



#### **Research Article**

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# The Influence of Employee Competence and Organizational Culture on Employee Performance with Work Motivation as Intervening at the Office of the Personnel and Human Resources Development Agency Binjai

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Abstract: This study aims to determine and analyze the Effect of Employee Competence and Organizational Culture on Employee Performance with Work Motivation as Intervening. This research method is a type of research using associative quantitative and this research was conducted at the Binjai Bkpsdm office. The research population used was 85 employees and used all populations to become a sample of 85 employees and used a saturated sample technique. Data collection used by distributing questionnaires and data sources used are primary data sources. The research model used is Path analysis and research measuring tools using Smart PLS version 3.3.3. The result of this research is that Organizational Culture has a positive and significant effect on employee performance. Organizational Culture has a positive and significant effect on Work Motivation. Employee Competence has no significant positive effect on Employee Performance. Employee competence has a positive and significant effect on employee performance. Work Motivation has a positive and significant effect on Employee Performance through Work Motivation. Employee Competence has a positive and insignificant effect on Employee Performance through Work Motivation.

Keywords: Employee Competence, Organizational Culture, Employee Performance, Work Motivation

## Introduction

The Personnel and Human Resources Development Agency (BKPSDM) is a government agency formed after regional autonomy in 1999. Prior to the implementation of regional autonomy, all staffing matters were in the hands of the central government, in the regions only as the executor of personnel administration from central government policies. BKPSDM has several fields including secretariat, procurement, dismissal and staffing information, mutation and promotion, apparatus development and apparatus performance evaluation and awards (bkd.kotapadang.go.id). Competence is the basic foundation of people's characteristics and indicates a way of behaving or thinking, equalizing situations and supporting for a long period of time (Spancer, 2003). Competence can deepen and broaden one's work abilities. The more often someone does the same job, the more skilled and faster he gets the job done. The more kinds of work a person does, the richer and wider his work experience and the increase in his performance will also increase (Simanjuntak, 2005).

Organizational culture has a very important influence on the progress of a company that grows through the process of developing ideas created by company leaders, then instilled in members of the organization. Furthermore, culture is developed in accordance with environmental developments and organizational needs. In an organization, organizational culture will not develop into an advanced organization without maintaining its culture. Strong culture has an influence on the strategy implemented in achieving the goals that have been set. Organizational development can be determined by creating a conducive work environment so that an opportunity will open up in the development of the learning process at work, and can create enthusiasm in solving all problems that arise both from internal and external of the

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organization. Motivation is the main key for someone to take an action. Motivation gives strength to a person to move in order to achieve the goals he hopes for. Without motivation, it is very difficult to realize your hopes and dreams.

Motivation is seen as a mental drive that drives and directs human behavior, including exercise behavior. Motivation comes from the word movere which means encouragement or movement. Many terms are used to describe motivation or motives, including needs, urges, and drives. Motivation is a psychological process that reflects the interaction between the soul, attitudes, needs, perceptions and decisions within a person. Motivation is a state of mind and mental attitude that provides energy and encourages people to do something. Employee performance is the result of the thought and energy of an employee towards the work he does, it can be tangible, seen, counted, but in many cases the results of thought and energy cannot be counted and seen.

According to Hasibuan (2002) states that performance is a result of work achieved by someone in carrying out the tasks assigned to him based on skills, experience and sincerity as well as time. Performance is a combination of three important factors, namely the ability of a worker's interest, ability and acceptance of the task delegation's explanation, as well as the role and level of motivation of a worker. The phenomenon that occurs at the BKPSDM Binjai office pantor is employees who are very lacking in competence towards the organization due to organizational culture towards employees so that many employees do not like the treatment of the organization so that even if they are given motivation they are not accepted by employees and employees make their performance only below standard because they do not want to do more work for the organization.

