

The Effect of Competence and Compensation on the Performance of Educational Personnel with Motivation as an Intervening Variable (Study at the Faculty of Medicine and Health Sciences, Lambung Mangkurat University, Banjarmasin)

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ABSTRACT

This study examines the influence of competence and compensation on the performance of educational staff with motivation as an intervening variable at the Faculty of Medicine and Health Sciences, Lambung Mangkurat University, Banjarmasin. Educational staff have a crucial role in supporting the implementation of the Independent Learning and Independent Campus (MBKM) Program, however, there are still variations in education levels and compensation systems that need to be studied in relation to performance. This study used a quantitative explanatory approach with a sample of 73 respondents from a population of 89 educational staff selected through proportional random sampling. Data were collected using a questionnaire with a Likert scale and analyzed using Partial Least Square Structural Equation Modeling (PLS-SEM) through SmartPLS version 4. The research model has excellent predictive ability with an R-Square of 84.1% for performance and 72.7% for motivation. This study concludes that competence is the dominant factor in shaping motivation and performance, while compensation has an indirect effect through motivation. Practical implications indicate the need to focus on continuous competency development and performance-oriented compensation system evaluation to improve the effectiveness of educational staff in supporting the goals of higher education institutions

INTRODUCTION

Human resources (HR) are the most strategic component in any organization, including higher education institutions, as they directly determine the effectiveness of performance and the success of achieving the institution's goals. In the context of higher education, educational staff play a crucial role in supporting academic, administrative, and operational activities. Optimal educational staff performance is an indicator of successful university governance that is professional, efficient, and oriented toward quality academic services. However, this performance is heavily influenced by various internal and external factors, particularly competence, compensation, and work motivation.

Empirical conditions at the Faculty of Medicine and Health Sciences, Lambung Mangkurat University (FKIK ULM) show that the quality of educational staff performance is not yet fully optimal. Based on 2024 data, the number of educational staff is 89 people, consisting of 16 civil servants and 73 non-civil servants. Most of the educational staff have a high school or D3 education, with only a small number having a bachelor's or master's degree, indicating the still low level of academic qualifications in several work units. In terms of compensation, civil servant educational staff receive salaries between Rp2,301,800 to Rp5,628,300, while non-civil servant staff receive salaries between Rp2,250,000 to Rp3,500,000, depending on the length of service. Based on the FKIK ULM treasurer's report (2024), there were 22 employees with 6–10 years of service, 17 with 11–15 years, 4 with 16–20 years, and 5 with more than 20 years. These data indicate that the longer the service period, the greater the compensation received, but there is a gap between civil servants and non-civil servants that can impact motivation and performance. In addition, the turnover rate of non-civil servant education staff is quite high, which indicates that the reward system and career development still need to be improved.

Competence is a fundamental aspect that determines an individual's ability to carry out tasks effectively. According to Spencer and Spencer (1993), competence is a combination of knowledge, skills, and behaviors that a person uses to achieve expected work results. Good competence enables educational personnel to carry out their duties efficiently, accurately, and adaptably to developments in educational administration technology. Meanwhile, compensation, according to Milkovich and Newman (2019), is all forms of financial and non-financial rewards provided by an organization for employee contributions to achieving institutional goals. Fair compensation will foster satisfaction and loyalty to the organization. In practice, compensation that is disproportionate to the workload can lead to decreased motivation, as seen at the Faculty of Medicine and Health Sciences, University of Muhammadiyah Malang (FKIK ULM), where non-civil servant staff often feel inequitable in the civil servant remuneration system.

Work motivation plays a crucial role as a psychological factor that drives individuals to achieve. Based on Vroom's (1964) Expectancy Theory, a person is motivated if they believe their efforts will yield good performance, and that performance will yield valuable rewards. Herzberg's (1959) two-factor theory, on the other hand, explains that compensation is a hygiene factor that prevents job dissatisfaction, while motivating factors such as recognition and achievement

enhance satisfaction and performance. In the context of the Faculty of Medicine and Health Sciences (FKIK) at ULM, motivation serves as a bridge between competence and compensation for the performance of educational staff.

