



Competency, Commitment, and Compensation Effects on Employee Performance via Motivation in Mojokerto City Government

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Abstract

Purpose: This study aims to examine the effect of competency, commitment, and compensation on employee performance, with motivation as an intervening variable, among employees in the Economic and Natural Resources Division of Mojokerto City Government.

Research Methodology: The research used a quantitative approach with a saturated sample of 35 employees. Data were collected using structured questionnaires and analyzed using Partial Least Squares (PLS) to test both direct and indirect relationships between variables.

Results: The findings indicate that competency, commitment, and compensation each have significant positive effects on motivation and directly on employee performance. Motivation also significantly influences performance. Additionally, commitment and compensation positively affect performance through motivation as an intervening variable, while competency's effect through motivation was not significant.

Conclusions: Competency, commitment, and compensation are key determinants of employee motivation and performance. Motivation plays a partial mediating role, enhancing the influence of commitment and compensation on performance.

Limitations: The study is limited by its small sample size and focus on a single division within Mojokerto City Government, which may affect the generalizability of results to other contexts.

Contributions: This study provides empirical evidence for local government HR management, highlighting the importance of enhancing competency, commitment, and compensation systems to improve employee motivation and performance.

Keywords: Competence, Commitment, Compensation, Motivation, Partial Least Square, Performance

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1. Introduction

Human resource management (HRM) is a strategic process that optimizes human resources effectively and efficiently through planning, mobilizing, and controlling human capabilities to achieve organizational goals (Chakraborty, & Biswas, 2019; Rahsel, & Gumanti, 2022). In local government, HRM plays a pivotal role in ensuring that public policies and programs are implemented successfully,

especially in divisions responsible for managing complex development initiatives, such as the Economic and Natural Resources Division of the Mojokerto City Government. Employee performance in this division is not only an indicator of individual effectiveness but also a measure of organizational capacity to deliver public services and achieve strategic development targets. Key determinants that influence employee performance include competency, commitment, and compensation, which collectively drive motivation and overall work outcomes ([Satoto, 2023](#)).

Competency refers to an employee's knowledge, skills, and work-related attitudes that enable professional, effective, and efficient task execution ([Salman, Ganie, & Saleem, 2020](#)). Employees with high competency are better equipped to adapt to evolving job demands, make informed decisions, and meet organizational expectations, as outlined in the Decree of the Head of the State Civil Service Agency No. 46a of 2003. Competency development programs, such as training and skill enhancement initiatives, not only improve technical capabilities but also increase employees' confidence and intrinsic motivation to perform tasks. Commitment, by contrast, reflects an employee's psychological attachment, loyalty, and sense of responsibility toward organizational objectives ([Karmakar, 2020](#)). High commitment promotes consistent, accountable behavior and significantly contributes to the achievement of organizational targets, fostering a culture of engagement and perseverance among public servants.

Compensation encompasses both direct and indirect rewards provided to employees for their contributions. Direct compensation includes salaries, wages, bonuses, and commissions, while indirect compensation covers benefits such as health insurance, leave allowances, and other facilities ([Durairaj, 2021](#)). A well-structured compensation system serves multiple purposes: it satisfies employees' financial needs, enhances engagement, and strengthens loyalty. Moreover, fair compensation acts as an extrinsic motivator that complements intrinsic factors like commitment and competency, thereby influencing employee performance and overall organizational effectiveness. In public sector organizations, where non-monetary recognition and career development opportunities may also play a role, a comprehensive compensation strategy is vital to sustaining motivation and productivity ([Haddad & Ashaal, 2023](#)).

Motivation acts as a mediating factor that channels the effects of competency, commitment, and compensation into measurable performance outcomes ([Karmakar, 2020](#)). It is defined as the internal drive that encourages employees to work collaboratively, efficiently, and with sustained effort to achieve organizational goals. Motivated employees are more likely to demonstrate initiative, maintain high productivity, and align their actions with the organization's strategic objectives. In addition, motivation reinforces the application of acquired competencies and the positive effects of commitment and compensation, creating a synergistic effect that enhances performance. Understanding motivation as both an outcome and mediator is therefore essential in designing HR interventions that maximize employee contributions ([Rigby & Ryan, 2018](#)).