# **Literature Review**

# Competence

Spencer in Moeheriono (2014) suggests that: "Competence is the underlying characteristic of a person related to the effectiveness of individual performance in his work or the basic characteristics of individuals who have a causal relationship or as causation with criteria that are used as a reference, effective or excellent or superior performance in the workplace." Competence is a characteristic that underlies a person related to performance effectiveness. As for the types of competencies, one of them is according to Moehariono (2014) which states that there are three types of competencies,

# **Competency Indicator**

The Competency Dimensions and Indicators used in this study adapt the theories and opinions of experts. According to Spencer in Moeheriono (2014) competency dimensions and indicators include:

- 1. The character of the indicator is like giving encouragement to further train the mental characteristics of employees, so that they can better comply with existing regulations within the organization or agency.
- 2. Motive indicators such as giving encouragement at work so that they can be even more active at work, in order to fulfill the desires and needs of employees.
- 3. Self-concept indicators such as encouragement to look, speak language and good behavior in agencies.
- 4. Knowledge The indicator is like encouragement for employees to be able to expand knowledge about the tasks or jobs given by the agency.
- 5. Skills The indicator is like encouragement for every employee to have skills in working in order to get good work results.

# Organizational culture

According to Fahmi (2017) states that "Organizational culture is the result of the process of fusing the cultural and behavioral styles of each individual previously brought into a new norm and philosophy, which has energy and group pride in dealing with something and certain goals". According to Umi, et al (2015) organizational culture is a norm and values formed and implemented by a company to influence the characteristics or behavior in leading its employees so they can carry out tasks in a timely manner and guide employees in achieving organizational goals. Organizational culture, namely how members or a group of employees are able to deal with external and internal problems, therefore organizational culture must be developed and taught to members so that it becomes a guideline for behavior for members in dealing with problems. Organizational culture is a habit that has been going on for a long time and is used and applied in life work activities as one of the drivers for improving the quality of work of employees and company managers (Edison, 2016).

## **Organizational Culture Indicator**

According to Edison (2016) stated indicators of organizational culture, as follows:

- 1. Self-awareness Organizational members conscientiously work to get satisfaction from their jobs, develop themselves, obey rules, and offer quality products and high service.
- 2. Aggressiveness Organizational members set challenging but realistic goals. They set work plans and strategies to achieve these goals and work on them with enthusiasm.
- 3. Personality Members are respectful, friendly, open and sensitive to group satisfaction and pay close attention to aspects of customer satisfaction, both internal and external customers (every internal part must serve not be served).
- 4. Performance Members of the organization have the value of creativity, quality, and efficiency.
- 5. Team Orientation Members of the organization work well together, and carry out effective communication and coordination with the active involvement of members which in turn get high satisfaction results and mutual commitment.

#### Motivation

According to Mangkunegara (2014) motivation is a condition or energy that drives employees self-directed or focused on achieving the company's organizational goals. Meanwhile, Farhat et.al (in Manzoor, 2012: ) explains that motivation is a willingness to expend a high level of effort towards organizational goals, which are conditioned by the ability of the effort to meet an individual need. Based on the definition above, motivation is a means of encouraging someone to achieve the goals or objectives to be achieved. Both meet personal needs or desires and the goals of the organization where they work.

## **Motivation Indicator**

Motivation indicators according to Mangkunegara (2014) are as follows:

- 1. Responsibility Having a high personal responsibility for his work
- 2. Work Achievement Do something / work as well as possible
- 3. Opportunity to Advance The desire to get a fair wage according to work
- 4. Recognition of Performance The desire to get a higher wage than usual.
- 5. Challenging work Desire to learn to master his work in his field.

## **Performance**

Performance is defined as what employees do or don't do. Employee performance is what affects how much they contribute to the organization. According to Afandi (2018) Performance is the result of work that can be achieved by a person or group of people in a company in accordance with their respective authorities and responsibilities in an effort to achieve organizational goals illegally, does not violate the law and does not conflict with morals and ethics. According to Mangkunegara (2009) the notion of performance (work achievement) is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him. According to Wibowo (2010) Performance is the implementation of the plans that have been prepared. Performance implementation is carried out by human resources who have the ability, competence, motivation, and interests. How an organization values and treats its human resources will influence its attitude and behavior in carrying out performance.