Previous studies have shown mixed results regarding the relationship between these variables. Wiryawan et al.'s (2020) study found that competence and motivation significantly influence the performance of teaching and administrative staff at the University of North Kalimantan. Yuni Arifin Zakaria and Herawati (2021) identified that compensation positively influences performance through intrinsic motivation. Manippi and Saiful (2022) also showed that work motivation can mediate the relationship between competence and compensation on the performance of public sector employees. However, research in the context of educational staff, particularly in South Kalimantan, is still limited. Most previous studies focused on teaching staff (lecturers), not educational staff, so more specific empirical studies are needed for this group.

This gap is the main reason for conducting a study entitled "The Effect of Competence and Compensation on the Performance of Educational Personnel with Motivation as an Intervening Variable (Study at the Faculty of Medicine and Health Sciences, Lambung Mangkurat University, Banjarmasin)". This study aims to comprehensively analyze how competence and compensation affect the performance of educational personnel, both directly and indirectly through work motivation. By using an explanatory quantitative approach and Structural Equation Modeling - Partial Least Squares (SEM-PLS) analysis technique on 73 respondents from a total of 89 populations, this study is expected to provide a significant empirical contribution to the development of human resource management theory in the field of education, as well as being a policy basis for university leaders in improving the quality and productivity of educational personnel.

Practically, the results of this study are expected to benefit educational institutions in formulating strategies to improve the performance of their teaching staff through more evidence-based policies. For institutions such as the Faculty of Medicine and Health Sciences (FKIK) at ULM, these findings are expected to serve as a reference in decision-making regarding competency training, the development of a more proportional compensation system, and the strengthening of work motivation programs. Thus, improving the quality of teaching staff performance can align with the university's vision of becoming a superior and competitive higher education institution.

LITERATURE REVIEW

The performance of educational staff is a crucial factor in determining the success of administrative and academic functions in higher education. According to Wibowo (2007), performance is the work results achieved by an individual or group in carrying out assigned tasks and responsibilities based on specific abilities and competencies. Performance reflects the extent to which an individual is able to contribute to the achievement of organizational goals. In the educational environment, educational staff performance encompasses not only administrative productivity but also service accuracy, discipline, and adaptability to the digitalization of education systems.

Theoretically, one of the main determinants of performance is competence. Spencer and Spencer (1993) define competence as a fundamental characteristic of a person related to effectiveness in carrying out a particular job or situation. Competence consists of knowledge, skills, and attitudes used to produce superior performance. McClelland (1973) even emphasized that measuring competence is more relevant than measuring intelligence in predicting job success. In the context of educational personnel, competence includes administrative skills, academic service, mastery of information technology, and understanding of higher education regulations. The results of empirical research by Susanto et al. (2022) and Wirtadipura (2021) show that competence has a positive effect on employee performance. High competence fosters self-confidence, responsibility, and intrinsic motivation, which leads to improved performance.

Besides competence, compensation also has a significant influence on individual behavior and work results. According to Hasibuan (2011), compensation is all forms of remuneration received by employees, both directly and indirectly, as a reward for their contributions to the organization. Herzberg (1959), through his two-factor theory, differentiates between motivator factors and hygiene factors, with compensation being a hygiene factor that prevents job dissatisfaction. When compensation is perceived as fair and proportional, employees will feel appreciated and motivated to perform better. Conversely, inequity in the compensation system can reduce morale and work commitment.

From the perspective of Expectancy Theory proposed by Vroom (1964), individual motivation is determined by three elements: expectancy (the hope that effort will produce performance), instrumentality (the belief that performance will produce results), and valence (the value of those results to the individual). Fair, performance-based compensation increases valence, thereby strengthening motivation to achieve better performance. Meanwhile, Equity Theory explains that employees compare inputs (effort, skills, experience) with outputs (compensation, rewards). When this comparison is perceived as fair, individuals will be more satisfied and motivated to perform optimally.