Within the Economic and Natural Resources Division of Mojokerto City Government, employee performance serves as a crucial indicator of program success and organizational capacity. Strong performance ensures that government objectives are met, public resources are managed efficiently, and services are delivered effectively ([Moullin, 2017](#)). Consequently, the integration of competency, commitment, and compensation with motivation is essential for enhancing employee performance. Human resources, as strategic assets, must be nurtured and managed to optimize both individual and organizational outcomes. Proper HRM practices, such as competency development, fair compensation policies, and fostering commitment and motivation, are critical for maintaining the quality and sustainability of public service delivery ([Haider, Bao, Larsen, & Draz, 2019](#)).

This study investigates the direct and indirect relationships among competency, commitment, and compensation on employee performance, with motivation serving as an intervening variable. By examining these relationships, the study provides empirical insights into how HR strategies can be optimized in a local government context. The findings aim to inform policymakers and HR managers within Mojokerto City Government about effective human resource practices that enhance employee motivation, performance, and ultimately the quality of public service delivery. Understanding these

dynamics is crucial not only for internal efficiency but also for strengthening organizational capacity and achieving sustainable development objectives.

The analysis indicates that competency significantly affects motivation, with a p-value of 0.019 and a T-statistic of 2.070, both meeting the threshold for statistical significance. This finding implies that employees who possess higher levels of knowledge, skills, and work-related attitudes are more likely to be motivated in performing their tasks. Competency provides the foundation for employees to feel capable and confident in their roles, which in turn drives engagement and initiative. These results are consistent with the findings of [Fadli, Modding, and Zakaria \(2023\)](#), who reported that employees' competencies positively influence their work motivation and overall job satisfaction. Therefore, developing employee competencies is essential for enhancing motivation within public sector organizations like the Mojokerto City Government.

Moreover, the significant effect of competency on motivation suggests that training and skill development programs can be strategically implemented to increase employee engagement. By investing in professional development and continuous learning opportunities, organizations can enhance both the technical abilities and motivational levels of employees, leading to more proactive behavior and higher productivity in managing public sector responsibilities.

2. Literature Review and Hypothesis/es Development

2.1 Competency and Employee Performance

Competency refers to the combination of knowledge, skills, and attitudes that enable employees to perform tasks effectively and efficiently ([Nugroho, Erari, & Adji, 2021](#)). Competent employees can adapt to complex tasks, solve problems, and make informed decisions, which directly supports organizational objectives. In local government, particularly within the Economic and Natural Resources Division of Mojokerto City Government, high competency is essential for ensuring the success of development programs and public services. Competency not only allows employees to meet work expectations but also fosters confidence in managing government projects.

Empirical studies confirm that competency significantly affects employee performance. For instance, [Ritter, Small, Mortimer, and Doll \(2018\)](#) and [Salju \(2023\)](#) found that employees with higher competency levels deliver better outcomes in terms of quality and efficiency. Competency also interacts with other HR factors such as motivation, enabling employees to translate skills and knowledge into measurable performance improvements. Thus, competency is considered a fundamental determinant of productivity and organizational success in both public and private sectors.

2.2 Commitment and Employee Performance

Commitment is defined as an employee's psychological attachment, loyalty, and dedication to achieving organizational goals ([Adeoye, 2021](#)). Employees with high commitment consistently demonstrate responsible behavior, take ownership of tasks, and align their personal goals with organizational objectives ([Abbas, Chengang, Zhuo, Bilal, Manzoor, Ullah, & Mughal, 2022](#)). In the context of public sector organizations, commitment ensures that employees remain engaged in long-term programs and maintain continuity in service delivery. It is influenced by personal characteristics, job design, structural support, and work experience, reflecting the employee's willingness to contribute fully to organizational performance.

Several studies have confirmed the positive relationship between commitment and employee performance. Research by [Leitão, Pereira, and Gonçalves \(2019\)](#) shows that committed employees exhibit higher productivity, reliability, and quality of work. Commitment also interacts with other HR practices, reinforcing the effects of compensation and motivation on performance. In government organizations, fostering employee commitment is crucial for achieving policy objectives, enhancing organizational stability, and improving public service outcomes.

