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# Research Article

# The influence of work discipline, motivation, and compensation, on employee performance through competence at Health Centers

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## ABSTRACT

The challenges and problems faced by Health Centers in Batam City include work discipline, motivation, compensation, competence, and employee performance. Due to these problems, it is necessary to conduct research entitled "The influence of work discipline, motivation, and compensation on employee performance through competence at Health Centers." The models used are Structural Equation Model (SEM). In this research, the number of respondents was 127 respondents. This study's sample was taken from a population of 186 respondents (census method). The research results were as such: determination variables like work discipline, motivation and compensation showed a positive and significant correlation to competence; determination variables like competence, work discipline, and motivation showed a positive and significant correlation to employee performance, whereas the determination variable of compensation showed no significant correlation to employee performance. Square multiple correlation to competence is 88.2% and to employee performance is 98.9%. All variables are determined to be significant except for the compensation variable. It is suggested that employee compensation needs to be increased so that the performance of Health Center employees increases.

*Keywords:* work discipline; motivation; compensation; employee performance; competence

## 1. Introduction

### 1.1. Background

The Public Health Center is a healthcare organization that organizes proactive and preventive community efforts to help the community or individuals reach their highest degree of health. The Health Centers are under the control of the government, with guidance and technical assistance provided by the Department of Health Regency City and Province. In the regulations, they mentioned that the Health Centers play a role as organizers of service health from Community Health Efforts (UKM) and Individual Health Efforts (UKP)[1].

The Minister of Health's Regulation No 43 of 2019 concerning public health center mentions that public health center is a facility that provides service in organizing health improvement efforts for the community and individuals, with more prioritized effort in promotive and preventive work[2]. The total amount of Health Centers in Indonesia in December 2021 are 10,292 Health Centers, consisting of 4201 inpatient health centers and 6091 outpatient health centers. The amount has shown an increase as compared to the year 2020 where

there were 10,205 Health Centers, comprising of 4119 inpatient health centers and 6086 non-inpatient health centers[3]. In the city of Batam alone there are 21 (twenty-one) health centers with 9 (nine) Health Centers taking care of inpatients and 12 Health Centers taking care of outpatients[4].

Before this, not only did Health Centers provide service to the community, Health Centers also play an important role in Human Resources (HR). HR encompasses the entire human population of all operational levels of the Health Centers from the lowest level (lower management) to the highest level (top management). Though there are differences in each level, all HR have the same operational goals for the Health Centers. Loss or inefficiency of any work unit will prevent the achievement of the organization's goal. Thus, it is necessary for management to conduct performance evaluation.

Employees are an important part of a company because they are the planners and active members of every organization activity. Employees have feelings, thoughts, desires, statuses, backgrounds, educational backgrounds, ages, and genders, which they will bring into the company. Capable employees are employees who work in a skilled manner and are responsible, which will ensure productivity and work quality, if morale and discipline are lacking, it will cause an opposite effect. Because discipline is such an influential factor in HR, the instillation of employee discipline is important to achieve the goals of an organization[5,6]. Work discipline should be a feature in every HR of an organization because a disciplined organization will fulfill as well as speed up the achievement of a goal. If employee discipline declines, it will prevent as well as slow down the achievement of company's goals[6].

Disciplined employees will obey applicable regulations in a company which will increase productivity and performance[7]. Health Center employee discipline is also mentioned in Government Regulation RI No 94 of 2021, where chapter 2 paragraph 4 states that civil servant discipline is the ability of civil servants to comply with obligations and avoid prohibitions as determined by laws and regulations. The working hours, penalties, and violations are also written in the regulation "PP RI Nomor 94 Tahun 2021"[8]. An employee should perform their best whether or not it is a written rule, and should not be influenced by personal factors like skill. Performance is also the result of work performed by employees when doing tasks as well as tasks performed by the organization[7].

There are many factors that influence performance in an organization like the Health Centers, such factors include work discipline, motivation, compensation, and competence. Work discipline is the attitude, appropriate behavior, and actions of a person on organizational regulations as an effort to raise awareness and someone's willingness not to commit negligence and irregularities when carrying out work. This definition is in accordance with the phenomenon that occurs in the company[9]. Motivation is a moving force that promotes a person's work passion so that they want to cooperate, work effectively, and integrate with all their efforts to achieve the desired goal. Motivation is also a power, which can externally or internally encourage someone to achieve a targeted goal[10]. Compensation is rewards received by employees for the results of their work in the organization. Compensation can be physical or non-physical and must be calculated and given to employees according to the sacrifices they have made for the organization or company where they work. Companies when providing compensation to workers will first calculate performance by creating a fair performance appraisal system. The system generally contains assessment criteria for each existing employee, for example the amount of work that can be completed, work speed, communication with other workers, behavior, knowledge of work[11], etc. Employees will compare the performance and sacrifices they have done with the compensation received. If the employee is not satisfied with the compensation provided, they will try to find or move to another job that gives better compensation. It is a risk for the company if competitors recruit or hijack employees who feel dissatisfied with their current workplace as the employee might possess company/organization secrets[12]. Compensation is something employees receive as a substitute for their

service contributions to the company. Compensations are related to employee work relationships which can include all forms of financial returns, tangible services, and benefits received by employees for their contribution to the company[13]. Competence is when the expertise and performance standards of employees are met. Competence refers to achieved behavior, it describes what people can do and how they do it. Competence can also be used to interpret qualifications and attributes. Competence over time is associated with people and with roles. Competent people talk about respective knowledge capital-all of their attributes-to everyone. Job competence talks about the qualifications and attributes required to do work. Which can be done either by humans, artificial intelligence, or by robots. Competence talks about skill and performance[12].

