

# The Influence of Leadership and Competence on Employee Performance with Work Motivation as An Intervening Variable

## (Case Study on Dharmasraya Regional Financial Agency)

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**Abstract:-** The purpose of this study was to determine the effect of leadership and competence on employee performance with work motivation as an intervening variable in the Regional Financial Board of Dharmasraya Regency. The sample in this study was 58 employees from the Regional Financial Board of Dharmasraya Regency. Data analysis techniques using path analysis. The results found that leadership and components have a positive and significant effect on employee performance. Leadership and competence have a positive and significant effect on employee work motivation. Work motivation has a positive and significant effect on employee performance. Work motivation is not an intervening variable on the relationship between leadership and employee performance. Work motivation is not an intervening variable in the relationship between competence and employee performance.

**Keywords:-** Leadership; Employee Competence; Work Motivation; Employee Performance.

### I. INTRODUCTION

The performance of the Regional Financial Board (BKD) Dharmasraya Regency is the final result of the work carried out to achieve organizational goals that have been determined in accordance with the Regional Regulation of Dharmasraya Regency Number 6 of 2016 concerning the Formation and Structure of the Regional Apparatus of Dharmasraya Regency. Employee performance can be improved by providing examples both of a leader, motivate employees and always pay attention to employees at work. As it is known that leadership is an activity to influence the behavior of others or subordinates so that they want to be directed to achieve certain goals, while motivation is a form of a person's response to the desired goals to be achieved so that without the things that can trigger motivation, it is difficult to move a person / subordinate to want to achieve the goals as expected by the leadership.

Performance in organizations is the answer to the success or failure of organizational goals that have been set. An employee's performance is an individual thing, because every employee has a different level of ability to do their job. Employee performance can be improved by providing a good example of a leader, motivating employees and always paying attention to employees at work, especially those who experience unusual behavior. This brings the consequence that every leader is obliged to pay serious attention to fostering, mobilizing, directing all the potentials of employees in his environment in order to realize the volume and workload directed towards the goal [1].

Indicators of organizational success in achieving goals can be seen from performance measurements, both individual performance and organizational performance. According to Hasibuan [2] employee performance is the result of work achieved by someone in carrying out tasks assigned to him based on quality, quantity and work toughness. Luthans [3] states that performance is a measure of an employee in carrying out their duties. Performance is also a quality of the achievement of tasks, both individuals and groups, therefore self-awareness of employees to improve performance is highly demanded. While Mangkunegara [4] said that performance 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.

BKD Dharmasraya Regency is an auxiliary element of the leadership of the Dharmasraya Regency Government who reports to the Dharmasraya Regency. BKD Dharmasraya Regency has the task of assisting the Regent in carrying out the supporting functions of government affairs in the field of finance and assistance tasks given to the regions. With regard to employee performance, based on preliminary observations the author made at BKD Dharmasraya Regency shows that the performance of some employees is still low, the low performance of some employees of BKD Dharmasraya Regency, one of which can be seen from the achievement of key performance indicators as shown in Table 1 below:

NO	ACTIVITIES	2017		
		TARGET	REALIZATION	%
(1)	(2)	(3)	(4)	(5)
A.	Operating Expenditures	17.482.398.727	15.982.111.609	91,42
B.	Capital Expenditures	585.545.000	577.123.725	98,56
	<b>TOTAL</b>	<b>18.067.943.727</b>	<b>16.559.235.334</b>	<b>91,65</b>
NO	ACTIVITIES	2018		
		TARGET	REALIZATION	%
(1)	(2)	(3)	(4)	(5)
A.	Operating Expenditures	19.404.499.184	16.965.142.183	87,43
B.	Capital Expenditures	1.074.687.500	1.012.187.180	94,18
	<b>TOTAL</b>	<b>20.479.186.684</b>	<b>17.977.329.363</b>	<b>87,78</b>