#### **Performance Indicator**

According to Afandi (2018) employee performance indicators are as follows:

- 1. Quantity of work. All kinds of units of measurement related to the amount of work that can be expressed in numbers or other numerical equivalents.
- 2. Quality of work. All kinds of units of measurement related to the quality or quality of work that can be expressed in numbers or other numerical equivalents.
- 3. Efficiency in carrying out tasks. Multiple resources wisely and in a cost-effective manner.
- 4. Work discipline Comply with applicable laws and regulations.
- 5. Initiative The ability to decide and do the right thing without being told, being able to find what should be done with something around us, trying to keep moving to do things even though things are getting more difficult.
- 6. Accuracy The level of suitability of the results of work measurements whether the work has reached its goals or not.
- 7. Leadership The process of influencing or giving examples by leaders to their followers in an effort to achieve organizational goals.
- 8. Honesty One of human nature that is quite difficult to apply.
- 9. Creativity Mental processes that involve the generation of ideas or that involve the generation of ideas.

## **Methods**

The type of research that will be used is quantitative associative, namely research that aims to determine the relationship between two or more variables (Sugiyono, 2013). In this study, the exogenous variables were competence (X1) and organizational culture (X2). Meanwhile, the endogenous variable is performance (Y) and the intervening variable is motivation (Z). This research was conducted at the Department of Personnel and Human Resources Development in Binjai City. The time of this research was carried out from March 2023 to July 2023.

According to the opinion of several experts, one of which is according to (Sugiyono, 2018), the population is a generalized area consisting of objects/subjects that have certain qualities and characteristics determined by the researcher to be studied and then the conclusion is drawn that the population used is 85 employees. According to several experts, one of them according to Sugiyono (2017: 81), the sample is part of the number and characteristics possessed by the population. If the population is large, and it is impossible for the researcher to study everything in the population, for example due to limited funds, manpower and

time, the researcher can use samples taken from that population. However, in this study, because the population size was relatively small.

The data analysis technique used in this study is a quantitative data analysis method. Data analysis in this study used Partial Least Square (PLS) based Structural Equation Modeling (SEM) using SmartPLS 3.3.3 software run on computer media.

# Measurement Model (Outer Model)

The procedure for testing the measurement model consists of a validity test and a reliability test.

## 1. Validity Test

The validity test is used to assess whether or not a questionnaire is valid. A questionnaire is said to be valid if the questionnaire questions are able to reveal something that is measured by the questionnaire. Validity testing is applied to all question items in each variable. There are several stages of testing that will be carried out, namely through convergent validity and discriminant validity tests.

# a. Convergent Validity

At this stage, it will be seen how big the correlation is between the indicators and their latent constructs. So that it produces a loading factor value. The loading factor value is said to be high if the component or indicator correlates more than 0.70 with the construct you want to measure. However, for research at the early stages of development, a loading factor of 0.5 to 0.6 is considered sufficient (Ghozali, 2012). In addition, at this stage it is seen how much value each variable has. So that it produces an AVE (Average Variance Extracted) value. The AVE value is said to be high if it has a value of more than 0.5. If there is an AVE value of less than 0.5, then there is still an invalid indicator. (Ghozali, 2012).

## b. Discriminant Validity

This validity test explains whether the two variables are sufficiently different from one another. The discriminant validity test can be fulfilled if the correlation value of the variable to the variable itself is greater than the correlation value of all other variables. This value is called Fornell Lacker. Besides that, another way to fulfill the discriminant validity test can be seen in the cross loading value (how much is the correlation value between indicators that measure variables). The cross loading value is acceptable if the cross loading value of each variable statement item to the variable itself is greater than the correlation value of the statement item to other variables (Ghozali, 2012).