In order to align the performance of employees with an organization's goal, work discipline, motivation, compensation, and employee placement should be monitored and provided by organization leaders in accordance with employee competence. The motivation given to employees encourages improved performance, as it is a form of encouragement which inclines others to work toward a preferred direction and goal[14]. Motivation is a method to encourage subordinates with high potential, so that they will be willing to achieve a predetermined goal in a more productive manner[5]. Compensation from the government as stated in the Government Regulation No 63 of 2021 in article 2 includes present day highway allowance, a third of wages mercy for state apparatus, as well as retirement funds[15].

To measure the competence of an employee, evaluation of an employee's ability to work in accordance with skill or competence is necessary. This will be the background behind the research study titled "The influence of work discipline, motivation, and compensation, on employee performance through competence at Health Centers."

## 1.2. Problem formulation

The problem is:

1) How does work discipline influence employee competence at the health center?
2) How does motivation influence employee competence at the health center?
3) How does compensation influence employee competence at the health center?
4) How does work discipline influence employee performance at the health center?
5) How does motivation influence employee performance at the health centers?
6) How does compensation influence employee performance at the health center?
7) How does competence influence employee performance at the health center?

# 2. Literature review

## 2.1. Discipline work

Discipline is the operator function of Human Resources (HR). Discipline is a function of the most important HR operations because the better the discipline of employees, the better the performance of the employee[5]. A company will try to establish employee discipline by training and repairing the knowledge, attitude, and behavior of the employees so that employees will voluntarily work cooperatively with others to increase performance without any coercion[16]. The advantage of work discipline is that it can maintain organizational order, and ensure the implementation of tasks to obtain the desired results. Employees will also benefit from a comfortable work environment, and may uplift their spirits at the workplace.

There are two types of work discipline, namely:

Positive discipline, which in essence is a spontaneous response toward a capable leader. It is a sense of duty to follow the rules and work for what is appropriate to achieve a goal. Negative discipline on the other

hand, originates from leaders that abuse their power, orders employees, and uses oppressive methods to achieve their goals. An example of such methods is punishment[17].

## 2.2. Motivation

Motivation can determine employees' behavior at work. The main employee behavior that can observed is whether the employee is working well or not based on their own desires or encouragement from other people or leaders[18]. Lots of research about motivation was conducted in the 1940s and 1950s on the behavior of consumers. Before 1960, there is already a large knowledge field of motivation marketing from the the1920s to the 1950s. This indicates the importance of research focused on motivation and consumers behavior, which involves clinical psychology, sociological, as well as anthropology[19]. The American unions of the 1930s and several other unions in New York studied motivation[18]. Frederick Herzberg developed theories known as motivation-hygiene theory, which consists of two factors. Herzberg's research findings concluded that there are two sets of factors affecting motivation, the first is a series of extrinsic motivators known as hygiene factors and the second is a series of intrinsic motivators which are also called motivation factors. In the context of employee productivity, if these conditions are not fulfilled there will be difficulty in work registration between employees, as they will not be motivated. This condition is what's called job dissatisfaction, and is mainly affected by hygiene factors. That is because there is a minimum required level of hygiene factors to prevent job dissatisfaction. Examples of such hygiene factors are salary, work security, working conditions, company policies, relationship with supervisors, etc. Secondly, there exists a separate set of intrinsic motivators that can strongly motivate employees, and result in improved performance[19]. Ernest Dichter said that insights about motivation are broad, and the viewpoints are highly varied. There are lots of controversial research on motivation, for example studies done by Harvard and the University of Chicago, which stated that when workers are motivated, workers provide good service[18].

Motivation is an important factor because it will affect, direct, and support human behavior, so as to work harder and more enthusiastically in order to achieve a targeted result. Motivation is a key factor that leaders need to provide to subordinates when distributing work so that the desired goal can be achieved. When motivating employees, leaders will need to determine the motives, strategies, and employees' desired form of motivation. It is necessary to fulfill the needs of employees, whether it is well realized or not, or whether it is material needs or non-material needs. The motivation issue is that with the advancement of technology and knowledge, there is a need for further development of motivation as well. Human issues can only be resolved in a humane manner with the use of information and humanity tools. Morals or spirits play a big role in influencing the productivity of workers. Morale is related to circumstances related to a person's mental state. Good/reasonable treatment of employees has a greater influence on organizational goals, as it provides motivation[5], namely:

a. Increasing morale and a sense of satisfaction of employees.
b. Enhancing productivity of employees.
c. Maintaining the stability of the company.
d. Enhancing discipline of employees.
e. Making effective employee recruitment.
f. Creating a comfortable work environment.
g. Enhancing loyalty, creativity, and participation of employees.
h. Enhancing well-being of employees.
i. Heightening employees' senses to tasks.
j. Enhancing efficiency using tools and raw materials.

Hasibuan[5] says there are three models of motivation, namely:

1) Traditional model, where incentives (money or goods) are given to the most outstanding employees. The more desired results produced by the employee, the more incentives the employee will receive. In this model, the employee's motivation is only to get incentives (money or goods).

2) Relationship model, where employers will form societal bonds with employees, which will give employees the recognition needed to feel useful and important. In this model, employees will have a certain amount of freedom to make decisions and showcase creativity at work. This model takes into account the material and non-material needs of employees. Employees' motivation is to get both material and non-material needs.

3) Human resources model, where more people give priority to meaningful work. Employees tend to obtain satisfaction when performing a good job, not because it feels satisfying, but because the trust given to them by their employers to make decisions and carry out tasks encouraged them to feel responsible for producing good results.