Table 1:- Shopping Targets and Realization BKD Dharmasraya Regency 2017-2018

Source: Realization of BKD Dharmasraya Regency, 2018

Based on Table I above, it can be seen that the realization of spending in 2017 amounted to 91.65% and in 2018 the region amounted to 87.78%. From the data above, the realization of expenditure is not in accordance with the targets set, the employee's performance in managing expenditure is not optimal and needs to be improved. The causes of the decrease in the realization of the expenditure budget in the BKD Dharmasraya Regency in the 2017 fiscal year and 2018 fiscal year from a total of 92, 65% to 87, 78% as follows:

1. Errors in determining activity schedules on the Budget Implementation List.
2. Errors in determining activity cash budget on the Budget Implementation List.
3. There is a difference in the price of goods at the time of making the target with the price of goods at the purchase where the price drops.
4. There is a decrease in the amount of debt to be paid due to debt correction after reconciliation.
5. Reduction in the number of months of payments due to a policy from 12 months to 11 months.
6. Technical staff are still limited in terms of both quantity and quality of HR in carrying out activities in accordance with their fields.
7. Not yet maximal internal coordination in SKPD among actors related to the implementation of activities, financial managers and goods managers.
8. Has not been disciplined by posting inputs in using the SIPKD Finance application to facilitate financial management.

Bernardin and Russel [5] said that: "employee performance depends on ability, work effort and work opportunities that can be assessed from output", the statement above shows that low employee performance is a result of employee competency itself is low, even Bernadin and Russel added that the work effort intended in their statement above is the work motivation of the employees themselves in making an effort to obtain the best results. The low performance of employees is not only caused by the employee itself, to achieve good performance because of the interrelated relations between leaders and subordinates. Important factors that support each other between leaders and subordinates are leadership behavior, to achieve high

employee performance requires leadership behavior that has the ability to form employee job satisfaction.

Yukl [6] illustrates that low employee performance is not only the fault of the employee itself, but there is a possibility that the leadership behavior of the leaders is not right, so that employees are unable to provide an expected response. Even Gibson [7] added that leadership is an interpersonal influence, which is carried out in a particular situation, and is directed through a communication process, towards achieving one or several specific goals. So it becomes clear that low employee motivation and performance is thought to be caused by inappropriate leadership behavior.

Siagian [8] argues that leadership is the ability of a person to influence others (his subordinates) in such a way that other people are willing to do the will of the leader even though personally it might not be liked. the role of leader is very important for employee success. A leader needs to direct by providing high motivation and attention to improving employee competence so that employees are able and encouraged to work harder so that the performance achieved is also high. The results of several studies indicate that leadership is needed to improve the competitiveness of organizations on an ongoing basis. Leadership is a process by which a person can become a leader (leader) through continuous activities so that he can influence his followers (followers) in order to achieve the goals of the organization or company.

On the other hand, the success of an employee is inseparable from the competence of the employee in carrying out his duties, As stated by Mangkunegara [4], competency is the ability, skill, state of authority, or fulfilling the requirements according to legal provisions. Competence is a person's ability to carry out obligations responsibly and properly. With competencies possessed by employees, they are able to do the tasks given.

Another factor influencing the performance of employees of BKD Dharmasraya Regency is the work motivation of the employees. Motivation is the drive, effort and desire that exists in humans that activate, provide power and direct behavior to carry out tasks properly within the

scope of work [9]. Robbins [10] defines motivation as a process that also determines the intensity, direction, and perseverance of individuals in achieving their goals. Motivation as a process that starts from strength in terms of physiological and psychological or needs that result in behavior or encouragement aimed at an objective or incentive [11].