Motivation is a variable that bridges the relationship between competence, compensation, and performance. According to Herzberg (1959), motivation is a psychological force that drives individuals to achieve work goals. Work motivation can stem from intrinsic factors, such as achievement and recognition, as well as extrinsic factors such as compensation and working conditions. In this study, motivation is viewed as an intervening variable that strengthens the

relationship between competence and compensation on educational staff performance. Goal Setting Theory by Locke and Latham (1990) also emphasizes that setting clear and challenging goals can enhance motivation and performance. When educational staff clearly understand their performance targets, they will be motivated to achieve optimal results, especially if accompanied by an achievement-based compensation system.

Several empirical studies have strengthened the relationship between these variables. Wiryawan et al. (2020) found that competence and motivation significantly influence the performance of educational staff at the University of North Kalimantan. Manippi and Saiful (2022) stated that work motivation can mediate the relationship between competence and compensation on employee performance. Research by Lianasari and Ahmadi (2021) also confirmed that competence and the work environment influence performance through motivation as an intervening variable. These results indicate that increasing competence and providing fair compensation can increase work motivation, which in turn positively impacts individual and organizational performance.

Thus, conceptually, the relationship between the variables in this study can be explained as follows: competence and compensation are the main factors influencing work motivation, while motivation is the main driver linking these two variables to performance. The results of previous research, both in the context of education and the public sector, support the assumption that competency development and proportional compensation will increase motivation, which in turn will result in superior and sustainable educational staff performance. Therefore, competency-based human resource management and compensation equity are essential strategies in building a productive, adaptive, and results-oriented work system.

METHODOLOGY

This study uses a quantitative approach with an explanatory research type that aims to test the causal relationship between independent variables, namely competence (X_1) and compensation (X_2), to the dependent variable of educational staff performance (Y) with work motivation (M) as an intervening variable. This approach was chosen because it aims to test hypotheses based on objective numerical data and inferential statistical analysis. The study population was all educational staff at the Faculty of Medicine and Health Sciences, Lambung Mangkurat University (FKIK ULM) totaling 89 people, consisting of civil servants and non-civil servants. Because the population is relatively small and heterogeneous, the researcher used a proportional random sampling technique with the Slovin formula ($e = 0.05$) to determine the number of representative samples. Based on these calculations, 73 respondents were obtained as research samples. The type of data used is primary data collected through a closed questionnaire based on a five-point Likert scale (1-5), with indicators adapted from Spencer & Spencer's (1993) theory for competence, Hasibuan (2011) for compensation, Herzberg (1959) and Vroom (1964) for motivation, and Wibowo (2007) for performance. Each indicator has been tested for validity and reliability through loading factor and composite reliability tests before further analysis.

The data analysis technique used was Structural Equation Modeling (SEM) based on Partial Least Squares (PLS) with SmartPLS software version 4.0 , as recommended by Ghazali and Latan (2015). The analysis was carried out through two main stages, namely the outer model and the inner model . The outer model was used to assess convergent validity, discriminant validity, and construct reliability using the Average Variance Extracted (AVE) and Cronbach's Alpha values . The inner model was used to test the structural relationship between variables through the path coefficient test , t-statistics , and p-value with the bootstrapping method . The significance criteria were set at a 95% confidence level ($\alpha = 0.05$) with a t-statistics limit of > 1.96 . The results of the analysis showed that the model had an R^2 value of 0.841 for the performance variable and 0.727 for motivation , which means the model's predictive ability was very strong. This model is adequate to explain the direct and indirect influence between competence, compensation, and motivation on the performance of educational staff at FKIK ULM, while also providing a strong empirical basis for the development of performance-based human resource management policies.

RESULTS AND DISCUSSION

Data analysis used **Structural Equation Modeling (SEM)** based on **Partial Least Squares (PLS)** with the help of **SmartPLS** software version 4.0 . The research model tested consisted of four main variables: **competence** , **compensation** , **work motivation** , and **educational staff performance** . Based on the analysis results, all construct indicators showed *loading factor values* > 0.70 , *Composite Reliability (CR)* > 0.80 , and *Average Variance Extracted (AVE)* > 0.50 . This shows that all indicators have good validity and reliability to measure the research construct.