According to Abraham Maslow, the theory of motivation works by a hierarchy of needs. The two most basic needs are namely:

1) Physiological needs, which are necessities for sustaining life like food, water, shelter, and so on. The desire to fulfil these needs will stimulate somebody to work harder.

2) Safety and security needs, which are needs to feel secure, i.e., feeling safe from threats or accidents and ensure safety during work. There is a need for a sense of security and safety in the workplace.

After these two basic needs are fulfilled, humans will try to achieve the next tier of needs – psychological needs. The first psychological need is the need for belongingness or acceptance, which include social relationships, friendship, affiliation, interaction, love, as well as feeling accepted among coworkers in their work environment. Because humans are social creatures, it is clear that there is progress and no failure (sense of achievement).

After this need is fulfilled, it will be followed by the need for pride or status, which is the need for recognition, appreciation, and prestige from employees and their surrounding environment. Fame and status can be represented by objects used as status symbols.

After fulfilling the psychological needs, the final tier is self-fulfillment needs. This represents the need for self-actualization, to achieve the full potential or their abilities and skills, in order to achieve performance-satisfying work. Abraham Maslow explained that adults usually satisfy about 85% of their physiological needs, 70% of their safety needs, 50% of their belonging and love needs, 40% of their self-esteem needs, and only 10% of their self-actualization needs.

## 2.3. Compensation

Compensation is what employees receive in return for the work they do. A good salary, whether given per hour, day, month, or a fixed salary, should be regularly revised and managed by the human resources department[5]. The main objective of compensation: As a collaboration between leaders and employees, where employees can fulfill their physiological and self-esteem needs, as well as foster satisfactory work positions. The allocation of compensation should be done effectively. If the compensation program is budgeted to be more generous, it will be easier for companies to fulfill employees' needs. With better compensation budgets, leaders can also give more motivation for their employees. Employee stability will be better guaranteed because turnover rates will be lower when the implemented principles are fair and decent, competent and

consistent. Discipline will also affect labor unions. If employees are given sufficient compensation, they will be more concentrated on their work and not be influenced by other things (union laborers). The government can also play a role to ensure that compensation must follow fairness principles, and that all compensation given to employees should be appropriate and reasonable. Method compensation is awarded based on singular and plural method basis. The single standard method pays only one and clear salary, i.e., the last certificate from formal education whereas with plural standard method has a less clear salary as done by most private companies. The compensation system is given based on time, results (output), and contract. Arrangement for compensation return is based on elements consisting of direct compensation (salary, wages, and incentives). Indirect compensation can be in the form of money, or goods (in its original form), which shows acknowledgement of employees' performance, and can stimulate employees' enthusiasm to perform well and achieve the company's goals[5]. Compensation is an important factor that can influence how and why people want to work in organizations and become part of the organization[20].

## 2.4. Competence

According to Spencer and Spencer, the factors for competence include motivation, attitude, concept of self, knowledge, skills. General knowledge and hard skills (e.g., knowledge/work skills) such as craftmanship, which are the basis of competency, can be improved through training programs and can not be used to distinguish high performers because it is only a prerequisite (competency threshold). The competence of a person usually vary, but are closely related to the individual's self-quality. That would indicate that competency is related to soft skills such as flexibility, communication, and creativity[21].

One of the early attempts to define competence could be traced back to the early 1970s. When an American scholar published an article titled "Factors affecting employee work competencies determinants for employee's work competencies", that is quoted as beginning of the development of conceptual era. According to Spencer and Spencer, competence is psychological. This project first used the competency measurement method implemented by the Department of Foreign Affairs A in the early 1970s to select potential employees for the Foreign Service Intelligence Officer (FSIO) Division. This is an estimation of FSIO's success in the field, which shows that selection type incline towards minorities, women, and groups of low socioeconomic status (McClelland) in depth[21]. Competence is a fundamental characteristic for someone who might be a high achieving employee, thus compensation is highly related to individual personality, which includes predictable behavior during situations and work assignments[22].

## 2.5. Employee performance

A performance characteristic is personal, similar to a skill. Performance when done right, will become an expertise. Performance is the result of work performed by employees when doing assigned tasks in the company[6]. For more than 30 years, the measurement of performance has garnered significant attention, both in the field of academics and practitioners. The study of performance initially emerged in the private sector, with numerous researchers also addressing performance issues in the public sector[6,22]. In Indonesia, the pursuit of performance measurement began during the reform era in 1999, where President B. J. Habibie issued a Presidential Instruction (Inpres No 7/1999), which mandated the reporting of institutional performance, known as LAKIP (Laporan Akuntabilitas Kinerja Instansi Pemerintah). Initially conceived as an annual performance report, LAKIP has since evolved into a comprehensive performance measurement system. This system requires every public sector agency to define its mission, vision, strategic objectives, and key performance indicators (KPIs). It also establishes a mechanism for aligning KPIs with the goals and objectives of the respective institution[23].

There are several criteria used to evaluate performance[24]:

a. Quality. Quality of work is assessed based on the results achieved, determined by how close to the perfect score the work is.

b. Quantity. Quantity refers to the amount of work output generated within a specific time frame.

c. Time used. This refers to the degree of which tasks are completed within the time frame, reflecting the timeliness of activities.

There are several factors that can influence the performance of employees[25]. An example of this is personal factors like private/individual knowledge, abilities, skills, personal belief, commitment, as well as motivation. Another factor that will affect performance is leadership factors like passion, ability to provide encouragement and guidance, as well support to their subordinates. The encouragement factor will also affect performance, encouragement from colleagues on the same team, trust, team cohesiveness, and interpersonal closeness among team members. Another factor is systemic factors such as work system, work facilities, organizational processes, the infrastructure provided by the company, and the existing performance culture. Contextual (situational) factors will also affect employee performance, such as internal and external environmental pressures, as well as the changes that occur. All these factors are interconnected and will collectively affect an employee's work performance[26].