# 2. Reliability Test

In general, reliability is defined as a series of tests to assess the reliability of statement items. The reliability test is used to measure the consistency of measuring instruments in measuring a concept or measuring the consistency of respondents in answering statement items in questionnaires or research instruments. To measure the level of reliability of research variables in PLS, you can use the value of the alpha coefficient or Cronbach's alpha and composite reliability). Cronbach's alpha value is suggested to be greater than 0.7 and composite reliability is also suggested to be greater than 0.7. (Now, 2014)

## Structural Model (Inner Model)

This test was conducted to determine the relationship between exogenous and endogenous constructs which has become a hypothesis in this study (Hair et al., 2017). To produce inner model test values, steps in SmartPLS are carried out using the bootstrapping method. The structural model is evaluated using the

R-square for the dependent variable, the Stone-Geisser Q-square test for predictive elevation and the t test and the significance of the structural path parameter coefficients with the following explanation:

# 1. Coefficient of Determination / R Square (R2)

In assessing the model with PLS begins by looking at the R-square for each dependent latent variable. The interpretation is the same as the interpretation of the regression. Changes in the R-square value can be used to assess the effect of certain independent latent variables on the dependent latent variable whether it has a substantive effect (Ghozali, 2012). The value of R2 is generally between 0 and 1.

# 2. Predictive Relevance (Q2)

This test is used to measure how well the observed values are generated by the model and also the parameter estimates. If the Q2 value is greater than 0, it indicates that the model has predictive relevance, which means it has a good observation value, whereas if the value is less than 0, it indicates that the model does not have predictive relevance (Ghozali, 2014).

#### 3. t-Statistics

at this stage it is used for hypothesis testing, namely to determine the significance of the relationship between variables in research using the bootstrapping method. In the full Structural Equation Modeling model besides confirming the theory, it also explains whether or not there is a relationship between latent variables (Ghozali, 2012). The hypothesis is said to be accepted if the t statistic value is greater than the t table. According to (Latan and Ghozali, 2012) the criteria for the t table value are as follows:

- Value 1.96 with a significance level of 5%

# 4. Path Coefficient (Path Coefficient)

This test is used to determine the direction of the relationship between variables (positive/negative). If the value is 0 to 1, then the direction of the relationship between variables is positive. Meanwhile, if the value is 0 to -1, then the direction of the relationship between variables is declared negative.

#### 5. Model Fit

This test is used to determine the level of suitability (fit) of the research model with the ideal model for this study, by looking at the NFI value in the program. If the value is closer to 1, the better (good fit).

# **Results and Discussion**

## **Outer Model Analysis**

Testing the measurement model (outer model) is used to determine the specification of the relationship between latent variables and their manifest variables, this test includes convergent validity, discriminant validity and reliability.

## 1. Convergent Validity

Convergent validity of the measurement model with reflexive indicators can be seen from the correlation between the score of the item/indicator and the score of the construct. An indicator that has an individual correlation value greater than 0.7 is considered valid but at the research development stage. Indicator values of 0.5 and 0.6 are still acceptable. Based on the results for outer loading, it shows that there is an indicator that has a loading below 0.60 and is not significant. The structural model in this study is shown in the following figure:

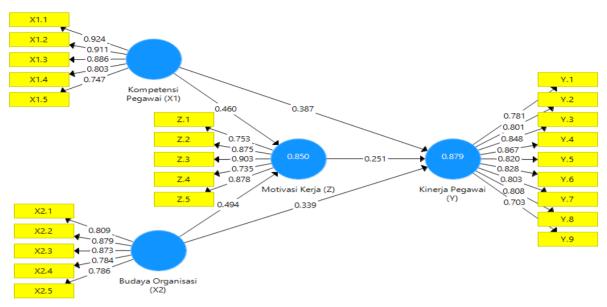


Figure 1. Outer Model Source: Smart PLS 3.3.3

The Smart PLS output for the loading factor gives the results in the following table: Outer Loadings In this study there are equations and the equation consists of two substructures for substructure 1.

