

## The Effect of Motivation, Competence and Organizational Commitment on Performance of Employees in Food and Beverage Manufacturing Company

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### Abstract:

This study intends to examine and determine the impact of organizational commitment as an intervening variable on employee performance at one food and beverage company. In order to sample, permanent workers were given questionnaires using the Likert scale and one of the non-probability sampling approaches, known as saturation sampling. The SPSS application's route analysis is used in the data analysis process. There are two sub-structures in the research findings. In Sub-structure I, it is demonstrated that organizational commitment is significantly influenced by motivation, that it is not significantly influenced by human resource competence, and that it is significantly influenced concurrently by both motivation and human resource competence. According to Sub-Structure II, employee performance is significantly influenced by motivation, human resource competencies, organizational commitment, and employee performance. Additionally, employee performance is significantly influenced simultaneously by motivation, human resource competencies, and organizational commitment.

**Keywords:** Organizational Commitment, Performance, Motivation, Food and Beverage Company

### Introduction

Organizations face demands to focus more on fulfilling the needs and desires of consumers through better steps to provide satisfaction to consumers, along with an increase in the number of competitors and the intensity of competition. Organizational attention is not only on value orientation or the quality of services or products offered, but also on the internal organization, namely the field of human resources in order to provide optimal response and service in providing services and responding quickly to the needs and desires of consumers who continue to change. In facing these challenges, good human resource management (HR) is needed in an organization to continue to carry out the latest processes or innovations so that the organization continues to progress and succeed.

The role of technology in the industrial sector in Indonesia has become more inclusive. In the 4.0 era, the Food & Beverage industry can increase productivity by 10-15% due to the application of good technology according to projections by the Ministry of Industry. This can be a solution considering that factory operations cannot be carried out normally as they used to be before COVID-19 broke out. Through the implementation of 4.0 technology, utilization can be increased to 20-25%. The F&B industry is also an industrial sector that is prioritized from many other sectors to be given stimulus in the Making Indonesia 4.0 mapping series, so that it can make a significant contribution to the Gross Domestic Product (GDP) income of the non-oil and gas sector consistently. In early 2020, namely the first quarter, the Food & Beverage industry sector has made a significant contribution to Indonesia's GDP, namely 36.4%, where in the same period there was also a growth of 3.9% (Adam & Kamase, 2019).

To attain the degree of efficiency and effectiveness of its goals, any firm must develop the appropriate strategies to enhance employee performance, namely through motivation. This is the rationale behind why businesses must develop plans to raise the caliber of their human resources (HR) in order to meet their objectives and compete in the age of globalization. The maintenance and alignment of harmonious and healthy staff relations can help the organization meet its needs for increased competitiveness against expanding rivals (Aslan et al., 2020).

There are factors owned by human resources (HR), namely employees in achieving optimal performance and achievement. Performance achievement has a positive relationship with employee motives in achieving achievement, where the achievement motive functions as a driving force in employees in carrying out tasks, activities or workloads to the maximum extent possible to achieve performance with a commendable predicate. This means that employees will achieve optimal performance if they have high motivation to achieve. Humans basically have complex and diverse needs, not only related to the fulfillment of the standard of living or materialism, but also other needs such as self-development, social, security and prestige that must be met (Destari et al., 2021).

Based on pre-observation results, it is known that the average employee tardiness is quite high, which is 36.94% every month. There is a punishment applied by the company if the employee has been late for work for more than 10 minutes. This penalty applies if the employee has been late 3 times in a row and has received a warning. If the employee has been late 3 times in a row, the employee is given a Warning Letter (SP) by the company and recorded as a disgraceful act (Grosch, 2017).

The need for stimulus to have higher motivation is needed by employees in order to improve optimal performance. This is linear with one aspect of the motivation dimension according to McClelland (2009), namely the need for achievement where employees must fulfill the performance standards set by the company, including being present on time. Problems with the level of tardiness can affect employee performance, where the output of the work carried out can potentially be not maximized. According to HRD & GA staff, this level of tardiness is caused by different things, such as the passion or drive to do work on time that is not maximized, as well as the desire to obtain achievement. This problem is relevant to the main characteristics of motivation, employees must have a strong will for the application of effort to their job duties, as well as the direction or purpose for the implementation of the effort (Kadarisman, 2012).