# 3. Methodology/materials

This research was done using quantitative and qualitative (mixed) methods to observe the effect of work discipline, motivation, and compensation on employee performance through competence at the Batam City Health Center. The study population comprises employees of the Batam Health Center. To determine the sample size, we used a non-probability sampling technique, resulting in 127 respondents. Data collection utilized questionnaires and interviews. The analytical method used is multivariate analysis, which is an explanatory study that utilizes causality cases to explain a relationship between variables through hypothesis testing. This research was carried out in three phases: the formulation and relationship model, assessment or measurement, and analysis. The formulation phase requires comprehensive understanding of the problem by reviewing the theoretical basis, prior research, and interviews with HR practitioners to produce a model of the relationship between variables. These variables include measurable variables forming indicators for work discipline, motivation, compensation, competency latent variables, and other variables. These latent variables are measured as indicators contributing to employee performance. The assessment and measurement phase includes the development and or selection of measuring instruments, which are in the form of questionnaires and interviews. This phase also includes the implementation of data collection and measurement of measurable variables. The foundation for these relationships is established through theoretical research, making this a confirmatory modeling study. The latent variables are elaborated upon using a single-dimension (unidimensional) approach. Finally, the analysis phase is where the collected data is processed using the Structural Equation Model (SEM) method. Work discipline, motivation, and employee compensation are independent variables. These independent variables affect the competency variable, which then acts as the depending variable which affects employee performance, which is also a latent variable with several indicators forming it.

## 3.1. Method mixture

This study utilizes a mixed research model, which comprises of the sequential explanatory model, the sequential exploratory model, the joint triangulation design, and integrated model. The sequential explanatory model is a combination of quantitative and qualitative approaches, where the quantitative phase precedes the qualitative phase. After conducting the analysis, the results of both quantitative and qualitative data were

integrated into a matrix, and the resulting comparison was displayed. 26 search models were sequentially combined using two research techniques, starting with qualitative study and then quantitative study. The joint triangulation design represents a balanced integration of both quantitative and qualitative research methods, employed concurrently or individually to address research questions. The concurrent embedded model combines elements from both quantitative and qualitative research methods to study the research subject[27].

The method used in this study is a qualitative interpretive explanatory approach[28]. The study procedure involves several key steps, encompassing the selection of the research method, determination of the research population and sample (for quantitative research) or data source (for qualitative research), selection of research instruments, data collection techniques, and data analysis methods[29]. The procedure for qualitative data analysis are: 1) gather data sourced from books and journal articles that focused on the topic of research method; 2) group study data to categories[30]; 3) discuss the types of research method and their relevance with the study's objectives, accompanied by examples illustrating each method. A visual representation of the variable models can be seen in the **Figure 1**.
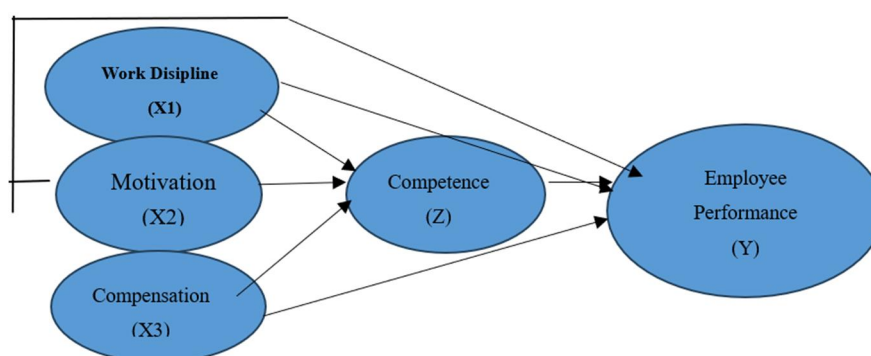


**Figure 1.** The relationship between variables for modeling.

### 3.2. Population

The population in this study was 186 Health Center employees, including one practitioner in the HR field. The sampling technique used is non-probability sampling, where each member of the population has the same chance of being selected as the sample[31].

### 3.3. Sample

The sample is a representation of the population in a smaller size[27], for this research, the sample is customized. The Solvin formula was used to determine the number of samples to be studied. The number of respondents was 186 employees of the Batam City Health Center. Using the formula as follows: $\cap = 186 [1 + 186 \times (0.05)^2] = 126.96$, a sample number of 127 respondents was obtained.

Data used in the data collection process consists of primary and secondary data. The primary data was obtained directly from the study subjects through questionnaires which were sent directly to the candidates. Then, the data obtained was processed using the statistical analysis technique of Structural Equation Modelling (SEM), with AMOS software for Windows version 24.0. The display-like process ceases images from the following SEMs[31].

H1: $Y = ÿ y.x1 X1 + e1$, ÿ influence jump $X_1$ to Y,
H2: $Y = ÿ y.x2 X2 + e1$, ÿ effect jump $X_2$ to Y,
H3: $Y = ÿ y.x3 X3 + e1$, ÿ effect jump $X_3$ to Y,
H4: $Z = ÿ z.x1 X1 + e2$, ÿ influence jump $X_1$ to Z,
H5: $Z = ÿ z.x2 X2 + e2$, ÿ direct influence $X_2$ to Z,

H6: Z = ÿ z.x3 X3 + e2, ÿ direct influence X₃ to Z,

H7: Z = ÿ ZY Y1 + e2, ÿ direct influence Y to Z.