2.3 Compensation and Employee Performance

Compensation encompasses all financial and non-financial rewards provided to employees in exchange for their services, including salaries, bonuses, benefits, and allowances ([Kulikowski & Sedlak, 2023](#)). A well-structured compensation system satisfies employees' economic needs while serving as a motivator to encourage better work performance. In local government settings, such as the Mojokerto City Government, compensation practices influence employee satisfaction, engagement, and retention, which in turn affect the quality of service delivery.

Empirical evidence indicates that compensation significantly influences performance both directly and indirectly through motivation. Studies by [Sung, Choi, and Kang \(2017\)](#) demonstrate that fair and transparent compensation systems increase employee effort, productivity, and loyalty. Compensation not only rewards employees for past achievements but also incentivizes future performance. Therefore, strategic compensation design is a key tool for public sector HR management to enhance overall organizational effectiveness.

2.4 Motivation as an Intervening Variable

Motivation is the internal drive that stimulates employees to take action, exert effort, and persist in achieving goals ([Nurlina, Widayatsih, & Lestari, 2023](#)). It plays a critical mediating role in translating competency, commitment, and compensation into measurable employee performance. Motivated employees are more likely to be engaged, maintain high productivity, and contribute proactively to organizational objectives. In public sector organizations, motivation ensures that employees remain aligned with policy priorities and service delivery expectations.

Research shows that motivation significantly affects employee performance and mediates the effects of other HR factors. Studies by [Marina, Saluy, and Kemalasari \(2023\)](#) and [Sitopu, Sitinjak, and Marpaung \(2021\)](#) confirm that motivated employees demonstrate higher quality of work, better adherence to organizational standards, and increased efficiency. When competency, commitment, and compensation are combined with strong motivation, employees are more capable of achieving both individual and organizational targets, highlighting motivation's crucial role in HR management.

2.5 Integration of HR Factors

The integration of competency, commitment, and compensation with motivation creates a holistic human resource management model that effectively predicts employee performance ([Satoto, 2023](#)). Competency provides employees with the necessary skills and knowledge to perform tasks efficiently, commitment ensures alignment and dedication to organizational goals, and compensation offers tangible rewards that reinforce employee efforts. Motivation acts as a crucial mediator, enhancing the influence of these factors by encouraging employees to apply their skills, maintain engagement, and translate incentives into measurable performance outcomes ([Blokker, Akkermans, Tims, Jansen, & Khapova, 2019](#)).

This integrated framework is particularly valuable for local government organizations, such as the Economic and Natural Resources Division of Mojokerto City Government, where employees manage critical public resources. By simultaneously developing competencies, fostering commitment, and implementing fair compensation systems, managers can strengthen motivation and maximize performance. The model highlights the interconnected nature of HR practices, showing that optimizing competency, commitment, and compensation together with motivation leads to higher productivity, better service delivery, and sustainable organizational success.

3. Research Methodology

3.1 Population and Sample

The population used in this study was 35 civil servants in the Economic and Natural Resources Section of the Mojokerto City Government. The sampling technique used was either saturated or

census sampling. Saturated or census sampling is a sampling technique in which all members of the population are used in the US samples. The sample used in this study consisted of 35 employees from the Economic and Natural Resources Section of the Mojokerto City Government.

3.2 Analysis Methods

Partial Least Squares (PLS) was used for data analysis. PLS is a new analytical technique pioneered by Herman World and is commonly referred to as US soft modeling. With PLS, structural equations with relatively small sample sizes can be modeled, and multivariate normal assumptions are not required. Measurement models are used to test the validity and reliability of measuring instruments, and structural models are used in causal testing relationships. PSL path modeling was developed as an alternative to Structural Equation Modeling (SEM) with a weak theoretical basis ([Ghozali, 2021](#)).

4. Results and Discussions

4.1 Results

4.1.1 Evaluation Inner Model

Table 1. R-Square Calculation Value

Variables	R-Square	Information
Motivation (Z)	0.740	Reliable
Performance (Y)	0.936	Reliable

Table 1 shows the R-Square values for the endogenous variables in the model. Motivation (Z) has an R-Square of 0.740, indicating that 74% of the variance in motivation is explained by Competence (X_1), Commitment (X_2), and Compensation (X_3), which reflects a moderate level of predictive power. Employee Performance (Y) has an R-Square of 0.936, meaning that 93.6% of the variance in performance is accounted for by Competence, Commitment, Compensation, and Motivation, indicating a strong and robust model (Partial Least Square Data Processing Results).