Simultaneously, the model had an **R^2 value of 0.841 for performance** and **0.727 for motivation** , meaning the model was able to explain 84.1% of the variation in educational staff performance and 72.7% of the variation in motivation. Thus, the developed model was deemed to have very strong predictive ability in explaining the relationship between variables.

Table 1. SEM-PLS Path Coefficient Test Results

No	Relationship between variables	Path Coefficient (β)	T-statistics	P-value	Information
1	Competence → Performance	0.423	3,250	0.001	Significant
2	Competence → Motivation	0.723	10,566	0,000	Very Significant
3	Compensation → Performance	-0.010	0.125	0.901	Not Significant
4	Compensation → Motivation	0.222	2,450	0.014	Significant

5	Motivation → Performance	0.541	3,659	0,000	Significant
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Source: Author's data processing results (2024)

Table 2. Results of the Indirect Effect Test (Mediation Effect)

No	Mediation Path	Indirect Effect Coefficient (β)	T-statistics	P-value	Mediation Status
1	Competence → Motivation → Performance	0.391	3,154	0.002	Significant Mediation
2	Compensation → Motivation → Performance	0.120	2,927	0.003	Significant Mediation

Source: Author's data processing results (2024)

Table 3. R-Square (R^2) Values of Endogenous Variables

Endogenous Variables	R^2	Interpretation
Motivation	0.727	Good (72.7% of variation explained by competency and compensation)
Performance	0.841	Very Good (84.1% of variation explained by competence, compensation, and motivation)

Source: Author's data processing results (2024)

The results of the study indicate that **competence has a positive and significant influence on the performance of educational staff at the Faculty of Medicine and Health Sciences (FKIK) ULM** with a value of $\beta = 0.423$ and $p = 0.001$. This finding confirms that the higher the technical skills, knowledge, and work attitudes of employees, the higher their performance level. This is in line with the theory of **Spencer & Spencer (1993)** which states that competence is a fundamental characteristic of a person related to effectiveness in work. In addition, according to **Boyatzis (2008)**, competence is a combination of skills and behaviors that enable a person to achieve superior work results. In the context of the Faculty of Medicine and Health Sciences (FKIK) ULM, employees with high competence are better able to adapt to the digitalization of administrative systems and contribute to achieving organizational goals.

Furthermore, **competence also significantly influences work motivation** with a coefficient of $\beta = 0.723$ ($p = 0.000$), which is the strongest influence in the model. This proves that competence not only improves technical performance, but also fosters self-confidence, a sense of responsibility, and an intrinsic drive to perform better. This finding is in line with **Vroom's (1964) Expectancy Theory**, where motivation arises when individuals believe that their efforts will result in good performance that leads to valuable rewards. Educational staff who feel

competent will be more motivated to complete tasks well because they believe that their work will be recognized and appreciated.

Meanwhile, **compensation did not have a direct effect on performance** ($\beta = -0.010$; $p = 0.901$), but had a significant positive effect on motivation ($\beta = 0.222$; $p = 0.014$). This indicates that a fair compensation system is not sufficient to improve performance without strong work motivation. This result is consistent with **Herzberg's Two Factor Theory (1959)** which groups compensation into *hygiene factors*, namely factors that prevent dissatisfaction but do not directly motivate performance. In the context of FKIK ULM, the difference in compensation between civil servants and non-civil servants creates different perceptions of fairness, so that compensation plays a more motivational role than a direct performance enhancer.

Furthermore, **work motivation has a positive and significant influence on the performance of educational staff** ($\beta = 0.541$; $p = 0.000$). Motivation has been shown to be a key psychological factor that drives educational staff to work with enthusiasm and high responsibility. These results support **the Goal Setting Theory** by **Locke & Latham (1990)**, which asserts that individuals with clear and challenging work goals will demonstrate higher performance. At the Faculty of Medicine and Health Sciences (FKIK) ULM, educational staff with strong motivation demonstrate commitment, discipline, and active participation in supporting quality academic services.