## 3.4. Data analysis

The method of data analysis used was Structural Equation Modelling (SEM). The software used for analysis was AMOS* version 24 namely[32]:

1) Model-based development theory

2) Making flowcharts (path diagrams)

3) Changing the flowchart to suit the equality structure

4) Selecting matrix input and estimation technique to build model

5) Assessing and identifying the possibility of problems

6) Evaluate suitability criteria

7) Interpretation and modification of the model

The image of the full variable model can be seen in the **Figure 2**:
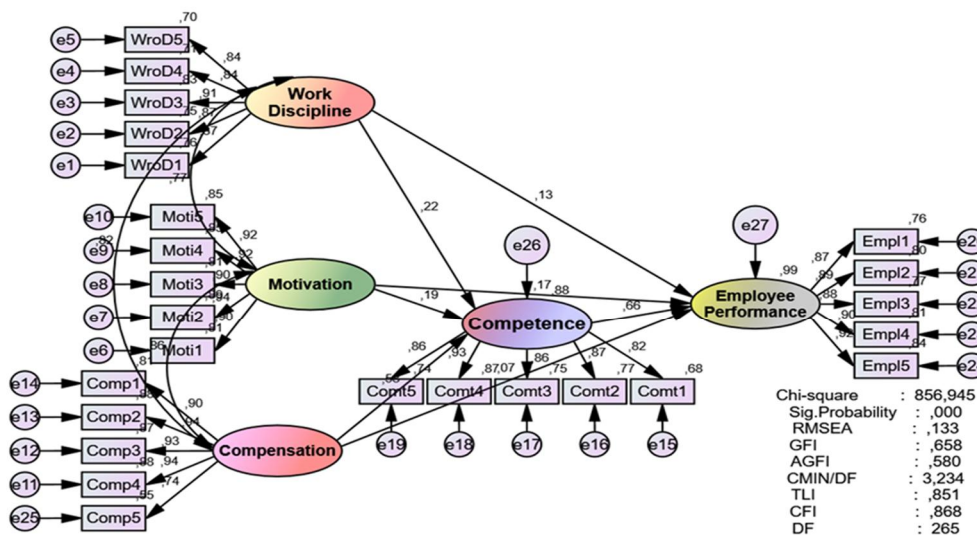


**Figure 2.** Full model.

# 4. Results and findings

When discussing quantitative and qualitative studies, quantitative methods adhere to scientific principles: empirical, objective, measurable, rational, and systematic. In contrast, qualitative methods are called artistic methods, however the study still involves interpretation of data collected from the field and literature studies[31]. Quantitative studies focus on isolating and generalizing characteristics, aiming to establish objectivity and causality without passing judgment. On the other hand, the qualitative method interact with the data source to extract meaning through understanding.

## 4.1. Validity and reliability test

The results of the validity and reliability test can be seen the **Table 1**.

The table shows that the extracted variance produced an average of *P* value ≥0.050, which indicates that the construct validity test is valid. Whereas the construct reliability test produced *CR* (construct reliability)

values that are ≥0.70.

**Table 1.** Construct validity and reliability.

| No | Variable | Indicator | Standard loading (loading factor) | Standard loading 2 | Measurement error (1-std loading2) | Construct reliability | Variance extracted |
|---|---|---|---|---|---|---|---|
| 1 | Work discipline | DK1 | 0.870 | 0.757 | 0.243 | 0.94 | 0.75 |
| | | DK2 | 0.869 | 0.755 | 0.245 | | |
| | | DK3 | 0.909 | 0.826 | 0.174 | | |
| | | DK4 | 0.840 | 0.705 | 0.295 | | |
| | | DK5 | 0.839 | 0.703 | 0.297 | | |
| | | $\sum$ | 4.327 | 3.746 | 1.254 | | |
| | | $\sum^2$ | 18.722 | - | - | | |
| 2 | Motivation | M1 | 0.900 | 0.81 | 0.19 | 0.87 | 0.57 |
| | | M2 | 0.943 | 0.889 | 0.111 | | |
| | | M3 | 0.902 | 0.813 | 0.187 | | |
| | | M4 | 0.921 | 0,848 | 0,152 | | |
| | | M5 | 0.920 | 0.846 | 0.154 | | |
| | | $\sum$ | 4.586 | 4.206 | 3.206 | | |
| | | $\sum^2$ | 21.031 | - | - | | |
| 3 | Compensation | KP1 | 0.937 | 0.878 | 0.122 | 0.88 | 1.36 |
| | | KP2 | 0.932 | 0.868 | 0.132 | | |
| | | KP3 | 0.936 | 0.876 | 0.124 | | |
| | | KP4 | 0.903 | 0.815 | 0.185 | | |
| | | KP5 | 0744 | 0,553 | 0.447 | | |
| | | $\sum$ | 4.452 | 3.808 | 2.808 | | |
| | | $\sum^2$ | 19.820 | - | - | | |
| 4 | Competence | KomPt1 | 0.822 | 0.676 | 0.324 | 0.94 | 0.76 |
| | | KomPt2 | 0.875 | 0.766 | 0.234 | | |
| | | KomP3 | 0.864 | 0.746 | 0.254 | | |
| | | KomP4 | 0.934 | 0.872 | 0.128 | | |
| | | KomP5 | 0.858 | 0.736 | 0.264 | | |
| | | $\sum$ | 4.353 | 3.796 | 1.204 | | |
| | | $\sum^2$ | 18.95 | - | - | | |
| 5 | Employee performance | Knj1 | 0.870 | 0.757 | 0.243 | 0.951 | 0.79 |
| | | Knj2 | 0.892 | 0.796 | 0.204 | | |
| | | Knj3 | 0.876 | 0.767 | 0.233 | | |
| | | Knj4 | 0.901 | 0.812 | 0.188 | | |
| | | Knj5 | 0.916 | 0.839 | 0.161 | | |
| | | $\sum$ | 4.455 | 3.971 | 1.029 | | |
| | | $\sum^2$ | 19.85 | - | - | | |

Regression results, as well as correlations, can be seen in **Tables 2–4**.

