

The Effect of Organizational Climate on Employee Motivation with Competence as a Moderating Variable

(Study of Drinking Water Company in PALU City)

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Abstract:- In many cases, low motivation is caused by an organizational climate that is not conducive and the competence of the people in the organization does not match the needs of the organization which is facing the demands of today's rapid changes. In this study, competence is placed as a variable that moderates the effect of organizational climate on motivation. The reason is that it is very difficult to motivate someone if the person concerned is not competent at work. Therefore, it is very important to know in advance the competencies possessed by an employee and place them in the appropriate job. Thus the organization can motivate its employees in the direction the organization wants to achieve. This study aims to analyze the relationship between organizational climate and motivation as well as the moderating effect of competency variables on this relationship in regional drinking water company in Palu City (PDAM Kota Palu). To achieve this goal, this study used a quantitative approach with 61 respondents as all PDAM Palu City employees. The data analysis technique used is Partial Least Square. The study results indicated that organizational climate and competency variables have a positive effect on motivational variables and competency variables have a positive moderating effect, but not significant on the relationship between organizational climate variables and motivational variables.

Keyword:- Organizational climate, Motivation, Competence, moderating effect. PDAM City Palu

I. INTRODUCTION

Motivation is very important for everyone in the organization, whether employees, managers or leaders. With high motivation, the work is carried out with enthusiasm which will certainly support the achievement of the desired goals efficiently and effectively. Motivation must be carried out by leaders towards their subordinates because of the dimensions regarding the division of work to be carried out as well as possible. Low motivation can be caused by an organizational climate that is not conducive and the competence of the people in the organization does not match the needs of the organization which is facing the demands of rapid change today.

Low motivation and inappropriate competence are very easy to find in several companies, especially the drinking water company in Palu City (The Drinking Water firm in Palu City, Center Sulawesi Of Indonesia). In this study, competence is placed as a variable that moderates the relationship between the influence of organizational climate on motivation. The reason is that it is very difficult to motivate someone if the person concerned is not competent at work. Therefore, it is very important to know in advance the competencies possessed by an employee and place them in the appropriate job. Thus employees can be expected to move in the direction the organization wants to achieve.

Competent employees can be mobilized to apply their skills and knowledge according to job requirements, this is an instrument for achieving organizational targets. Research on the effect of competence on motivation has been carried out by several parties, especially in Indonesia, where the results show that competence has a positive and significant effect on work motivation, (Ngatemin & Arumwanti, 2012; Triyanto & Sudarwati, 2014; Amrullah & Hermani DS, 2018).

Organizational climate is an important factor that can affect the motivation of each employee. A healthy organizational climate will motivate employees to be more productive and enjoy better morale. Organizational climate is closely related to the process of creating a conducive work environment that will create relationships and collaboration that impact on employee performance. Organizational climate is recognized to have an influence on behavior, organizational climate is considered to have a position as a bridge that connects management or leaders and employee behavior in realizing organizational goals. Organizational climate has an important role in the organization and has an impact on employees' perceptions, which influences their practices and behavior, therefore, it is important to carry out more research in this field to improve the individual work environment in organizations (Li & Mahadevan, 2017).

II. LITERATURE REVIEW

A. Organizational Climate

At every level of the organization, both leaders and staff want a more pleasant organizational climate so that work motivation is maintained at a high level. The results of Trisnayanti and Rahyuda's research (2019) suggest that organizational climate needs to be considered by organizations in order to fulfill a conducive working atmosphere where it is necessary to build organizational support, job clarity, self-expression, giving contributions, rewards and finally challenges within the organization. Therefore a healthy organizational climate must always be sought by every organization. According to Gaunya (2016) the concept of organizational climate has become one of the most important organizational aspects in the current management and organizational behavior literature because it helps explain employee motivation, employee behavior and organizational performance. This gives managers insight into the "people side" of an organization.

Organizational climate according to Davis & Newstrom (1985:20) is the human environment in which organizational employees do their work. Climate can affect motivation, achievement and job satisfaction. Managers need to take an asset approach to climate issues, which means managers have a long-term view of climate as an organizational asset. Unwise discipline and suppression of people may produce temporarily better performance, but they come at the expense of the organizational climate.