HR development to achieve organizational goals and objectives through predetermined performance standards can be achieved through a competency base. Competencies that reside in individual employees are useful as organizational support in implementing strategies and accepting the application of changes made by management, and can be useful as a team work system. Competency determination is useful as a performance evaluation material that contains the motive or impetus for an action taken and produces results, namely employee performance. Through the identification of competencies owned by its employees, the company can recognize the needs of each employee related to competencies that need to be improved and adjusted.

In education or graduates, there is a dominance of graduates under D3 / S1, namely SMK, totaling 78 people. The problem that arises in employee competence lies in employee graduates who have education and literacy related to knowledge and formal education which is quite minimal, especially in the field of Food and Beverage (F&B). The diversity of these graduates is an extra task for HRD to communicate tasks or workloads, as well as further company goals and objectives so that all employees can work optimally, in accordance with the social competence indicator in the HR competency aspect that employees must understand the tasks of superiors or provide direction to subordinates properly (Matthews & Khann, 2016).

The role of employees in managing and implementing work is a major factor for the company. Employees really need an opportunity to develop themselves, not only in the aspect of knowledge or skills, but also in commitment to the organization. Organizational commitment can be defined as a feeling that employees have,

namely identification, loyalty, and involvement given to the organization. Organizational commitment can also be shown through strong beliefs in attitudes with good acceptance by employees, with the intention to stay in membership to achieve organizational goals through strong encouragement (Murgianto et al., 2016).

Companies are required to design new ways of working where the pandemic has just broken out and Large-Scale Social Restrictions (PSBB) are implemented. This is done so that the company can continue to carry out productivity and the company's human resources (HR), namely all employees, are saved from COVID-19. According to the HRD Manager at the research location, employee commitment is a key factor for the company's movement. Where the alignment of the worker program changes to work from home (WFH). In addition to placing employees to work from home, the company also made cuts to employee benefits per month by 25-35%, by not providing internet quota incentives. To deal with this problem, companies must formulate strategies in maintaining employee consistency in doing work, namely through more attention and focus on aspects of employee commitment, such as emphasis on affective commitment that employees have emotional ties and feel part of the company, as well as normative commitment that employees have a feeling to be loyal or stay with the company (Purbaningsih et al., 2021).

Employee performance is a result of work or employee achievement to carry out the tasks, workload and responsibilities given to him with the specified quantity and quality. Employee performance can also be seen for the results of work in a certain period through various aspects, such as targets, standards, and goals agreed upon. Organizations need employees who have important aspects such as in efforts to improve performance, namely motivation in doing work so that employees have the drive or drive to work optimally with their abilities, commitment to stay in the organization through belief and loyalty, and optimal use of competence with mastery of science, technology and skills possessed so that work can be completed properly. All these aspects are needed by employees so that the fulfillment of organizational targets can be carried out efficiently and effectively in the present or future. This study aims to analyze and identify the significant influence between motivation, HR competence and organizational commitment on employee performance (Sutagana et al., 2022).

## **Literature Review**

Performance is the ability of an individual in doing work, in order to achieve common goals optimally through sacrifice. Performance can also be done in groups or individuals in the completion of tasks or organizational work. The criteria that have been formulated and compared together into a criterion can be interpreted as performance or evaluation results. Performance is an overview of the implementation of policies or programs with the aim of achieving the vision, mission and goals of the organization using strategic plans in related organizations. Performance can be assessed and defined through a goal approach, where the achievement of work in the process of achieving organizational goals or objectives. Performance can also be seen through actions that are carried out routinely which will indicate work skills and achievements (Panggabean, 2004).

Motivation means to move, derived from the Latin word *movere*. The power to make an effort or effort for an individual is the meaning of the word motivation. So that motivation can be defined as a factor in individuals that provides encouragement in carrying out various activities, because of this motivation is often interpreted as a driving factor for a person in behavior. Motivation is something that can encourage individuals to show certain behaviors. Meanwhile, motivation is also found in the soul that has the conditions to achieve maximum achievement through encouragement (Tannady et al., 2020).

Competence is a combination of various aspects, such as attitudes, behaviors, values, skills and knowledge, as well as the character that a person has in doing work to achieve optimal success. Another aspect of HR competence that resides in a person is when he performs performances in the form of affection, psychomotor behavior and cognition performances supported by abilities and expertise. The competence possessed by an individual is utilized to carry out a task or job, based on the skills or knowledge possessed, through professionalism or excellence in a particular field (Tannady et al., 2023).