Referring to **Table 5**, the cut-off-value and the goodness of fit results of the model showed that from eight criteria, the results were: 1 good, 6 marginal and 1 no good. The criterias that are met are Chi-square, which received good results, and the rest (marginal) are Relative Chi-square, probability, RMSEA, AGFI, CFI, and TLI. The only criteria that was not met was GFI. From the results, this model can be deemed as fit to use. Next based on quantitative methods with SEM and qualitative methods based on theory, empirical, and observation claims, were discussed as follows.

**Table 2.** Regression weights: Group number 1-Default model.

| | | | Estimate | S.E. | *CR* | *P* | Label |
|---|---|---|---|---|---|---|---|
| COMT | <--- | WROD | 0.208 | 0.077 | 2.691 | 0.007 | par_1 |
| COMT | <--- | MOTI | 0.151 | 0.070 | 2.147 | 0.032 | par_2 |
| COMT | <--- | COMP | 0.457 | 0.083 | 5.484 | *** | par_4 |
| EMPL | <--- | COMT | 0.766 | 0.133 | 5.756 | *** | par_3 |
| EMPL | <--- | WROD | 0.143 | 0.065 | 2.206 | 0.027 | par_5 |
| EMPL | <--- | COMP | 0.066 | 0.084 | 0.788 | 0.431 | par_6 |
| EMPL | <--- | MOTI | 0.161 | 0.057 | 2.804 | 0.005 | par_7 |

**Table 3.** Standardized regression weights: Group number 1-Default model.

| | | | Estimate |
|---|---|---|---|
| COMT | <--- | WROD | 0.217 |
| COMT | <--- | MOTI | 0.188 |
| COMT | <--- | COMP | 0.583 |
| EMPL | <--- | COMT | 0.661 |
| EMPL | <--- | WROD | 0.129 |
| EMPL | <--- | COMP | 0.073 |
| EMPL | <--- | MOTI | 0.173 |

**Table 4.** Squared multiple correlations: Group number 1-Default model.

| | Estimate |
|---|---|
| COMT | 0.882 |
| EMPL | 0.989 |

**Table 5.** The goodness of fit analysis.

| The goodness of fit index | Cut-off value | Model result | Information |
|---|---|---|---|
| Chi-square ($\chi 2$) | Expected to be small | 856.945 | Good |
| Relative Chi-square ($\chi 2/df$) | ≤3.00 | 0.000 | Marginal |
| Probability | >0.05 | 0.000 | Marginal |
| RMSEA | <0.08 | 0.133 | Marginal |
| GFI | ≥0.90 | 0.658 | No good |
| AGFI | ≥0.90 | 0.580 | Marginal |
| CFI | ≥0.95 | 0.868 | Marginal |
| TLI | ≥0.90 | 0.851 | Marginal |

According to **Tables 2** and **3**, the determination variable work discipline (WROD) to the competence variable (COMT) has a standardized estimate (regression weight) of 0.217 with *CR* (Critical Ratio = identical with *t*-count value) of 2.691, and probability of 0.007. The *CR* value of 2.691 is ≥2.00 and the probability value of 0.007 is ≤0.05, which indicates that determination variable work discipline towards competence shows a positive correlation. This coincides with the theory that says when an employee is placed in accordance with their competence, it will make them more disciplined when working to complete their assigned tasks on time. Based on the results of interviews and literature review: employees at the Health Center have been placed according to their competence, such as nursing, medical, and laboratory (health) staff. However, for the administration jobs, finances are still handled by nurses or midwives, which does not match their competence (HR placement does not match their competence). The nurses and midwives can work well even though this is not their expertise because they have good work discipline. According to Egam et al.[33], competence is everything that is owned by employees in the form of knowledge, skill, and other individual internal factors that enable them to perform their job tasks based on their knowledge and skills. In the perspective of agency theory, competence is initial capital that workers must possess. In this context, in this case, it refers to having

educated and skilled human resources who are prepared to compete effectively with other individuals possessing competence to ensure their ability to succeed. This remains essential despite the regulations outlined in Permenkes No. 43 of 2019, which pertain to human resources in Health Center staff. Research conducted by Egam et al.[33] on employee placement at the Minahasa Health Center revealed a mismatch between employees' placements as compared to their educational backgrounds and variations in their skillsets[33]. According to the researchers, the Health Center should not only concentrate on service provision but also on other aspects of HR competencies. There are several leadership strategies that can be employed to enhance competence, one of which involves providing training opportunities. Regarding the effect of work discipline on competence, it is crucial for management to understand the concept of competence, which involves aligning work behavior with organizational values. This includes emphasizing the importance of work discipline as it facilitates effective communication of values and clarifies the tasks that need to be prioritized, thus serving as a focal point for improving work discipline[34].

According to **Tables 2** and **3**, the determination variable motivation (MOTI) towards competence variable (COMT) has a standardized estimate (regression weight) of 0.188 with *CR* (Critical Ratio = identical with *t*-count value) of 2.147, and probability of 0.032. The *CR* value of 2.147 is ≥2.00 and the probability value of 0.034 is ≤0.05, which indicates that determination variable motivation towards competence has a significantly positive correlation. Based on the results of interviews and documents from the HR manager, the task of provide motivation to increase competencies is not solely the responsibility of leadership but is also a collective effort involving fellow employees. For example, it is now mandatory for employees to improve their competence by furthering their education. Nurses should not stop at a DIII diploma, and are expected to pursue an S1 degree. Similarly, midwives are also expected to possess an S1 qualification as well, and there is a certification process based on their respective competencies. Failure to pursue further education may result in stagnation in job positions, potentially leaving employees behind. This policy aligns with government directives. Based on the theory, aligning job roles with employees' competencies not only motivates them to work more diligently but also encourages a more enterprising attitude. It also reduces the risk of errors in completing assigned tasks. Employees tend to feel valued when they receive consistent motivation and support.