$$Z = b1X1 + b2X2 + e1$$

$$Z = 0.460 + 0.494 + e1$$

For substructure 2

$$Y = b3X1 + b4X2 + b5Z + e2$$

$$Y = 0.387 + 0.339 + 0.251 + e2$$

**Table 1. Outer Loadings** 

	Organizational Culture (X2)	Employee Performance (Y)	Employee Competency (X1)	Work Motivation (Z)
X1.1			0.924	
X1.2			0.911	
X1.3			0.886	
X1.4			0.803	
X1.5			0.747	
X2.1	0.809			
X2.2	0.879			
X2.3	0.873			
X2.4	0.784			
X2.5	0.786			
Y. 1		0.781		
Y.2		0.801		
Y.3		0.848		
Y.4		0.867		

Y.5	0.820	
Y.6	0.828	
Y.7	0.803	
Y. 8	0.808	
Y.9	0.703	
<b>Z.</b> 1		0.753
Z. 2		0.875
<b>Z.</b> 3		0.903
Z. 4		0.735
<b>Z.</b> 5		0.878

Source: Smart PLS 3.3.3

Based on the table above, it can be seen that the outer loading for each variable and indicator for each outer loading value is greater than 0.7 so that it can be explained that any indicator whose outer loading value is greater than 0.7 will be considered valid and because all outer loadings are greater than 0.7 then all variables and indicators are considered valid and can conduct further research.

# 2. Discriminatory Validity

The next test is to test discriminant validity, this test aims to determine whether a reflective indicator is a good measurement for the construct based on the principle that the indicator has a high correlation with the construct. The table shows the results of cross loading from discriminant validity testing as follows:

**Table 2. Discriminant Validity** 

	Organizational	Employee	Employee	Work Motivation
	Culture (X2)	Performance (Y)	Competency (X1)	<b>(Z)</b>
X1.1	0.805	0.855	0.924	0.830
X1.2	0.757	0.805	0.911	0.810
X1.3	0.706	0.730	0.886	0.695
X1.4	0.626	0.675	0.803	0.668
X1.5	0.794	0.780	0.747	0.776
X2.1	0.809	0.681	0.623	0.698
X2.2	0.879	0.790	0.713	0.744
X2.3	0.873	0.791	0.779	0.783
X2.4	0.784	0.728	0.702	0.732
X2.5	0.786	0.719	0.762	0.733
Y. 1	0.664	0.781	0.764	0.721
Y.2	0.749	0.801	0.699	0.696
Y.3	0.733	0.848	0.789	0.813
Y.4	0.762	0.867	0.842	0.865
Y.5	0.786	0.820	0.704	0.687
Y.6	0.822	0.828	0.785	0.760
Y.7	0.713	0.803	0.642	0.663

	Organizational	Employee	Employee	Work Motivation
	Culture (X2)	Performance (Y)	Competency (X1)	<b>(Z)</b>
Y. 8	0.695	0.808	0.700	0.650
Y.9	0.584	0.703	0.611	0.635
<b>Z.</b> 1	0.663	0.625	0.638	0.753
Z. 2	0.773	0.789	0.799	0.875
Z. 3	0.810	0.834	0.848	0.903
Z. 4	0.647	0.650	0.664	0.735
Z. 5	0.802	0.808	0.725	0.878

Source: Smart PLS 3.3.3

Based on table 2 above, it can be seen that the cross loading in each indicator and variable is greater than other variables and indicators, the cross loading of the Organizational Culture variable is greater than the cross loading of other variables, the cross loading of the Employee Performance variable is greater than the cross loading of other variables, the cross loading Employee competence is greater than the cross loading of other variables, the cross loading of Work Motivation is greater than the cross loading of other variables, which means that all variables and indicators are considered discriminately valid.