Competence can be interpreted as an ability in the form of a basic trait that an individual has by itself. This relates to how the individual executes the various jobs given in an effective way so that it is successful (and underlying characteristics: of an individual which is casually related to effective or superior performance in job), where everyone has an advantage, behavior, and achievements that are different due to different competency backgrounds. In the process of carrying out tasks in achieving optimal performance, there is a level of adequacy or average called special competencies, essential competencies or threshold competencies. These boundary

competencies are in a work structure or system that includes; performance appraisal, task transfer through planning (succession planning), HR development, and guidelines for personnel selection (Roberts, 2001).

Organizational commitment has a meaning as a condition in an employee who has alignment with an organization and the goals or achievements of the organization, with the intention of wanting to maintain the organization. Organizational commitment has a hierarchy in labor acceptance and trust, impacting on organizational goals and the urge to have an existence in the organization. This view has an explanation that has similarities with other experts where there is synergy in the vision and mission of individuals and organizations. Organizational commitment is an orientation or attitude that connects the identity of an individual to an organization. If the individual wants to enter an organization, there is a close relationship or relationship with the background that the individual has. So that if an individual enters an organization, he can have loyalty or loyalty to the organization due to a common thought (Siagian, 2018).

Integrated services have increased through synergy or partial mediation between the motivation given to employees on job satisfaction and employee performance. In general, employee performance is largely influenced by the independent variables of commitment, competence, work satisfaction, and motivation. Competence has a positive and small impact on employee performance, but motivation has a good and large impact on work satisfaction. Employee performance is positively and significantly impacted by motivation. Employee performance is positively and significantly impacted by job satisfaction. Through work happiness, competence has a small but beneficial impact on employee performance. Performance is significantly and favorably impacted by motivation, which is in turn mediated by work satisfaction (Sutagana et al., 2022).

## Methodology

In this study, the sampling technique used was the non-probability sampling part, namely saturated sampling, with 59 respondents. This study used a questionnaire to collect data, in this study also used a Likert scale. In this study using path analysis and also liner regression analysis for hypothesis testing. Before analyzing, the questionnaire was tested for validity and reliability first. Based on these tests, it was found that all data were valid, with a reliability of more than 0.700 for each variable used.

## Results

In testing the correlation coefficient test, it can be seen that the Pearson Correlation value range  $0 < r < 1$  has a positive correlation, while  $-1 < r < 0$  has a negative correlation. These results provide information that there is a strong relationship that exists between variables significantly and moderately strong). Based on the test results, structure I path analysis can be formulated through the coefficient of determination of 0.457 or 45.7%. The adjusted R square value of 45.7% indicates that the effect of Motivation (X1) and HR Competence (X2) on Organizational Commitment (Y) is 45.7%. While the rest of 0.543 or 54.3% ( $1-0.457$ ) is a possibility or opportunity that lies in other factors outside the X1 and X2 variables which also have an influence on the Organizational Commitment variable (Y).

Based on the calculation of the simultaneous significance test or the resulting F statistical test, an overall test or F test of sub-structure I can be formulated, namely F count = 23.604. Where F count is greater than F table = 2.77 (obtained through the calculation of  $df_1 = k-1 = 4-1 = 3$ ,  $df_2 = n-k = 59-4 = 55$ ) at  $\alpha = 0.05$ . Based on the calculations that have been carried out on the substructure I path analysis, information can be obtained that the path coefficient of the Motivation variable (X1) is significant, while for the HR Competency variable (X2) it is not significant with a value of  $\alpha = 0.05$ , where the t value obtained from the x1 variable is greater than the t table value of 1.67 (calculation of t table through the formula  $n-k = 59-2 = 1.67$ ), while X2 is smaller than t table. Based on the calculation results, structure II path analysis can be formulated through the coefficient of determination ( ) of 0.550 or 55%. The adjusted R square value of 55% indicates that the effect of Motivation (X1), HR Competence (X2) and Organizational Commitment (Y) on Employee Performance (Z) is 55%. While the rest of 0.45 or 45% ( $1-0.55$ ) is the possibility or opportunity that lies in other factors outside the variables X1, X2 and Y which also have an influence on the Employee Performance variable (Z).