Mediation findings also show that **motivation significantly mediates the effect of competence on performance** ($\beta = 0.391$; $p = 0.002$) and **compensation on performance** ($\beta = 0.120$; $p = 0.003$). This means that both competence and compensation can improve performance indirectly through increased work motivation. These results are consistent with **Maslow's Theory of Needs (1943)**, which explains that once physiological and safety needs (compensation) are met, individuals will be motivated to fulfill self-actualization needs through increased competence and performance.

Table 4. Summary of Research Hypothesis Testing Results

Hypothesis Code	Hypothesis Statement	Test Results	Decision
H1	Competence → Performance	Significant ($p = 0.001$)	Accepted
H2	Compensation → Performance	Not Significant ($p = 0.901$)	Rejected
H3	Competence → Motivation	Significant ($p = 0.000$)	Accepted
H4	Compensation → Motivation	Significant ($p = 0.014$)	Accepted
H5	Motivation → Performance	Significant ($p = 0.000$)	Accepted
H6	Competence → Performance through Motivation	Significant Mediation ($p = 0.002$)	Accepted
H7	Compensation → Performance through Motivation	Significant Mediation ($p = 0.003$)	Accepted

Source: Author's data processing results (2024)

Overall, the results of this study show that **competence is the dominant factor** in improving the performance of FKIK ULM educational staff, while **compensation is influenced by motivation**. This indicates that improving competence through training, career development, and performance-based assessment is a more effective strategy than increasing compensation alone. This finding is in line with research by **Wiryawan et al. (2020)**, **Manippi & Saiful (2022)**, and **Yuni Arifin Zakaria and Herawati (2021)**, which concluded that motivation plays a significant role in mediating the relationship between competence, compensation, and employee performance in the higher education sector. With a high R^2 value, this research model can be used as a basis for formulating strategic policies in human resource management in higher education, particularly in improving educational staff performance through strengthening competence and sustainable work motivation.

CONCLUSION AND RECOMMENDATION

The results of the study indicate that competence and work motivation have a significant influence on the performance of educational staff, while compensation does not directly affect performance, but has a significant influence on motivation which ultimately affects performance indirectly. These findings prove that competence is a dominant factor that shapes employee motivation and performance at the Faculty of Medicine and Health Sciences, Lambung Mangkurat University (FKIK ULM) Banjarmasin. The higher the level of ability, skills, and professional attitudes of employees, the greater the drive to work effectively and achieve organizational targets. The research model tested using the SEM-PLS approach produced an R^2 value of 0.841 for performance and 0.727 for motivation, which indicates excellent model predictive ability. Theoretically, these results strengthen Spencer & Spencer's (1993) competency theory, Vroom's (1964) expectancy theory, and Herzberg's (1959) two-factor theory which emphasizes that the combination of ability, motivation, and a fair reward system is the basis for forming superior performance in an organization.

Based on these results, it is recommended that faculties and universities develop competency- and motivation-based human resource management strategies. Competency-enhancing efforts can be implemented through professional training, certification, and mastery of academic administration technology so that educational staff can adapt to modern work demands. Furthermore, although compensation does not directly affect performance, reviewing the performance-based compensation system remains important to maintain fairness and increase job satisfaction, especially for non-civil servant staff. Faculties also need to strengthen intrinsic motivation through a participatory work culture, recognition of achievement, and clear career development opportunities. Practically, this research provides strategic input for universities in improving HR policies; while theoretically, this research confirms that motivation is the main psychological mechanism that bridges the influence of competence and compensation on educational staff performance in higher education environments.

FUTHER STUDY

This research still has delays, so it is necessary to conduct further research related to the topic *The Effect of Competence and Compensation on the Performance of Educational Personnel with Motivation as an Intervening Variable* (Study at the Faculty of Medicine and Health Sciences, Lambung Mangkurat University, Banjarmasin) in order to improve this research and add insight for readers.

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