measured directly. Structural models (inner models) describe causal relationships between latent variables built on the basis of theoretical entities. Structural model test (inner model) using SMART PLS bootstrap method and blindfolding method. Structural model tests are run to test the relationships between latent structures. The structural model has several tests, including: B. (1) R square of the endogenous construct. The value of R Square is the coefficient of determination of the endogenous construct. The determination factor values of 0.67 (strong), 0.33 (medium), and 0.19 (weak) (2) The path coefficient estimates are the magnitude of the relationship / influence of the path coefficient values or latent structures. It is run through the

boot wrapping process. (3) Effect size (f squared). Ready to know how good the model is. (4) Predictive relevance (Q-Squared), also known as Stone-Geisser's. This test is run to determine the predictability of the blindfold. When the obtained values are 0.02 (small), 0.15 (medium), and 0.35 (large). Can only be performed on endogenous constructs with reflex indicators. (Setiaman, 2021)

In this study, the inner model can be seen in the table below:

Table 3. Inner Model

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV)	P Values	Result
Competence -> Job Satisfaction	0.342	0.35	0.136	2.516	0.012	Significant
Competence -> Performance	0.176	0.174	0.107	1.643	0.101	Insignificant
Job Satisfaction -> Performance	0.245	0.236	0.108	2.262	0.024	Significant
Motivation -> Job Satisfaction	0.336	0.333	0.131	2.568	0.011	Significant
Motivation -> Performance	0.438	0.451	0.11	3.976	0	Significant

Based on Table 3, the following hypothesis can be produced:

H<sub>1</sub>: There is an influence between Motivation and Job satisfaction → Accepted

The results of the test can be seen that the original sample estimate value of motivation towards job satisfaction is 0.328 with a significance of 5% which is indicated by a t-statistical value of 2.714 greater than the table t value of 1.96. The original sample estimate value is positive which indicates that motivation has a positive effect on job satisfaction. This result proves that motivation can contribute to the ups and downs of employee job satisfaction.

H<sub>2</sub>: There is an influence of Competence on Job satisfaction → Accepted

Based on Table 3, the results of t-statistics were obtained by 3,087 which is greater than the table t of 1.96 with a significance of 5%. So that it can be concluded that there is a positive and significant influence of competence on job satisfaction in employees of the Energy and Mineral Resources Service of South Sumatra Province. This result proves that competence is able to contribute to employee job satisfaction.

H3: There is an influence between Motivation and Performance → Accepted

Based on Table 3, the results of t-statistics of 3,950 were obtained which were greater than tables of 1.96 with a significance of 5%. So that it can be concluded that there is a positive and significant influence of motivation on the performance of employees of the Energy and Mineral Resources Service of South Sumatra Province. This result proves that motivation is able to contribute to employee performance.

H4: There is an influence between Competence and Performance → Not Accepted

Based on Table 3, the results of t-statistics of 1.643 were obtained which were smaller than tables of 1.96 with a significance of 5%. So it can be concluded that there is no positive and significant influence of competence on the performance of employees of the Energy and Mineral Resources Service of South Sumatra Province. This result proves that competence is unable to contribute to employee performance.

H5: There is an effect of Job satisfaction on Performance → Accepted

In Table 3, a t-statistics result of 2,054 was obtained, which is greater than the table t of 1.96 with a significance of 5%. So that it can be concluded that there is a positive and significant effect of job satisfaction on job satisfaction in employees of the Energy and Mineral Resources Service of South Sumatra Province. This result proves that job satisfaction is able to contribute to employee performance.

This study was also conducted to determine the influence of motivation and competence on performance through indirect job satisfaction. Here's a table to find out those influences.

Table 4. Indirect Effects Table

Variable	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values	Result
Competence -> Job Satisfaction						
Competence -> Performance	0.084	0.082	0.054	1.566	0.118	Insignificant
Job Satisfaction -> Performance						
Motivation -> Job Satisfaction						
Motivation -> Performance	0.082	0.082	0.052	1.569	0.117	Insignificant

H6: There is an influence of Motivation on Performance through Job Satisfaction → Not Accepted



As seen in Table 4, the result of t-statistics for motivation to employee performance was 3,950 which is greater than the t-table by 1.96 with a significance of 5%. So it can be concluded that there is a positive and significant influence of motivation on performance, while the influence of motivation on performance through job satisfaction is shown by a t-statistics figure of 1,628 which is smaller than the t-table of 1.96 which means that job satisfaction does not function as an intervening variable between motivation and performance in employees of the Energy and Mineral Resources Service of South Sumatra Province.

H7: There is an influence of Competence on Performance through Job Satisfaction → Not Accepted

Based on Table 4, the results of t-statistics for competence on employee performance were 2,011 which was greater than the t-table by 1.96 with a significance of 5%. So it can be concluded that there is a positive and significant influence of competence on performance, while the effect of competence on performance through job satisfaction is shown by a t-statistics number of 1,608 which is smaller than the t table of 1.96 which means that job satisfaction does not function as an intervening variable between motivation and performance in employees of the Energy and Mineral Resources Service of South Sumatra Province.

## **5. Conclusion**

There is a positive and significant influence between motivation on job satisfaction and performance. So good motivation will provide job satisfaction and good performance for millennial employees at the South Sumatra Provincial Resources and Energy Service.

There is a positive influence of Competence on Job Satisfaction but not on Performance. So that if millennial employees have good competencies it will have a positive influence on Performance Satisfaction, while Competency Performance it does not have any influence.

Neither Motivation nor Competence has any influence if through Job Satisfaction so that no influence occurs.

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