4.1.2 Hypothesis Testing

Table 2. Direct Hypothesis Testing Results

	Original Sample (O)	Sample Mean (M)	Standard Deviatin (STDEV)	T - Statistics (O/STDEV)	P- Value
Competence (X_1) $\rightarrow$ Motivati on (Z)	0.237	0.246	0.114	2,070	0.019
Commitment (X_2) $\rightarrow$ Motivati on (Z)	0.380	0.415	0.161	2,362	0.009
Compensation (X_3) $\rightarrow$ Motivati on (Z)	0.452	0.394	0.157	2,875	0.002
Competence (X_1) $\rightarrow$ Performa nce (Y)	0.191	0.208	0.098	1,963	0.025
Commitment (X_2) $\rightarrow$ Performa nce (Y)	0.183	0.186	0.081	2,272	0.012
Compensation (X_3) $\rightarrow$ Performa nce (Y)	0.504	0.506	0.089	5,645	0,000
Motivation (Z) $\rightarrow$ Performan ce (Y)	0.254	0.225	0.095	2,664	0.004

The results of the direct hypothesis testing, as shown in Table 2, indicate that competency (X_1), commitment (X_2), and compensation (X_3) each have a significant positive effect on motivation (Z) and employee performance (Y). Motivation (Z) also significantly influences performance (Y). The t-statistics and p-values confirm that all direct paths are statistically significant at the 0.05 level, except for the minor differences in sample means. For the indirect hypothesis testing, the results demonstrate the mediating role of motivation (Z) between the independent variables (competency, commitment, and compensation) and employee performance (Y). Specifically, commitment and compensation significantly affect performance through motivation, whereas the indirect effect of competency on performance through motivation is not statistically significant ($p > 0.05$). These findings indicate that motivation partially mediates the relationships between HR factors and employee performance (PLS Data Processing Results).

4.2 Discussion

4.2.1 The Influence of Competence on Motivation

The analysis indicates that competency significantly affects motivation, with a p-value of 0.019 and a T-statistic of 2.070, both meeting the threshold for statistical significance. This finding implies that employees who possess higher levels of knowledge, skills, and work-related attitudes are more likely to be motivated in performing their tasks. Competency provides the foundation for employees to feel capable and confident in their roles, which in turn drives engagement and initiative. These results are consistent with the findings of [Hajiali, Kessi, Budiandriani, Prihatin, & Sufri, 2022](#), who reported that employees' competencies positively influence their work motivation and overall job satisfaction. Therefore, developing employee competencies is essential for enhancing motivation within public sector organizations like the Mojokerto City Government.

Moreover, the significant effect of competency on motivation suggests that organizations can strategically implement comprehensive training and skill development programs to enhance employee engagement and performance. By investing in structured professional development initiatives, such as workshops, on-the-job training, certifications, and continuous learning opportunities, organizations can strengthen both the technical expertise and motivational levels of employees. Competency-building programs not only equip employees with the knowledge and skills necessary to handle complex tasks effectively but also increase their confidence and willingness to take initiative ([Shet, Patil, & Chandawarkar, 2019](#)). This proactive behavior translates into higher productivity, improved problem-solving, and more efficient execution of responsibilities. In public sector organizations like the Mojokerto City Government, such interventions are particularly valuable, as they enable employees to adapt to evolving policies, manage diverse projects, and maintain high-quality service delivery. Ultimately, aligning training and development efforts with organizational goals ensures that competency enhancement directly contributes to sustained motivation, engagement, and overall organizational effectiveness.

4.2.2 The Influence of Commitment on Motivation

Commitment was found to have a significant positive effect on motivation, with a p-value of 0.009 and a T-statistic of 2.362. Employees with a strong sense of commitment demonstrate consistent dedication to their organizational roles, which encourages sustained effort and goal-oriented behavior. High commitment strengthens the psychological attachment of employees to their tasks and organizational objectives, enhancing intrinsic motivation. These results align with the study by [Davidescu, Apostu, Paul, and Casuneanu \(2020\)](#), which highlighted the critical role of commitment in fostering motivation and supporting employee engagement. Cultivating organizational commitment is therefore a key strategy for improving motivation and long-term performance in government institutions.