# 3. composite reliability

The next test determines the reliable value with composite reliability from the indicator block that measures the construct. A construct value is said to be reliable if the composite reliability value is above 0.60. Apart from looking at the composite reliability value, the reliable value can be seen in the value of the construct variable with cronbachs alpha from the indicator block that measures the construct. A construct is declared reliable if the Cronbachs alpha value is above 0.7. The following is a table of loading values for the research variable construct resulting from running the Smart PLS program in the next table:

Table 3. Construct Reliability and Validity

	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Organizational Culture (X2)	0.884	0.915	0.685
Employee Performance (Y)	0.933	0.944	0.653
Employee Competency (X1)	0.908	0.932	0.734
Work Motivation (Z)	0.886	0.918	0.692

Source: Smart PLS 3.3.3

Based on table 3 above, it can be seen that each variable has a value greater than 0.7 according to Cronbach's Alpha, meaning that if each variable has a Cronbach's Alpha value greater than 0.7, it means that all variables are reliable. We can see in the column that the composite reliability is greater than 0.6 meaning that if each variable has a composite reliability value greater than 0.6 then each variable is considered reliable. It can be seen in the column that the average variance is extracted or (AVE) it can be seen that the AVE value is greater than 0.7 because each variable has an AVE value greater than 0.7, so this research is considered valid. In this study all values are considered reliable because all values are greater than the specified value.

# **Inner Model Analysis**

Evaluation of the structural model (inner model) is carried out to ensure that the structural model built is robust and accurate. The stages of analysis carried out in the evaluation of the structural model are seen from several indicators, namely:

# 1. Coefficient of Determination (R2)

Based on the data processing that has been done using the SmartPLS 3.0 program, the R Square value is obtained as follows:

**Table 4. R Square results** 

	R Square	Adjusted R Square
<b>Employee Performance (Y)</b>	0.879	0.875
Work Motivation (Z)	0.850	0.846

Source: Smart PLS 3.3.3

Based on table 4 above, there is an R square of employee performance of 0.879 with a percentage value of 87.9% for Employee Performance, which means Employee Competence, Organizational Culture and Work Motivation affect Employee Performance by 87.9% and the remaining 12.1% is in another variable. It can be seen that the R square value of Work Motivation is 0.850 if the value is percentaged for Work Motivation of 85.0% so that it can be explained that Employee Competence, Organizational Culture affect Work Motivation by 85.0% and the remaining 15.0% is in the variable other.

# 2. Assessment of Goodness of Fit (GoF)

The goodness of fit model test can be seen from the NFI value  $\geq 0.697$  which is declared fit. Based on the data processing that has been done using the SmartPLS 3.3 program, the Fit Model values are obtained as follows:

Table 5. Model Fit

	Saturated Model	<b>Estimation Models</b>
SRMR	0.086	0.086
d_ULS	2,228	2,228
d_G	1,410	1,410
Chi-Square	557,036	557,036
NFIs	0.706	0.706

Source: Smart PLS 3.3.3

The results of the goodness of fit test for the PLS model in the table above show that the NFI value is 0.706, meaning that this study is considered FIT because the NFI value is greater than 0.706. Thus, from these results it can be concluded that the model in this study has a high and feasible goodness of fit. used to test the research hypothesis.

## 3. Hypothesis Testing

After assessing the inner model, the next thing is to evaluate the relationship between latent constructs as hypothesized in this study. Hypothesis testing in this study was carried out by looking at the T-Statistics

and P-Values. The hypothesis is declared accepted if the T-Statistics value is > 1.96 and the P-Values are <0.05. The following are the results of the Path Coefficients of direct influence:

**Table 6 Path Coefficients (Direct Effects)** 

	Original Sample (O)	T Statistics (  O/STDEV  )	P Values	Results
Organizational Culture (X2) -> Employee Performance (Y)	0.339	2,178	0.030	Accepted
Organizational Culture (X2) -> Work Motivation (Z)	0.494	4,827	0.000	Accepted
Employee Competency (X1) -> Employee Performance (Y)	0.387	1,836	0.067	Rejected
Employee Competency (X1) -> Work Motivation (Z)	0.460	4,722	0.000	Accepted
Work Motivation (Z) -> Employee Performance (Y)	0.251	2,024	0.044	Accepted

Source: Smart PLS 3.3.3

Based on table 6 above that the Organizational Culture Hypothesis has a positive and significant effect on employee performance with an Original sample of 0.339 and P values 0.030 <0.05 meaning that organizational culture greatly influences employee performance so that if organizational culture decreases, performance will decrease and if it increases, performance will increase. The Organizational Culture Hypothesis has a positive and significant effect on work motivation with an original sample of 0.494 and P values 0.000 <0.05. The Employee Competency Hypothesis has no significant positive effect on Employee Performance with an original sample value of 0.387 and P values 0.067 > 0.05. This means that employee competence can influence work motivation, but competence does not always motivate other employees. Employee competence has a positive and significant effect on work motivation with an original sample value of 0.460 and P values of 0.000 <0.05. This means that if competence has increased and good work motivation will increase by itself. Work motivation has a positive and significant effect on employee performance with an original sample value of 0.251 and P values of 0.044 <0.05 meaning that if work motivation is provided by the right people, employee performance will be better and increase but if motivation is not carried out by the right people then performance will decrease.

**Table 7. Path Coefficients (Indirect Effects)** 

	Original Sample (O)	T Statistics (  O/STDEV  )	P Values	Results
Organizational Culture (X2) ->				
Work Motivation (Z) -> Employee	0.124	2,316	0.021	Accepted
Performance (Y)				

Employee Competency (X1) -> Work Motivation (Z) -> Employee	0.116	1,483	0.139	Rejected
Performance (Y)	0.110	1,405	0.157	Rejected

Source: Smart PLS 3.3.3

Based on table 7 above, the Organizational Culture Hypothesis has an effect on Employee Performance through work motivation with a positive and significant original sample value of 0.124 and P values of 0.021 <0.05 meaning that motivation can be a positive and significant intervening variable so that with work motivation creating organizational culture and employee performance increases. The Competency Hypothesis affects Employee Performance through Work Motivation in a positive and insignificant way, which means that work motivation is not an intervening variable in this study with an original sample value of 0.116 and P values 0.139 > 0.05 meaning that without work motivation competence has a positive effect on employee performance.

# **Closing**

## Conclusion

Based on the results of the research that has been done and the analysis of the data as described in the previous chapter, the following conclusions are drawn from the results of the research as follows:

- 1. Organizational Culture has a positive and significant effect on employee performance at the Personnel Agency and Human Resource Development Office in Binjai City.
- 2. Organizational Culture has a positive and significant effect on Work Motivation in the Personnel Service and Human Resources Development Agency in Binjai City.
- 3. Employee Competence has no significant positive effect on Employee Performance at the Office of the Personnel Agency and Human Resource Development in Binjai City.
- 4. Employee Competency has a positive and significant effect on Work Motivation in the Personnel Service and Human Resource Development Agency in Binjai City.
- 5. Work Motivation has a positive and significant effect on Employee Performance at the Personnel Agency and Human Resource Development Office in Binjai City.
- 6. Work Motivation influences Employee Performance through Work Motivation at the Office of the Personnel and Human Resource Development Agency in Binjai City.
- 7. Employee Competency influences Employee Performance through Work Motivation at the Office of the Personnel and Human Resource Development Agency in Binjai City.

## **Suggestion**

- 1. Organizations must be able to see the competence of each employee to improve results for the organization.
- 2. The organization must maintain a positive organizational culture to increase employee comfort with the organization.
- 3. Every motivational organization must have the right people to motivate employees.
- 4. The organization must always monitor employee performance to avoid work mistakes.

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