According to **Tables 2** and **3**, the determination variable compensation (COMP) against competence variable (COMT) has a standardized estimate (regression weight) of 0.583 with *CR* (Critical Ratio = identical with *t*-count value) of 5.484, and probability of ***. The *CR* value of 5.484 is ≥2.00 and the probability value of *** = 0.00, which indicates that the determination variable compensation towards competence has a significantly positive correlation. Based on the results of interviews and review of documents, compensation is given to employees, either in the form of money, or travel tickets, (there is a form of documentation) that comes from the personal leadership, however not all Health Centers provide such compensation. On the other hand, compensation from the government is usually given in the form of incentives or bonuses that are also in accordance with competence and performance. Based on the theory that compensation is the main motivator for a person to become competent employees, it shows that compensation has a significant impact on employees' attachment and passion towards their work. Adequate rewards contribute to employees' happiness and motivation, inspiring them to strive towards the company's goals.

While wages are a part of remuneration, however remuneration encompasses more than just wages. Therefore, every organization must determine the compensation that should be given in accordance with the competence of their employees, which will enhance the effectiveness and efficiency in pursuit of company goals. Rewards within the management system aim to attract and retain talents that are essential for achieving organizational goals. In the context of human resource management, management should go beyond providing basic compensation, such as wages and salaries, and include incentives like bonuses, commissions, and shares

to motivate and enhance employee competencies. Compensation includes all forms of awards, both monetary and non-monetary, that are fairly offered to employees for their services in achieving company goals. It is difficult to determine the size of the compensation to be granted without anticipating developments in the circumstances surrounding the company's operations. Adopting a compensation system rooted solely in the unilateral desires of the company, without rational and legally sound foundations, poses challenges for long-term sustainability[29].

According to **Tables 2** and **3**, the determination variable competence (COMT) against employee performance variable (EMPL) has a standardized estimate (regression weight) of 0.661 with *CR* (Critical Ratio = identical with *t*-count value) of 5.756, and probability of ***. The *CR* value of 5.756 is ≥2.00 and probability value of *** = 0.005 indicates that the determination variable competence towards variable employee performance is positively significant. Based on interviews, the manager said that performance was good in accordance with employee competencies (there is an employee database on education). Here employees have good performance because they possess the necessary knowledge and understand that their individual competencies must be able to support the implementation of organizational strategies and be able to support any changes made by management. The results of this study are in line with previous studies[34,35] titled "The influence of compensation, leadership style and competence on employee performance through job satisfaction at Pusdatin Kementan RI" and "The effect of competence and work discipline on employee performance", where it is stated that competence influences employee performance significantly with a significant *P* value of 0.000 < 0.05[36]. Another research conducted, with the title "The effect of work motivation and job satisfaction on employee performance Pt. Mayer Sukses Jaya" obtained *P* value result of 0.000 < 0.05[37]. In order to support the strategic goals of a company and effectively address the evolving challenges, it is essential to have employees who can perform at a level that enables them to meet the company's set targets for each job role (job goals). Performance plays a significant role in achieving the strategic goals of an organization. If employee performances are not optimal, it will directly affect organizational performance. Therefore, enhancing employee performance, both individually and collectively, contributes to the competence required for overall HR performance, which in turn affects organizational success[35]. Based on this, competence is an individual's ability to work, which includes knowledge, skills, and attitudes that meet the established standard set by the workplace. Competence is a combination of skills, knowledge, and attitudes that can be observed by an employee to contribute to the success of an organization. In other words, competent people will significantly contribute to the achievement and success of a company. This is evidenced by their high level of discipline and the achievement of positive outcomes, resulting in improved performance.

According to **Tables 2** and **3**, the determination variable work discipline (WROD) against employee performance variable (EMPL) has a standardized estimate (regression weight) of 0.129 with *CR* (Critical Ratio = identical with *t*-count value) of 2.206, and probability of 0.027. The *CR* value of 2.206 is ≥2.00 and the probability value of 0.027 is ≤0.05, which indicates that determination variable work discipline towards variable employee performance has a positively significant correlation. The results of this study are in line with research conducted entitled "Copy of the president of the Republic of Indonesia government regulation of the Republic of Indonesia number 63 year 2021" with results showing that is partially known that work discipline has a positive and significant influence on performance employees, with a *P* value of 0.00***[15]. Similar research was also conducted where the work discipline variable had a significant effect on the performance variable with a significant score of 0.003, which is <0.05. Work discipline is formed by written and unwritten rules, as the discipline of employees increase, the organizational productivity will also run smoother[6,15]. Additionally, employees are required to submit daily and monthly performance reports, which will be evaluated. Even when an employee needs to be absent or leave the workplace, written permission is

needed. There is even penalty given to employees if they don't attend the morning assemblies. A permit book and employee performance reports are maintained as well. Good discipline reflects good performance, and is also a form of an individual's awareness and willingness to adhere with all existing workplace regulations, which is not enforced through coercion.