Organizational climate according to Simamora (2010) is an internal environmental condition or organizational psychology. Organizational climate is closely related to the practice of interaction between human resources and the organizational environment. Every organization has a different organizational climate. According to Wirawan (2010), organizational climate is the perception of organizational members, both individuals and groups, who are always in contact with the organization and follow what is happening in the company's internal and external environment. Organizational climate is a situation of pressure experienced by someone related to work processes in dealing with very large work demands, quality and relationships between co-workers and superiors. Singh, *et al.* (2011) defines organizational climate as the quality of the organization's internal environment that is relatively enduring; a) experienced by its members; b) influence their behavior; and c) can be explained in the form of values from a certain set of characteristics or attitudes of the organization. According to Pasaribu and Indrawati (2016), argued that organizational climate is the relative environmental quality of the organization experienced by its members, where it has an effect on their behavior and how the organization functions well. Organizational climate is divided into two, namely the environmental conditions of the organization that are physical and the environmental conditions of the organization that are psychological or non-physical.

Organizational climate can be closely correlated with employee motivation, providing an environment that motivates employees depending on the ability of managers to create a supportive organizational climate. Rusu and Avasilcai, (2014) in their paper emphasized organizational climate as the most relevant dimension for increasing the intrinsic and extrinsic motivation of employees. By analyzing the relationship between the dimensions of organizational climate and motivation, the results will show the influence of organizational climate on the level of employee motivation. Given the importance of work motivation on employee performance at work, it must outline the role of organizational climate as a predictor of increasing employee motivation.

Many elements make up the organizational climate of the workplace, some of the most important of which are; trust at all levels of leadership; the relationship between the people and the organization; support and recognition for hard work; the suitability of the work environment for the staff and the tasks they perform; the structure of the organization (Indeed, 2021).

B. Motivation

Winardi (2011) explained that the word motivation comes from the Latin "movere" which means to move. Human behavior moves to do something on the basis of encouragement called motivation. Sedarmayanti (2009) stated that motivation is a source of encouragement that causes a person to do something that leads to achieving needs, providing satisfaction, or reducing imbalances. Robbins (2013) defined motivation as an individual's willingness to carry out and realize organizational goals. Motivation is a psychological process that directs behavior or drives to achieve goals. Motivation affects performance, as shown by the model of the relationship between motivation and performance (Kreitner, Kinicki, 2001). Workers have abilities, work knowledge, character and traits, emotions, moods, beliefs and values at work. Employees will be more motivated if they believe that their performance will be recognized and appreciated.

Work motivation can be described as a set of internal and external factors that initiate work behavior and determine its direction, intensity and duration. Work motivation can be determined by measuring job satisfaction and performance, in this case the manager must focus on identifying the needs of employees and their requests regarding the characteristics of the work environment, to create a motivating workplace and to obtain high organizational results (Seiler, *et al.*, 2012).

Effective managers must know what motivates people to do and how to meet the needs of employees. Hamner and Organ (2005: 137) stated that to fulfill how to motivate subordinates, managers need to know what can improve their behavior, because motivation gives direction and intensity to human behavior. People will be highly motivated when they believe (1) that their behavior will provide certain rewards, (2) these rewards are useful and valuable, and (3) they can do them at a level that will result in achieving those rewards (Burke, 2007: 34).

Cosmovici, (1996) suggested that the motives that determine employees to engage in work activities are very diverse. Employees work to fulfill their material and psychological needs. There are four categories of factors that explain employee involvement in work activities namely; 1) the need for income; 2) the need for relaxation; 3) the need for profit; 4) drive to work. Time and effort to carry out work activities depends on employee attitudes regarding salary, relaxation, benefits and encouragement to work (Douglas & Morris, 2006).

C. Competence

Competence affects employee performance, which means that the higher the competence possessed by employees in accordance with the tasks they carry out, it will always encourage employees to work effectively, efficiently and productively. Wibowo (2007: 272) stated that competence is defined as the ability to carry out a job or task based on the skills and work knowledge required by the job. Competence denotes skills or knowledge that characterize professionalism in a particular field as paramount. Employees who have good competence will be able to carry out their duties properly so that financial management performance will increase (Safwan *et al.*, 2014). Competence as a characteristic of a person is related to effective performance in a job or situation. Safwan *et al.*, (2014) stated that competence is knowledge and skills and a person's ability to carry out cognitive, affective and psychomotor behavior by actually implementing them in accordance with predetermined performance standards.