Based on the background and theoretical basis previously stated, the conceptual framework of the research can be described as follows:

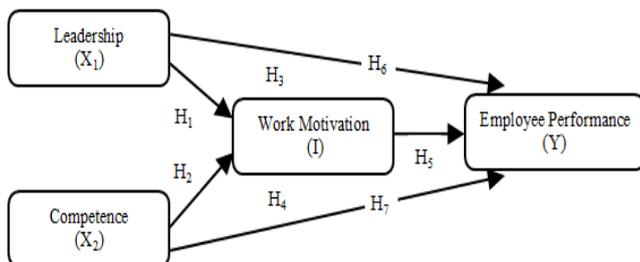


Fig. 1:- Conceptual Framework

Based on the above framework, the hypothesis can be stated as follows:

1. There is a leadership influence on the work motivation of BKD Dharmasraya Regency employees.
2. There is an influence of competence on the work motivation of BKD Dharmasraya Regency employees.
3. There is a leadership influence on the performance of employees of BKD Dharmasraya Regency.
4. There is a competence effect on the performance of employees of BKD Dharmasraya Regency.
5. There is an influence of work motivation on the performance of employees of BKD Dharmasraya Regency.
6. There is a leadership influence on employee performance with work motivation as an intervening variable on employees of BKD Dharmasraya Regency.

There is an influence of competence on employee performance with work motivation as an intervening variable on employees of the BKD Dharmasraya Regency.

## II. RESEARCH METHOD

This research was conducted at BKD Dharmasraya Regency. The reason for choosing this location is because the researcher was directly involved as an employee. The object to be investigated is the influence of leadership, competence and work motivation on employee performance. The research results obtained can be utilized as a description of information in an effort to determine policies for improving employee performance through leadership, competence and work motivation.

Based on the problems that will be discussed in this study, this research design is a causality design. According to Husein [12] that causal design research is research that is useful for analyzing the relationships between one variable

with another variable. In this study, researchers wanted to see the effect of the role of motivation as an intervening variable on the influence of leadership and competence on performance.

### ➤ Data Types and Sources

In this study, the type of data used are primary data and secondary data. Primary data is data directly collected by researchers from the field that is data taken from respondents, this data is the answer from questionnaires distributed to respondents. Secondary data is data obtained from library studies and has been documented. This data can be obtained through books and other reports.

The data source comes from in the form of data about the number of employees and their characteristics. In addition, the source of the data was obtained directly from BKD Dharmasraya Regency about their perceptions of employee performance, leadership, competence and work motivation variables.

### ➤ Population and Sample

Sugiyono [13], argues that the population is a generalization area consisting of objects or subjects which become certain quantities and characteristics determined by researchers to be studied and then drawn conclusions. Understanding the two opinions above, the study population was all employees of BKD Dharmasraya Regency, which numbered 58 people.

In this study, because the population is still small, that is 58 people, the approach to data collection is done through non-probability sampling with saturated sampling technique, which is the technique of determining the sample when all population members are used as samples. Another term for saturated samples is the census, where all members of the population are sampled [13]. The purpose of this census is to make generalizations with very little errors.

### ➤ Validity test

Validity test is done to show how far the measurement tools used to measure what you want to be measured or how far the measuring device used is about the target. Sugiyono [13] says that, a valid instrument means the measuring instrument used to obtain the data is valid. Valid means that the instrument can be used to measure what is being measured. With the validity test, if the test results are valid, the results of the calculation and analysis of the data will also be interpreted as valid or recognized and can be accepted. The validity of the measuring instrument is the level of suitability and accuracy in carrying out an assessment, or in other words whether the measuring instrument (questionnaire) is correct. To find out whether the statements are valid or not, then the corrected item-total correlation value is used. A statement is said to be valid if it has a corrected item-total correlation value > 0.30 [13] and vice versa.

### ➤ Reliability Test

The reliability test is carried out to determine the reliability of the variable or the extent to which the

measurement results have consistency if several measurements are made of the same symptoms. High or low reliability is indicated by a Cronbach Alpha coefficient ( $\alpha$ ). If Cronbach Alpha ( $\alpha$ ) is greater or equal to 0.70, the research variable is declared reliable, and vice versa if Cronbach Alpha is smaller than 0.70, the research variable is declared unreliable [14]. The reliability test calculation will be carried out with the help of the SPSS (statistical package for social science) program version 22.0.