Discipline is an individual's conscientious commitment to adhering to both company regulations and societal norms. Discipline reflects the magnitude of a person's sense of responsibility toward the tasks assigned to them. This encourages passion, enthusiasm, and the realization of company goals. There are several factors that affect work discipline[36]: (1) goal and abilities: this means that employees recognize the importance of discipline in their work. Clear goals, aligned with an employee's abilities, encourage serious and disciplined work; (2) exemplary leadership: the leader is the closest role model for employees, if the leader is not disciplined it will set a bad example for the employees; (3) remuneration: salary and compensation will affect the work discipline of employees; (4) fairness; (5) punishment; (6) firmness; and (7) interpersonal relations[5]. According to the researchers, the employees of the Health Centers in the city of Batam showcase good work discipline. There are several Health Centers that reward their diligent (disciplined) employees, and have established basic policies and regulations to maintain discipline. Penalties may even be imposed for employees who are not disciplined, such as the "single apple penalty" system where undisciplined employees have received a warning report. Discipline in attendance through arrival and departure times are also tabulated at the end of the month. The achievement of the accreditation score is in line with expectations. Without strong employee work discipline, organizations may find it challenging to attain their desired results and goals. Work discipline is a pivotal aspect of organizational operations, as it significantly influences employee performance. The higher the level of work discipline, the better the performance of employees, and the greater the likelihood of achieving outstanding work performance.

According to **Tables 2** and **3**, the determination variable motivation (MOTI) towards the employee performance variable (EMPL) has a standardized estimate (regression weight) of 0.173 with *CR* (Critical Ratio = identical with *t*-count value) of 2.804, and probability of 0.005. *CR* value of 2.804 is ≥2.00 and the probability value of 0.005 is ≤0.05, which indicates that the determination variable motivation towards variable employee performance has a positively significant correlation. Based on the results of interviews and document reviews, when leadership demonstrates care for their subordinates, and consistently offers words of inspiration and encouragement to fuel enthusiasm for work, the teamwork among employees is exceptional. Awards are given to the best employees with outstanding performance by the organization. These achievements are documented through extended photos, serving as a motivating example for other employees. Motivation is a critical factor in the workplace, as it serves as the driving force behind one's actions and activities within the organizational environment. According to Fullerton[17], motivation is an essential in every work activity. Providing motivation before an individual engages in work activities infuses them with positive energy and enthusiasm for the task at hand. When others witness this motivation in action, it tends to inspire them as well, fostering a culture of strong teamwork and collaboration in the workplace[17].

According to Hasibuan[5], motivation is the self-determination of employees to take action. Motivation can be seen in various aspects[5]. Research conducted by Pristiyanti[37] stated that there is a clear link between motivation and performance, where all the indicators used produced good results[37]. The research results show that motivation significantly influences performance, as shown with a *t*-value greater than the critical *t*-table (7744 > 1985). This finding aligns with research conducted by Saripuddin and Hasibuan[16] entitled "Proceedings of the national seminar on multidisciplinary science" which resulted in a *t* count of 8330, which is greater than the critical *t*-table value of 2.021[16]. According to the researchers, employees that receive encouragement and aspirations have internally structured their profession to align with their assigned tasks,

and will strive to achieve targets set by employees, for their monthly evaluation.

According to **Tables 2** and **3**, the determination variable compensation (COMP) against the employee performance variable (EMPL) has a standardized estimate (regression weight) of 0.073 with *CR* (Critical Ratio = identical with *t*-count value) of 0.788, and probability of 0.431. The *CR* value of 0.788 is ≤2.00 and the probability value of 0.431 is ≥0.05, which indicates that determination variable compensation towards employee performance has a positively insignificant correlation. In theory, Mathis defines compensation as the equalizing factor between what employees contribute to the company in terms of work and the responsibilities assigned by the company[38]. Based on the results of interviews and work documents, employees already have specific job descriptions and regularly submit performance reports. Thus, in terms of compensation, it does not significantly affect employee performance. Compensation has been regulated by the government (salary, wages, or incentives), thus employees only need to focus on their responsibilities, work diligently and sincerely to fulfil their obligations.

According to the research results of Kusuma et al.[39], there is an influence of direct compensation on performance, with the coefficient value of 0.302 and statistical *t* value of 0.034. The results suggest that providing more compensation for employees will increase the performance of employees[39]. According to Hasibuan[5], compensation includes all forms of income whether received directly or indirectly in exchange for services provided to the company. It is important to note that public health centers are regulated by the government, there already exists regulations and laws regarding gifts and presents. Moreover, the state's finances should also be taken into consideration when considering compensation[15]. It is also important to note that complete reliance on additional compensation may not always be feasible.

The results of multiple correlations indicate a strong relationship between the competence variable and employee performance, both with a correlation coefficient of 0.882. Based on the correlation value, the $R^2$ value for competence is 0.989, which is identical to the magnitude of the determination ($R^2$ value × 100%). In this case it amounts to 88.2%. Thus, it can be stated that competency is affected by work discipline, motivation, and compensation by 88.2%. The remaining percentage of 11.8% (100% − 88.2%) is determined by other variables which were not included in the study. For employee performance, $R^2 = 0.989$, thus it can be stated that employee performance is affected by work discipline, motivation, competency by 98.9%, and the remaining 1.1% (100% − 98.9%) are other variables that was not examined in this research.

# 5. Conclusion

Based on the results of research and data analysis, the conclusions obtained in this study are that there are two variables that have a positive and significant impact on competence, namely the variables work discipline and motivation. In contrast, the variable compensation has no significant effect on competency. However, all variables have a significant effect on performance through competence. In this case, there are still many things that leaders and policymakers can improve on, so that in providing community services employees still pay attention to what their needs are as assets in the organization.

# Author contributions

## Conflict of interest

The authors declare no conflict of interest.

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