According to Hutapea and Thoha (2008:28) explained that competence is the ability and willingness to perform a task with effective and efficient performance to achieve company goals. Furthermore revealed that there are three main components of competency formation, namely: a. Knowledge is information owned by an employee to carry out his duties and responsibilities, according to the field he is involved in. Knowledge of employees also determines the success or failure of the implementation of the tasks assigned to them, employees who have sufficient knowledge will increase the efficiency of the company. b. Skill (Skill) An effort to carry out the duties and responsibilities given by the company to an employee properly and maximally. c. Attitude (Attitude) The pattern of behavior of an employee in carrying out their duties and responsibilities in accordance with company regulations. If employees have the nature of supporting the achievement of the organization, then automatically all the tasks assigned to them will be carried out as well as possible. Knowledge, skill, and attitude tend to be more visible as human characteristics. Several other research results regarding competence making a positive contribution to motivation were carried out by Diansyah, *et.al.*, (2020); Rahman A.M., *et al* (2018); Ngatemin & Arumwanti W. (2012); Triyanto & Sudarwati (2014).

III. RESEARCH CONCEPTUAL FRAMEWORK

The independent variable in this research is organizational climate which has five dimensions namely; 1) trust at all levels of leadership; 2) the relationship between people and organizations; 3) support and recognition for hard work; 4) the suitability of the work environment for the staff and the tasks they perform; 5) organizational structure. The dependent variable is motivation which consists of; 1) the need for income; 2) the need for relaxation; 3) the need for profit; 4) drive to work. Furthermore, as a moderating variable are competence variables which consist of; 1) knowledge; 2) skills; 3) attitude .

A. Research Hypotheses

- Organizational climate has a positive and significant effect on the motivation of PDAM Palu City employees.
- Competence has a positive and significant effect on the motivation of PDAM Palu City employees.
- Competence has a positive and significant moderating effect on the relationship between organizational climate and the motivation of PDAM Palu City employees.

B. Research Method

Partial Least Square (PLS) analysis is used to obtain latent variables for prediction purposes. In this research three stages were carried out namely; 1) Outer Model Analysis; 2) Inner Model Analysis; 3) Hypothesis Testing.

➤ Outer Model Analysis

Evaluation of the measurement model or outer model is carried out to assess validity or model reliability. Outer models with reflexive indicators are evaluated through convergent and discriminant validity of latent and construct forming indicators composite reliability and Cronbach's alpha for the indicator block.

➤ Inner Model Analysis

Inner model analysis is also known as structural model analysis, which aims to predict the relationship between latent variables.

➤ Hypothesis Test

After conducting various evaluations, both the outer model and the inner model, the next step is to test the hypothesis. Hypothesis testing is used to explain the direction of the relationship between endogenous and exogenous variables.

IV. PLS ANALYSIS RESULTS

PLS analysis in this study used SmartPLS version 3.0 software which was run on computer media in three stages, namely measuring indicators or outer models, testing structural models or inner models and testing hypotheses with Bootstrapping (Model Significance Test).

A. Validity Test

The validity test aims to evaluate convergent validity, namely, to determine the degree of suitability between the attributes of the measurement results of the measuring instrument and the theoretical concepts that explain the existence of the attributes of these variables. Convergent

validity of the measurement model with reflexive indicators is assessed based on the correlation between item scores/component scores estimated with PLS software. The individual reflexive measure is said to be high if it correlates more than 0.7 with the construct being measured. Nonetheless, a standardized loading factor value above 0.6 is acceptable (Hussein 2018:22), while below 0.6 is excluded from the model.

Convergent validity can be known from the outer loading value of each variable indicator. An indicator is said to be valid if it has a value above 0.6. If the outer loading value is <0.6 , it must be processed again until it meets convergent validity. The outer loading value can be seen in the table below.

INDICATOR	Beginning (Before it was removed)			End (After being eliminated)		
	Org.Climate	W.Motiv.	Comp.	Org.Climate	W.Motiv.	Comp.
X1.1	0.607			0.617		
X1.2	0.696			0.752		
X1.3	0.411			0.000		
X1.4	0.539			0.000		
X1.5	0.550			0.000		
X1.6	0.683			0.695		
X2.1	0.717			0.675		
X2.2	0.742			0.779		
X2.3	0.663			0.000		
X2.4	0.772			0.771		
X3.1	0.293			0.000		
X3.2	0.703			0.748		
X3.3	0.702			0.685		
X3.4	0.825			0.857		
X3.5	0.770			0.771		
X4.1	0.750			0.771		
X4.2	0.721			0.722		
X4.3	0.687			0.000		
X4.4	0.734			0.769		
X5.1	0.842			0.848		
X5.2	0.836			0.826		
X5.3	0.848			0.862		
X5.4	0.883			0.912		
X5.5	0.854			0.863		
Y1.1		0.722			0.734	
Y1.2		0.804			0.809	
Y1.3		0.832			0.833	
Y2.1		0.809			0.811	
Y2.2		0.884			0.883	
Y2.3		0.699			0.000	
Y3.1		0.818			0.820	
Y3.2		0.837			0.831	
Y3.3		0.806			0.809	
Y4.1		0.895			0.893	
Y4.2		0.721			0.714	