Based on the calculation of the simultaneous significance test or F statistical test above, the overall test or F test of sub-structure II can be formulated, namely F count = 22.428. Where F count is greater than F table = 2.77 (obtained through the calculation of  $df_1 = k-1 = 4-1 = 3$ ,  $df_2 = n-k = 59-4 = 55$ ) at  $\alpha = 0.05$ . Based on the calculations that have been carried out on substructure II path analysis, information can be obtained that the path coefficients

of the three variables, namely Motivation (X1), HR Competence (X2) and Organizational Commitment (Y) are significant with a value of  $\alpha = 0.05$ . Because the three t counts on the three variables are greater than the t table value of 1.67 (calculation of t table through the formula  $n-k = 59-2 = 1.67$ ). For the amount of t count for each variable, it can be explained as follows  $\rho(zx1) = \beta$  (Beta) = 0.290 (t count = 2.344 with probability value (Sig) = 0.023) ;  $\rho(zx2) = \beta$  (Beta) = 0.239 (t count = 2.620 with probability value (Sig) = 0.011);  $\rho(zy) = \beta$  (Beta) = 0.439 (t count = 4.018 with probability value (Sig) = 0.000).

## Discussion

Based on the calculation results, the significance level of the Motivation variable (X1) on Employee Performance (Z) is 0.023 and t count is 2.344. This shows that it is  $H_a$  accepted, due to  $Sig \leq 0.05$  ( $0.023 < 0.05$ ) and t count  $>$  t table ( $2.344 > 1.67$ ). So it can be seen that Motivation (X1) has a significant and positive influence on Employee Performance (Z). The results of this study are relevant to previous research which states that motivation has a positive and significant effect on employee performance.

Based on the calculation results in table 4.15, the significance level of the HR Competency variable (X2) on Employee Performance (Z) is 0.011 and t count is 2.620. This shows that it is  $H_a$  accepted, caused by  $Sig \leq 0.05$  ( $0.011 < 0.05$ ) and t count  $>$  t table ( $2.620 > 1.67$ ). So it can be seen that HR Competence (X2) has a significant and positive influence on Employee Performance (Z). The results of this study are relevant to previous research which states that competence has a significant and positive effect on employee performance.

Based on the calculation results, the significance level of the Organizational Commitment variable (Y) on Employee Performance (Z) is 0.000 and t count is 4.018. This shows that it is  $H_a$  accepted, caused by  $Sig \leq 0.05$  ( $0.000 < 0.05$ ) and t count  $>$  t table ( $4.018 > 1.67$ ). So it can be seen that Organizational Commitment (Y) has a significant and positive influence on Employee Performance (Z). The results of this study are relevant to previous research which states that organizational commitment has a significant and positive effect on employee performance.

Based on the calculation results, simultaneously (ANOVA diagram), the significance level of the Motivation (X1), HR Competence (X2) and Organizational Commitment (Y) variables on Employee Performance (Z) is 0.000 and F count is 22.428. This shows that it is  $H_a$  accepted, caused by  $Sig \leq 0.05$  ( $0.000 < 0.05$ ) So it can be seen that Motivation (X1), HR Competence (X2) and Organizational Commitment (Y) have a simultaneous influence on Employee Performance (Z). The results of this study are relevant to previous research which states that motivation, competence and organizational commitment have a simultaneous influence on employee performance.

Based on the formulation of the sobel test, a t value of 1.974 can be obtained. The calculated t value obtained is greater than the t table with a significance level of 0.05, which is 1.67. This explains that there is a mediating effect on the Organizational Commitment variable (Y) in mediating the relationship between the Motivation variable (X1) on Employee Performance (Z). Meanwhile, when compared to the direct effect of 0.290, the indirect effect (mediation) is still greater. These results indicate that there is an indirect effect between motivation on employee performance through organizational commitment significantly. Based on the formulation of the sobel test, a t value of 2.142 can be obtained. The calculated t value obtained is greater than the t table with a significance level of 0.05, which is 1.67. This explains that there is a mediating effect on the Organizational Commitment variable (Y) in mediating the relationship between the HR Competency variable (X2) on Employee Performance (Z). Meanwhile, when compared to the direct effect of 0.239, the indirect effect (mediation) is still greater. These results indicate that there is an indirect effect between HR competencies on employee performance through organizational commitment significantly.

## Conclusion

The following conclusions can be drawn from the research findings, discussion, and analysis related to the impact of motivation and human resource competence on employee performance, with organizational commitment serving as an intervening variable and the application of the path analysis method. Motivation significantly affects organizational commitment. Organizational commitment is not much influenced by competence. Organizational commitment is significantly influenced by motivation and competence. Employee performance is significantly influenced by motivation. Employee performance is significantly influenced by competence. Employee performance



is significantly impacted by organizational commitment. Employee performance is significantly influenced by motivation, competence, and organizational commitment.

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