In addition, this finding underscores the importance of organizational culture and leadership in reinforcing employee commitment. Supportive management practices, such as providing regular feedback, mentoring programs, and opportunities for professional growth, can significantly strengthen employees' sense of responsibility and attachment to the organization. Clear and consistent communication of organizational goals ensures that employees understand the strategic vision, their roles within it, and how their individual contributions impact overall success ([Nurlina, Widayatsih, & Lestari, 2023](#)). Furthermore, recognizing and rewarding employee achievements—both formally, through promotions or bonuses, and informally, through verbal appreciation or public acknowledgment—can enhance commitment by demonstrating that effort and dedication are valued ([Adeoye, 2021](#)). Together, these practices cultivate a work environment that fosters intrinsic motivation, encourages proactive behavior, and strengthens alignment with long-term organizational objectives. By embedding a culture of support, recognition, and shared purpose, leaders can ensure that employees remain engaged, resilient, and dedicated, ultimately contributing to sustainable organizational performance and the achievement of strategic goals over time ([Karmakar, 2020](#)).

4.2.3 The Effect of Compensation on Motivation

The effect of compensation on motivation was statistically significant, with a p-value of 0.002 and a T-statistic of 2.875. This suggests that both direct and indirect rewards, such as salaries, bonuses, allowances, and other benefits, serve as important drivers of employee motivation. Compensation provides tangible recognition of employee effort and reinforces desired work behaviors, encouraging employees to maintain high performance levels. This finding is in line with [Marina, Saluy, and Kemalasari \(2023\)](#), who demonstrated that fair and transparent compensation systems enhance motivation and increase employee commitment. Therefore, implementing equitable and motivating compensation structures is crucial in the public sector to sustain employee morale and performance.

Furthermore, the significant effect of compensation on motivation implies that HR managers should design comprehensive compensation packages that effectively balance financial incentives with non-financial recognition. In addition to performance-based bonuses, structured salary increments, and monetary allowances, non-financial benefits such as career development opportunities, professional certifications, flexible work arrangements, and recognition programs can significantly enhance employees' intrinsic motivation. By aligning compensation strategies with performance outcomes and individual contributions, employees are encouraged to exert greater effort, demonstrate initiative, and remain committed to organizational objectives ([Kulikowski, & Sedlak, 2023](#); [Durairaj, 2021](#)). In the context of public sector organizations like the Mojokerto City Government, well-designed compensation packages not only reward employees for their work but also create a motivating environment that supports productivity, engagement, and overall organizational performance. Ultimately, integrating financial and non-financial incentives ensures that employees perceive their efforts as valued, reinforcing motivation and contributing to sustainable improvements in service quality and organizational effectiveness.

4.2.4 The Influence of Competence on Employee Performance

Competency also significantly affects employee performance, with a p-value of 0.025 and a T-statistic of 1.963. Employees who demonstrate high competence are better equipped to complete tasks efficiently and maintain quality standards, leading to higher performance outcomes. Competency enhances problem-solving capabilities and decision-making effectiveness, which are critical for managing complex projects in the Economic and Natural Resources Division. These findings support [Shet, Patil, and Chandawarkar \(2019\)](#), who reported that employee competence directly improves performance by enabling individuals to execute responsibilities effectively and meet organizational expectations.

In addition, this result highlights that organizations can achieve higher operational efficiency by strategically aligning employee competencies with specific job roles. By ensuring that employees possess the skills and expertise required for their assigned responsibilities, organizations can minimize errors, reduce rework, and optimize workflow processes. This alignment not only enhances individual

productivity but also improves the overall quality and consistency of public service delivery ([Cohen, Naseraldin, Chaudhuri, & Pilati, 2019](#)). In practical terms, organizations can implement competency mapping, job rotation, and targeted training programs to match employee strengths with role requirements. For public sector institutions like the Mojokerto City Government, such strategies enable employees to perform tasks more effectively, support timely completion of development projects, and increase the responsiveness and satisfaction of the communities they serve. Ultimately, aligning competencies with roles creates a more capable, confident, and motivated workforce, which directly contributes to sustainable organizational performance and service excellence.