Y4.3		0.850			0.857	
Z1.1			0.801			0.818
Z1.2			0.748			0.752
Z1.3			0.756			0.765
Z2.1			0.747			0.763
Z2.2			0.760			0.760
Z2.3			0.748			0.746
Z2.4			0.816			0.822
Z2.5			0.750			0.758
Z3.1			0.806			0.791
Z3.2			0.781			0.772
Z3.3			0.587			0.000

Table 1: Outer Loading

Table 1 above shows that in the early stages of testing there were several indicators with outer loading values below 0.6 so it was necessary to modify the model by eliminating or not including these indicators in the subsequent analysis. If modifications are made, the value of each indicator also changes. Modifications were made until all indicators had a final outer loading value above 0.6 or met the convergent validity value. After modifying the model, the indicators that were eliminated were indicators X1.3 and X1.4 as well as X1.5 and X3.1, which are indicators of organizational climate variables. For the work motivation variable, it appears that all indicators meet the requirements of convergent validity, but for the competency variable, there is one Z3.3 indicator on the competency variable which does not meet the convergent validity requirements.

After adjustments were made, the outer loading value was obtained as the final stage of the calculation process to show the convergent validity of each indicator for each variable in this study, as shown in Table 1 above.

B. Evaluating Discriminant Validity

Discriminant validity measures the correlation between item scores or component scores. Discriminant validity is carried out to ensure that each concept of each latent variable is different from the other variables. The model has good discriminant validity if each loading value of each indicator of a latent variable has the largest loading value compared to other loading values for other latent variables.

The first criterion for measuring discriminant validity of reflective indicators can be seen in the cross loading between the indicators and their constructs. Cross loading is useful to see whether the construct has adequate discriminant validity, namely by comparing the relationship between indicators of a variable with the correlation of these indicators with other variables. If the relationship between construct indicators has a higher value than the relationship between these indicators and other variables, then it is said that the construct has high discriminant validity. The cross loading value can be seen in the following table.

Indicator	Beginning (Before it was removed)			Indicator	End (After being eliminated)		
	Org.Climate	W.Motiv.	Comp.		Org.Climate	W.Motiv.	Comp.
X1.1	0.607	0.491	0.587	X2.1	0.675	0.660	0.590
X1.2	0.696	0.615	0.651	X2.2	0.779	0.624	0.699
X1.3	0.411	0.338	0.541	X2.4	0.770	0.615	0.586
X1.4	0.538	0.443	0.537	X3.2	0.748	0.651	0.573
X1.5	0.550	0.552	0.587	X3.3	0.685	0.767	0.592
X1.6	0.683	0.662	0.469	X3.4	0.857	0.758	0.582
X2.1	0.717	0.647	0.573	X3.5	0.771	0.721	0.778
X2.2	0.742	0.616	0.416	X4.1	0.770	0.622	0.589
X2.3	0.663	0.529	0.458	X4.2	0.722	0.683	0.656
X2.4	0.772	0.606	0.487	X4.4	0.769	0.586	0.655
X3.1	0.293	0.383	0.233	X5.1	0.848	0.748	0.631
X3.2	0.703	0.643	0.515	X5.2	0.826	0.748	0.811
X3.3	0.702	0.761	0.537	X5.3	0.862	0.782	0.691
X3.4	0.825	0.753	0.588	X5.4	0.912	0.820	0.720