➤ *Path Analysis*

According to Ghozali [15] path analysis is an extension of multiple linear analysis, or path analysis is the use of regression analysis to estimate causal relationships between variables (causal models) that have been predetermined based on theory. Path analysis itself does not determine cause-effect relationships and also cannot be used as a substitute for researchers to see the causality relationship between variables. Causality relationships between variables have been formed with models based on theoretical foundations. What the path analysis does is determine the pattern of relationships between three or more variables and cannot be used to confirm or reject the imaginary causality hypothesis.

In addition to using the independent variable (X) of more than one variable, this study also uses intervening variables. Intervening variables are intermediate variables, the function of which is mediating the relationship between the independent variable and the dependent variable. To test the effect of intervening variables the path analysis method is used. Path analysis is an extension of the regression analysis to estimate the causality relationship between variables that have been predetermined based on theory [15].

**III. RESULT**

➤ *Validity test*

A test or measuring instrument is said to have high validity if the measuring instrument performs a function or provides the results of its size in accordance with the purpose of the measurement.

The validity of performance variables all statement items are valid because they have a corrected item-total correlation value greater than 0.30. Therefore, employee performance variables can be measured by 12 statement items. Thus all items of this statement can explain or represent performance variables for further testing.

The validity of work motivation variables: from the 12 statement items used, there are 2 invalid statement items namely item numbers 10 and 11 because the statement item has a corrected item-total correlation value of less than 0.30. Therefore, the statement items (numbers 10 and 11) were issued. Therefore, work motivation variables can be measured with 10 statement items for further testing.

The validity test of leadership variable: from 12 statement items used, there is an invalid statement item

number 3 because the statement item has a corrected item-total correlation value of less than 0.30. Therefore, the statement item (number 3) was issued. Therefore, the leadership variable can be measured with 11 statement items for further testing.

The validity test of competency variables: that all statement items are valid because they have a corrected item-total correlation value greater than 0.30. Therefore, the leadership variable can be measured with 11 statement items for further testing.

➤ *Reliability Test*

Variabel Penelitian	Nilai Cronbach's Alpha	Item valid	Keterangan
Performance (Y)	0,907	12	Reliabel
Work Motivation (I)	0,874	10	Reliabel
Leadership (X1)	0,834	11	Reliabel
Competence (X2)	0,915	12	Reliabel

Table 2:- Reliability Test  
Sumber: hasil pengolahan data primer, 2019

Based on Table 2 above it can be seen that the reliability test of the performance variable has a Cronbach Alpha value of 0.907, the work motivation variable has a Cronbach Alpha value of 0.874, as well as for the leadership variable having a Cronbach Alpha value of 0.834, and the competency variable has a Cronbach Alpha value of 0.915 where all these values above 0.70. This indicates that the performance, work motivation, leadership and competence variables have a reliable questionnaire.

➤ *Hypothesis Test*

According to Ghozali [15] path analysis is an extension of multiple linear analysis, or path analysis is the use of regression analysis to estimate causal relationships between variables (causal models) that have been predetermined based on theory. Path analysis itself does not determine cause-effect relationships and also cannot be used as a substitute for researchers to see the causality relationship between variables. Causality relationships between variables have been formed with models based on theoretical foundations. What the path analysis does is determine the pattern of relationships between three or more variables and cannot be used to confirm or reject the imaginary causality hypothesis.