4.2.5 The Influence of Commitment on Employee Performance

The analysis shows that commitment positively impacts employee performance, with a p-value of 0.012 and a T-statistic of 2.272. Employees who are highly committed are more likely to take ownership of their work, demonstrate persistence, and align their behavior with organizational goals. Commitment fosters consistency, reliability, and accountability, which are essential for achieving performance targets in public sector organizations. This result is consistent with [Jufrizen, Rizki, and Arif \(2022\)](#), who found that commitment significantly improves employee performance by promoting engagement and responsibility.

Additionally, this finding suggests that enhancing employee commitment through leadership support, clear policies, and recognition programs can directly translate into improved performance. Supportive leadership, which provides guidance, mentorship, and constructive feedback, helps employees feel valued and understood, strengthening their psychological attachment to the organization ([Nugroho, Erari, & Adji, 2021](#); [Adeoye, 2021](#)). Clear and transparent organizational policies establish expectations and provide a framework for accountability, while recognition programs—such as awards, promotions, or public acknowledgment—reinforce positive behaviors and accomplishments. By fostering a sense of belonging, responsibility, and ownership over their work, organizations can maintain high levels of motivation, engagement, and output ([Abbas, Chengang, Zhuo, Bilal, Manzoor, Ullah, & Mughal, 2022](#)). In public sector institutions like the Mojokerto City Government, this approach ensures that strategic objectives are consistently met, service quality is maintained, and employees remain committed to achieving both individual and organizational goals over the long term. Ultimately, combining leadership support, policy clarity, and recognition mechanisms creates a sustainable environment for enhanced employee performance and organizational success.

4.2.6 The Influence of Compensation on Employee Performance

Compensation has a strong and statistically significant effect on performance, with a p-value of 0.000 and a T-statistic of 5.645. This indicates that employees who receive adequate rewards and benefits are more motivated to perform effectively and maintain high productivity. Compensation not only satisfies financial needs but also reinforces employees' perception of being valued, which drives performance improvements. These findings align with [Reddy \(2020\)](#), confirming that fair and structured compensation systems directly enhance employee output and overall organizational performance.

Moreover, the effect of compensation on performance through enhanced motivation emphasizes the importance of designing performance-linked pay and incentive programs that are closely aligned with measurable outcomes. By directly connecting rewards—such as salary increments, bonuses, or other financial incentives—to specific performance indicators, organizations can create a feedback loop that reinforces desired behaviors and encourages continuous improvement ([Reddy, 2020](#); [Marina, Saluy, & Kemalasari, 2023](#)). Non-financial incentives, including recognition programs, professional development opportunities, or career advancement pathways, further strengthen this motivational effect by enhancing employees' sense of achievement and value within the organization. In the context of public sector institutions like the Mojokerto City Government, implementing such integrated compensation and incentive strategies ensures that employees are not only rewarded for past performance but are also motivated to maintain high levels of productivity and engagement. Ultimately, aligning compensation with measurable outcomes and motivation creates a sustainable

mechanism for improving individual performance, organizational efficiency, and the quality of public service delivery.

4.2.7 The Influence of Motivation on Employee Performance

Motivation significantly affects employee performance, as evidenced by a p-value of 0.004 and a T-statistic of 2.664. Motivated employees exhibit higher energy, engagement, and dedication to achieving organizational objectives. Motivation serves as a critical driver that translates competencies, commitment, and compensation into tangible performance outcomes. The results correspond with [Marina, Saluy, and Kemalasari \(2023\)](#), who found that motivation strongly predicts employee performance, particularly in environments that require sustained effort and collaboration. Enhancing employee motivation is therefore essential for achieving optimal performance in government institutions.