X3.5	0.770	0.718	0.779	X5.5	0.863	0.763	0.689
X4.1	0.750	0.608	0.535	Y1.1	0.909	0.734	0.543
X4.2	0.721	0.678	0.655	Y1.2	0.696	0.809	0.724
X4.3	0.687	0.613	0.564	Y1.3	0.714	0.833	0.772
X4.4	0.734	0.582	0.645	Y2.1	0.692	0.811	0.768
X5.1	0.842	0.740	0.631	Y2.2	0.748	0.883	0.604
X5.2	0.836	0.757	0.809	Y3.1	0.667	0.820	0.708
X5.3	0.848	0.777	0.677	Y3.2	0.7430	0.831	0.747
X5.4	0.883	0.815	0.729	Y3.3	0.7591	0.809	0.776
X5.5	0.854	0.763	0.677	Y4.1	0.6905	0.893	0.699
Y1.1	0.858	0.722	0.546	Y4.2	0.5637	0.714	0.579
Y1.2	0.720	0.804	0.720	Y4.3	0.7948	0.857	0.768
Y1.3	0.732	0.832	0.770	Z1.1	0.6768	0.588	0.818
Y2.1	0.722	0.809	0.763	Z1.2	0.5666	0.550	0.752
Y2.2	0.756	0.884	0.621	Z1.3	0.6122	0.588	0.765
Y2.3	0.573	0.699	0.683	Z2.1	0.4879	0.526	0.763
Y3.1	0.687	0.817	0.513	Z2.2	0.4665	0.531	0.760
Y3.2	0.755	0.837	0.752	Z2.3	0.7308	0.724	0.746
Y3.3	0.757	0.804	0.586	Z2.4	0.5633	0.620	0.822
Y4.1	0.714	0.895	0.674	Z2.5	0.6098	0.594	0.758
Y4.2	0.588	0.720	0.606	Z3.1	0.6078	0.643	0.791
Y4.3	0.802	0.850	0.679	Z3.2	0.6903	0.744	0.772
Z1.1	0.703	0.601	0.801				
Z1.2	0.584	0.565	0.743				
Z1.3	0.620	0.597	0.756				
Z2.1	0.508	0.534	0.747				
Z2.2	0.488	0.539	0.760				
Z2.3	0.730	0.721	0.748				
Z2.4	0.607	0.624	0.816				
Z2.5	0.660	0.613	0.750				
Z3.1	0.646	0.657	0.807				
Z3.2	0.725	0.748	0.781				
Z3.3	0.430	0.527	0.587				

Table 2: Cross Loading

Table 2 above shows that the first test of the indicators for each variable did not meet the criteria for good discriminant validity, it appears that several indicators of each variable still have a low cross loading value compared to other variables. Furthermore, after modifying the indicators, as shown in Table 2, it has shown that the indicators of each variable are better than the indicators of other variables. After the final test was carried out, the values of all indicators met discriminant validity or had good validity.

The second criterion for assessing discriminant validity is carried out by comparing the square root of average variance extracted (AVE) for each variable with a correlation value between variables. The AVE value is used to measure the amount of variation that can be captured from the construct compared to the variation caused by measurement errors.

Measuring the validity of latent variables uses average variance extracted (AVE) values > 0.5 so that it can be said that the data is valid, if something is not valid, then the indicators must be reduced and reconstructed. The following will present the AVE values for the 3 variables in this study, which can be seen in the following table:

Variabel	Average Variance Extracted (AVE) Initial	Average Variance Extracted (AVE) Akhir End
Organizational Climate (X)	0.511	0.629
Work Motivation (Y)	0.572	0.601
Competence (Z)	0.653	0.671

Table 3: Average Variance Extracted (AVE)

According to table 3, it can be seen that the results of the initial measurement indicated that the three variables had an AVE root value above 0.5. After modification, the results show a higher AVE value than before. Thus it can be said that all constructs have met the discriminant validity value or have a better validity value.

C. Reliability Test

The construct reliability test was measured by 2 criteria, namely composite reliability and Cronbach's alpha. Composite reliability indicates internal consistency, namely

a high composite reliability value indicates the consistency value of each indicator in measuring its construct. Meanwhile, Cronbach's alpha is a general measure of the consistency of the multi- item scale.

➤ *Evaluating Composite Reliability*

The reliability test is carried out by looking at the composite reliability value of the indicator block that measures the construct. The construct is said to be reliable if the composite reliability value is above 0.7. Composite reliability values can be seen in the following table

Variable	Composite Reliability (CR) Initial	Composite Reliability (CR) End
Organizational Climate _ (X)	0.960	0.962
Competence _ (Z)	0.936	0.938
Motivasi_(Y)	0.957	0.957

Table 4: Composite Reliability (CR)

Table 4 above shows the composite reliability value which has met the criteria since the beginning of the measurement. However, after modifying several indicators to meet outer loading in the early stages of the study, the

final results obtained for all variables still have good reliability and meet the criteria for composite reliability values with values above 0.7.