In addition to using the independent variable (X) of more than one variable, this study also uses intervening variables. Intervening variables are intermediate variables, the function of which is mediating the relationship between the independent variable and the dependent variable. To test the effect of intervening variables the path analysis method is used. Path analysis is an extension of the regression analysis to estimate the causality relationship between variables that have been predetermined based on the theory [15]

➤ *Substructure Hypothesis Test 1*

To analyze the influence of leadership variables ( $X_1$ ) and competence ( $X_2$ ) on work motivation (I) presented in Table 3 below:

Influential variables	Standardized coefficients	Sig
Leadership ( $X_1$ )	0,284	0,028
Competence ( $X_2$ )	0,347	0,008

Table 3:- Effect of Leadership and Competence on Work Motivation

Source: primary data processing results, 2019

Based on Table 3 above, it can be seen the equation of substructure 1, namely:

$$Y = 0.284 X_1 + 0.347 X_2$$

Substructure equation 1 description:

$b_1 = 0.284$ , meaning that there is a positive influence between the leadership variable ( $X_1$ ) on work motivation (I). This shows that the better leadership, the more work motivation will increase employees.

$b_2 = 0.347$ , meaning that there is a positive influence between the competency variable ( $X_2$ ) on work motivation (I). This shows that the higher the competency, it will increase employee motivation.

From Table 3, we can do partial tests of each of the cause variables on the effect variables as follows:

1. *Effect of Leadership ( $X_1$ ) on Work Motivation (I)*

The results of the analysis of the influence of leadership variables ( $X_1$ ) on work motivation variables (I) obtained the value of  $P_{ix1} = 0.284$  with a significant level of  $0.028 < 0.05$ . The results of the analysis showed that there was a significant influence between the leadership variables on the work motivation of BKD Dharmasraya Regency employees.

This can be interpreted, if the higher leadership support felt by employees of the Regional Financial Board of Dharmasraya Regency in carrying out their duties and obligations, then these conditions will be able to influence positively and significantly on increasing employee work motivation to be able to work seriously to maximize results it works. Conversely, if the leadership support level is felt by employees of BKD Dharmasraya Regency in the implementation and completion of their duties and work, this condition also has an impact on the lower level of work motivation possessed by employees to work effectively at work.

Based on this fact, it can be explained that the existence of leadership is an important factor that determines the success or failure of the achievement of organizational goals which ultimately can grow and develop. High leadership support in carrying out the duties and work of employees will be able to provide strength and foster motivation for employees to carry out their work to the maximum. Through the ability and knowledge possessed

by the leadership will be able to direct the potential of existing resources in the organization to realize employee performance more effectively. Leaders' willingness to be present in every problem of work obstacles for employees will be able to be a solution or answer to the problems being faced by employees which will directly be able to motivate employees in improving their performance.

2. *Effect of Competence ( $X_2$ ) on Work Motivation (I)*

The results of the analysis of the influence of competency variables ( $X_2$ ) on work motivation variables (I) obtained the value of  $P_{ix2} = 0.347$  with a significant level of  $0.008 < 0.05$ . The results of the analysis showed that there was a significant influence between the competency variables on the variable work motivation of BKD Dharmasraya Regency employees. This can be interpreted, if the higher the competency possessed by employees of the BKD Dharmasraya Regency, then these conditions will be able to positively and significantly affect employee motivation to be able to work seriously to maximize the results of his work. Conversely, if the lower competency possessed by employees of the BKD Dharmasraya Regency in the implementation and completion of tasks and work, then this condition also has an impact on the lower motivation of work owned by employees to work effectively at work.

Skill & knowledge competencies tend to be more visible and relatively on the surface as characteristics possessed by humans, are few visible and can be controlled from outside behavior, while motives and traits are deeper at the central point of one's personality. Therefore, with good individual competence, it is expected that one's work motivation can increase even better in carrying out their work.