In practice, enhancing motivation requires a combination of intrinsic and extrinsic strategies that address both the personal and professional needs of employees. Intrinsic approaches, such as providing meaningful career development opportunities, professional training, and mentoring programs, help employees feel valued and capable, fostering a sense of purpose and engagement in their work. Extrinsic strategies, including recognition programs, performance-based rewards, and supportive leadership, reinforce desired behaviors and demonstrate organizational appreciation for employees' contributions ([Marina et al., 2023](#); [Satoto, 2023](#)). By integrating these strategies, public sector organizations like the Mojokerto City Government can cultivate a highly motivated workforce, which is essential for achieving higher productivity, ensuring consistent service quality, and improving overall organizational effectiveness. A motivated workforce not only completes tasks efficiently but also contributes to innovation, problem-solving, and the successful implementation of complex government programs, ultimately strengthening the organization's capacity to meet community needs and long-term strategic goals.

4.2.8 The Influence of Competence on Employee Performance through Motivation

The indirect effect of competence on performance via motivation was not statistically significant, with a p-value of 0.063 and a T-statistic of 1.529. This indicates that, while competency directly improves performance, its effect through motivation as a mediating variable is limited. Employees may possess high competence but may not necessarily translate it into enhanced performance unless other motivational or contextual factors are present. These findings are consistent with [Podlog, Burns, Dimmock, Jackson, Hall, and Fritz \(2021\)](#), who reported that motivation does not always mediate the relationship between competence and performance, suggesting that direct application of skills may drive results more than motivational factors alone.

Furthermore, this result implies that competency development alone may not be sufficient to enhance performance unless it is coupled with strategies to increase motivation. Organizations should therefore combine skill development with initiatives that encourage engagement and goal-oriented behavior to maximize performance outcomes.

4.2.9 The Influence of Commitment on Employee Performance through Motivation

Commitment significantly influences performance through motivation, with a p-value of 0.024 and a T-statistic of 1.982. This indicates that employees who are highly committed tend to be more motivated, which in turn enhances their performance. Motivation partially mediates the effect of commitment on performance, emphasizing the importance of psychological attachment combined with intrinsic drive. These results align with ([Davidescu, Apostu, Paul, & Casuneanu, 2020](#)) who found that motivated employees with strong organizational commitment demonstrate improved performance outcomes in public sector contexts.

Additionally, these findings highlight that interventions to enhance commitment—such as recognition programs, participative decision-making, and leadership support—can indirectly improve performance by fostering motivation. Organizations should therefore

design policies that strengthen commitment to maximize both motivational and performance outcomes.

4.2.10 The Effect of Compensation on Employee Performance through Motivation

The indirect effect of compensation on performance via motivation was significant, with a p-value of 0.022 and a T-statistic of 2.008. This finding shows that compensation not only directly influences performance but also works through motivation to further enhance employee outcomes. Compensation incentivizes employees to exert greater effort, and motivation strengthens this effect, resulting in higher productivity and task achievement. This is consistent with [Marina, Saluy, and Kemalasari \(2023\)](#), who reported that compensation positively affects employee performance through motivation as a mediating variable, highlighting the importance of combining extrinsic rewards with internal drive to optimize results.

Furthermore, this result suggests that organizations should adopt integrated HR strategies where compensation policies are designed to reinforce motivational mechanisms. By aligning rewards with both effort and performance outcomes, employees are encouraged to apply their skills and commitment more effectively, leading to sustained improvements in organizational productivity.

5. Conclusions

The results of this study indicate that competency, commitment, and compensation each have a significant effect on employee motivation. Competency, commitment, and compensation also directly influence employee performance. Additionally, motivation has a significant positive effect on performance. When considering motivation as an intervening variable, competency, commitment, and compensation continue to exert significant effects on employee performance, highlighting the mediating role of motivation in enhancing the impact of these human resource factors. Overall, the findings suggest that improving competency, fostering commitment, and implementing fair compensation systems, alongside strengthening motivation, are essential strategies for enhancing employee performance in the Economic and Natural Resources Division of Mojokerto City Government.

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Author Contributions

LR contributed to the conceptualization, data collection, methodology, and manuscript drafting. S provided supervision, validation of research methods, and critical review of the manuscript. EW contributed to theoretical development, data interpretation, and refinement of the final manuscript. All authors have read and approved the final version of the manuscript.

Conflict of Interest

The authors declare that there is no conflict of interest regarding the publication of this article. The research was conducted independently without any financial, personal, or professional relationships that could have influenced the results or interpretation of this study.

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