➤ *Evaluating Cronbach's Alpha*

The reliability test is also strengthened by Cronbach's alpha. The construct is said to be reliable if the Cronbach's alpha value ≥ 0 . The Cronbach's alpha value can be seen in the following table.

Variable	Cronbach's Alpha Initial	Cronbach's Alpha End
Organizational Climate (X)	0.955	0.957
Competence (Z)	0.924	0.926
Motivation (Y)	0.951	0.950

Table 5: Cronbach's Alpha

Based on Table 5 above, it shows that the measurement of all variables meets the Cronbach's alpha criteria, both the initial measurement and the end of the measurement have good reliability and meet the Cronbach's alpha value criteria with a value above 0.5.

D. Structural Model Measurement (Inner Model)

The inner model test was conducted to examine the hypothesized relationship between exogenous and endogenous constructs. The output of the structural model is carried out by looking at the value of R2 (coefficient of determination), as shown in table 6 below:

VARIABLE	R Square
Motivatioi_(Y)	0.824

Table 6: R-Square Value

Table 6 above shows the R-Square value for the work motivation variable obtained at 0.824. These results indicate that 82.4% of work motivation variables are influenced by

organizational climate and competence. In addition, the magnitude of the number (82.4%) shows a strong relationship between the research variables.

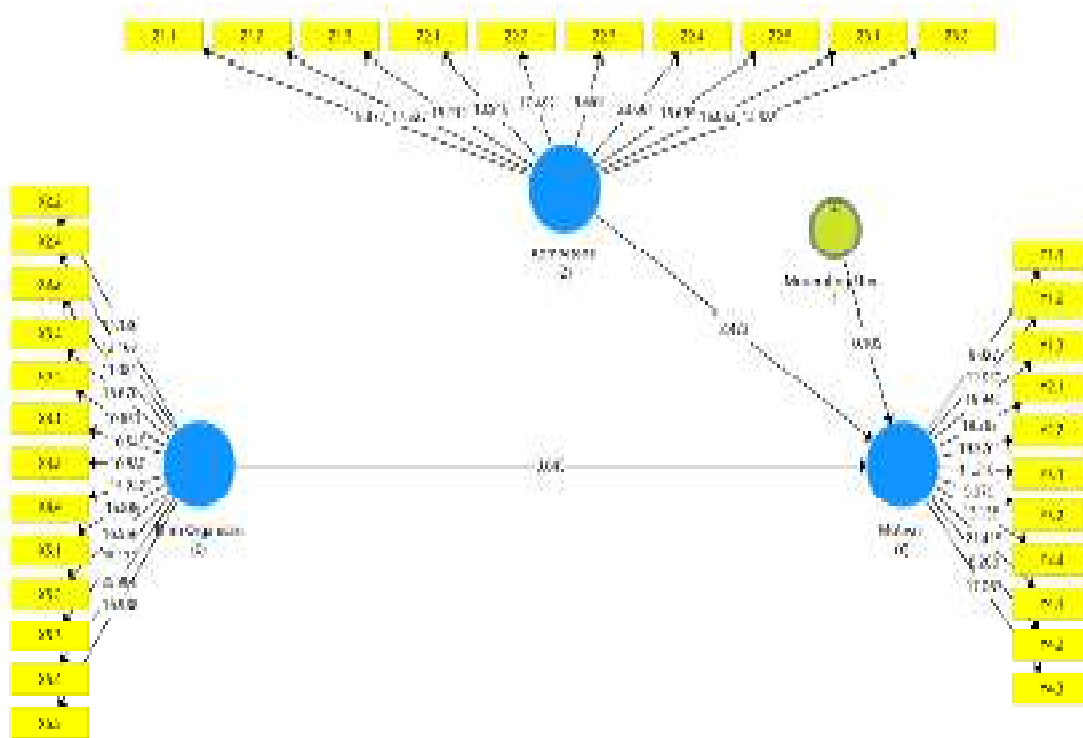


Fig. 1: Result of Inner Model Test

V. HYPOTHESES TEST FINDINGS

The basis used in testing the hypothesis proposed in the study is the value contained in the output result for inner weight. Table 7 below provides the estimated output for testing the structural model. The estimated significance of the parameters provides very useful information about the relationship between the research variables.