The results of substructure 1 can be shown in Figure 2 below:

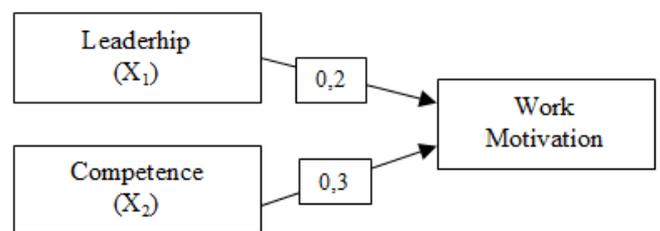


Fig 2:- Substructure 1. Results of the Effect of Leadership and Competence on Work Motivation

➤ *Substructure Hypothesis Test 2*

To analyze the influence of leadership variables ( $X_1$ ) and competence ( $X_2$ ) and work motivation (I) on employee performance (Y) presented in Table 4 below:

Influential variables	Standardized coefficients	Sig
Leadership (X <sub>1</sub> )	0,270	0,009
Competence (X <sub>2</sub> )	0,318	0,003
WorkMotivation (I)	0,378	0,001

Table 4:- Effect of Leadership, Competence, Work Motivation on Employee Performance  
Source: primary data processing results, 2019

Based on Table 4 above, it can be seen the equation of substructure 2, namely:

$$Y = 0.27 X_1 + 0.318 X_2 + 0.378 I$$

Substructure equation description 2:

b<sub>1</sub> = 0.2, meaning that there is a positive influence between the leadership variable (X<sub>1</sub>) on employee performance (Y). This shows that the better the leadership, the better the employee's performance will be.

b<sub>1</sub> = 0.318, meaning that there is a positive influence between the competency variable (X<sub>2</sub>) on employee performance (Y). This shows that the higher the competency, the better the employee's performance will be.

b<sub>1</sub> = 0.378, meaning that there is a positive influence between the variables of work motivation (I) on employee performance (Y). This shows that the more work motivation is increased, it will be able to improve employee performance.

From Table 4, we can do partial tests of each of the cause variables on the effect variables as follows:

1. *Effect of Leadership (X<sub>1</sub>) on Employee Performance (Y)*

The analysis shows that the Sig. 0.009 < 0.05. This can be interpreted that there is a significant influence between leadership on the performance of employees of BKD Dharmasraya Regency. This means that if leadership can be further improved in the future it will be able to improve the performance of employees within the Regional Financial Institution of Dharmasraya Regency. In other words, the better and more democratic leadership within BKD Dharmasraya Regency, the higher the performance of the employees of the BKD Dharmasraya Regency. If the leader is able to influence and direct employees effectively, they will try to carry out their duties and responsibilities to the maximum so that they are able to present their best performance to the organization where they work.

2. *Effect of Competence (X<sub>2</sub>) on Employee Performance (Y)*

The analysis shows that the Sig. 0.003 < 0.05. This can be interpreted that there is a significant influence between competence on the performance of employees of BKD Dharmasraya Regency. This means that if employee competency is improved in the future it will be able to improve employee performance within BKD Dharmasraya Regency. In other words, the higher the employee's competency, the higher the performance produced by employees at BKD Dharmasraya Regency the organization where they work.

3. *Effect of Work Motivation (I) on Employee Performance (Y)*

The analysis shows that the Sig. 0.001 < 0.05. This can be interpreted that there is a significant influence between work motivation on the performance of employees of BKD Dharmasraya Regency. This means that if the work motivation of employees is improved in the future it will be able to improve the performance of employees within BKD Dharmasraya Regency. In other words, the higher the work motivation of employees, the higher the performance produced by employees at BKD Dharmasraya Regency. If the employee's work motivation is high, the employee will be motivated to carry out the duties and responsibilities he receives as well as possible by working as much as possible to meet his needs for achievement, fulfill the need for affiliation, and meet the need for power and will ultimately provide high achievement for organization by offering its best performance.