HYPOTHESIS	Original Sample (O)	Sample Mean (M)	StandardDeviation (STDEV)	T Statistics ((O/STDEV))	P Values
Org. Climate_(X) ->Motivasi_(Y)	0.619	0.572	0.170	3.645	0.001
Competence_(Z) ->Motivasi_(Y)	0.318	0.347	0.129	2.473	0.017
Moderating Effect 1 -> Motivation_(Y)	0.011	0.308	0.102	0.105	0.917

Table 7: Calculation Result of Inner Weight

Statistical analysis using the PLS test states that each hypothesized relationship is carried out using a simulation. In this case, the bootstrap method was carried out on the sample. Testing with bootstrap is also intended to minimize the problem of abnormal research data. The results of testing with bootstrapping from the PLS analysis are as follows:

Hypothesis Testing 1 (Organizational climate → Work motivation)

The results of testing the first hypothesis show that the influence of organizational climate variables on work motivation variables shows a path coefficient value of 0.619 with at value of 3.645. This value is greater than the t table value (1.96). These results indicate that organizational climate has a significant positive influence on work motivation.

Hypothesis Testing 2 (Competence → Work motivation)

The results of testing the second hypothesis show that the influence of the competency variable on work

motivation shows a path coefficient value of 0.318 with a t value of 2.473. This value is greater than the t table value (1.96). These results indicate that competence has a significant positive influence on work motivation.

Hypothesis Testing 3 (Moderating effect of Competency → relationship between organizational climate and work motivation)

The results of the third hypothesis test show that the competency variable as a moderating variable influences the relationship between organizational climate variables and work motivation variables, the path coefficient value is 0.011 with a t value of 0.105. This value is smaller than the t table value (1.96). These results indicate that competence has a moderating effect between the relationship between organizational climate and work motivation in a positive but not significant way.

VI. DISCUSSION AND CONCLUSION

The results of this study indicate that the organizational climate variable has the greatest positive influence on the work motivation variable, followed by the competence variable. In line with this research, Trisnayanti and Rahyuda (2019) argued that organizational climate needs to be considered by organizations in order to fulfill a conducive working atmosphere where it is necessary to build organizational support, job clarity, self-expression, giving contributions, rewards and finally challenges within the organization. Therefore a healthy organizational climate must always be sought by every organization.

Organizational climate is an important factor that can affect the motivation of each employee. A healthy organizational climate will motivate employees to be more productive and enjoy better morale. Organizational climate plays an important role in organizations and has an impact on employees' perceptions, which influences their practices and behavior.

At every level of the organization, both leaders and staff want a more pleasant organizational climate so that work motivation is maintained at a high level. Many elements make up the organizational climate of the workplace, some of the most important of which are; trust at all levels of leadership; the relationship between people and organizations; support and recognition for hard work; the suitability of the work environment for the staff and the tasks they perform; organizational structure (Indeed, 2021).

The magnitude of the influence of organizational climate on motivation means that trust at all levels of leadership, organizational structure, suitability of the work environment for staff and tasks performed, the relationship between people and the organization is going quite well. Support and recognition for hard work is very important as an effort to increase employee motivation.

Competence as a moderating variable, although the value of the effect is relatively small on the relationship between organizational climate and employee motivation, this is significant because it has a positive effect. Therefore, it is very important to know in advance the competencies possessed by an employee and place them in the appropriate job. Thus the organization can move its employees in the direction the organization wants to achieve. Competent employees can be mobilized to apply skills and knowledge, as well as their attitudes in carrying out work. In this case, employees need to have skills and attitudes as well as knowledge, both general and specific about their field of work. With competence, employees are expected to have a better attitude at work such as not procrastinating work, what must be completed today must be completed today through cooperation or solid teamwork, helping each other between one employee and another.

As described above, it can be concluded that organizational climate and competence have a positive influence on motivation, and competence has a positive moderating effect on the relationship. This means that competence is very important to further increase the

influence of organizational climate on the work motivation of PDAM Palu City employees, Central Sulawesi Province. Therefore, PDAM Kota Palu needs to improve the organizational climate that has been running so far, by always paying attention to the competence of each employee when assigned either as administrative staff or as field officers in monitoring water distribution, especially if there is damage or obstruction to the piping to homes. customer's house.

The moderating effect of competency variables on the relationship between organizational climate and motivation is not significant based on the results of the t test. Shows the need for further research with more and more diverse respondents in large-scale companies.

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