The results of substructure 2 can be shown in Figure 4 below:

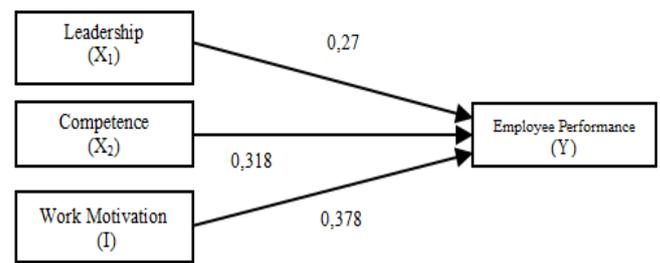


Fig. 3:- Substructure 2. Results of Influence of Leadership, Competence and Work Motivation on Employee Performance

➤ *Coefficient of Determination*

The results of the calculation of the coefficient of determination for the equation substructure 1 and 2 can be shown in Table 5 below:

Equation	Variable Relationship	R Square
substructure 1	Leadership and Competence towards work motivation	0,286
substructure 2	Leadership and Competence and work motivation for employee performance	0,593

Table 5:- Result of Calculation of Determination Coefficient  
Source: primary data processing results, 2019

Based on Table 5, the total R<sup>2</sup> values can be calculated as follows:

1. For substructure equation 1:

$$P_{\epsilon 1} = \sqrt{1 - R^2}$$

$$P_{\epsilon 1} = \sqrt{1 - 0,286}$$

$$P_{\epsilon 1} = \sqrt{0,714}$$

$$P_{\epsilon 1} = 0,845$$

2. For substructure equation 1:

$$P_{\epsilon 2} = \sqrt{1 - R^2}$$

$$P_{\epsilon 2} = \sqrt{1 - 0,593}$$

$$P_{\epsilon 2} = \sqrt{0,407}$$

$$P_{\epsilon 2} = 0,638$$

1. Total R<sup>2</sup> :  
 = 1 - (0,845 x 0,638) = 1 - 0,5391 = 0,4609

From the above results obtained a total determination coefficient of 0.4609. This means that 46.09% of employee performance can be explained by the variables of leadership, competence and work motivation. While the remaining 53.91% is explained by other variables not examined in this study.

➤ *Path Analysis Results*

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

1. *The Effect of Leadership on Employee Performance with Work Motivation as an Intervening Variable in BKD Dharmasraya Regency*

To determine the effect of an exogenous variable to an endogenous variable both directly and indirectly, it can be seen as follows:

The direct effect of variable X<sub>1</sub> on Y  
 $Y \leftarrow X_1 \rightarrow Y (\rho_{yx_1})(\rho_{yx_1})$   
 = (0,27) x (0,27) = 0,073 = 7,3%

The indirect effect from X<sub>1</sub> to Y through I  
 $Y \leftarrow X_1 \Omega I \rightarrow Y (\rho_{yx_1})(\rho_{Ix_1})(\rho_{yI})$   
 = (0,27) x (0,284) x (0,378) = 0,029 = 2,9%

Based on the above calculation, it is obtained that the direct influence of leadership on employee performance is 0.073 (7.3%), while the indirect effect of leadership variables on employee performance through work motivation is 0.029 (2.9%). From these results it can be concluded that there is no influence of leadership on employee performance with work motivation as an intervening variable because the coefficient value is smaller than the direct effect (0.029 < 0.073). The results of this study mean that better leadership may not necessarily increase employee motivation to work better.

2. *Effect of Competence on Employee Performance with Work Motivation as an Intervening Variable in BKD Dharmasraya Regency*

To determine the effect of an exogenous variable to an endogenous variable both directly and indirectly, it can be seen as follows:

The direct effect of variable X<sub>2</sub> on Y  
 $Y \leftarrow X_2 \rightarrow Y (\rho_{yx_2})(\rho_{yx_2})$   
 = (0,318) x (0,318) = 0,101 = 10,1%

The indirect effect from X<sub>2</sub> to Y through I  
 $Y \leftarrow X_2 \Omega I \rightarrow Y (\rho_{yx_2})(\rho_{Ix_2})(\rho_{yI})$   
 = (0,318) x (0,347) x (0,378) = 0,042 = 4,2%

Based on the above calculation, it is obtained that the direct effect of competence on employee performance is 0.101 (10.1%), while the indirect effect of competency variables on employee performance through work motivation is 0.042 (4.2%). It can be concluded that there is no effect of competence on employee performance with work motivation as an intervening variable because the coefficient value is smaller than the direct effect (0.042 < 0.101).

This shows that the low competency possessed by employees can actually encourage employees to be able to make better efforts to improve their performance. The results of this study mean that the higher one's competence may not necessarily improve the employee's performance. Competence does not have a significant effect on motivation, this shows that the low competency of employees can actually increase employee motivation to become better at carrying out their daily work to be able to meet their daily needs. The results of this study mean that the higher one's competence may not necessarily increase employee motivation to work better.

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

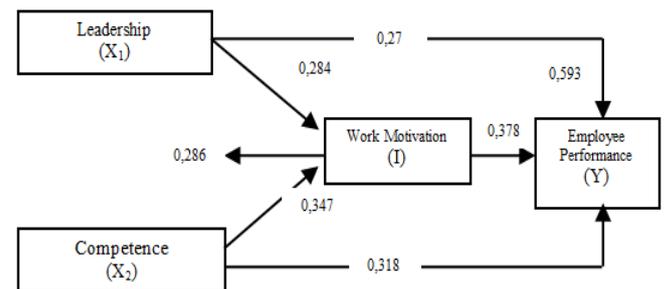


Fig 5:- Path Analysis Model

IV. CONCLUSION

Based on data analysis, interpretation of research results, and discussions that have been submitted previously, it can be concluded some conclusions from the results of this study as follows:

1. Leadership has a positive and significant effect on employee work motivation at BKD Dharmasraya Regency. Good leadership is leadership capable of motivating subordinates to be able to work well and quality,
2. Competence has a positive and significant effect on employee work motivation at BKD Dharmasraya Regency. The higher the competency possessed by an

- employee, the more work motivation will increase employees in carrying out their work.
3. Leadership has a positive and significant effect on the performance of employees of BKD Dharmasraya Regency. With a good form of leadership, employees will be able to complete their duties properly because of the comfort in working so as to produce work performance that is also high in completing their duties.
  4. Competence has a positive and significant effect on employee performance in BKD Dharmasraya Regency. With good individual competence, it is expected that one's work motivation can improve even better in carrying out his work.
  5. Work motivation has a positive and significant effect on employee performance at the BKD Dharmasraya Regency. High work motivation will encourage and mobilize employees to carry out their duties and responsibilities within the organization.
  6. There is no increase in the influence of leadership on employee performance through work motivation as an intervening variable in the BKD Dharmasraya Regency.
  7. There is no increase in the effect of competence on employee performance through work motivation as an intervening variable in the BKD Dharmasraya Regency.

#### SUGGESTIONS AND IMPLICATIONS

The results of this study are expected to be beneficial to the management of BKD Dharmasraya Regency. Suggestions that can be conveyed from the results of this study are in an effort to achieve higher employee performance in the future, it is expected to pay attention to and increase the variables of leadership, competence and work motivation. This is because these three variables have a positive and significant effect on employee performance.

By implementing leadership that can be accepted by all employees, increasing employee competence with training and workshops and providing motivation to employees in accordance with employee needs, so that employee performance is expected to be higher in the future so that the achievement of BKD Dharmasraya Regency benefits in the future more effectively and efficiently in the future.

#### RESEARCH LIMITATIONS

Like other studies, this research certainly cannot be separated from various limitations. Some of the limitations of this study can be stated as follows:

1. Data collection techniques with questionnaire media have weaknesses or limitations that cause perceptual refraction that is someone's difference in looking at something, so researchers cannot control the answers of each respondent. For future research, questionnaire data collection is expected to be able to combine other methods in distributing questionnaire lists to respondents by direct delivery and conducting interviews with respondents who are the objects in this study.
2. The scope is used only in BKD Dharmasraya Regency, so there is less visible difference in perceptions among employees in this study because there is only one

organization or one department. For future research, it is expected to use a wider scope not only at BKD Dharmasraya Regency but at other agencies in the Dharmasraya Regency or other regions.

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