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Empowering Employees: The Role of Competence and Motivation in Productivity

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ABSTRACT

The purpose of this study is to demonstrate how competence and career development affect workers' productivity, with motivation acting as an intervening variable. The research was conducted at PT HK Realtindo, involving 115 employees. A quantitative methodology was employed, utilizing random sampling techniques. Data were analyzed using the Structural Equation Model (SEM) with Smart-PLS 3 software. The findings indicated that competence positively affects motivation, and career development also significantly influences productivity through its impact on motivation.

Keywords: *Competence, career development, motivation, productivity, structural equation modelling*

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1. INTRODUCTION

Human resources (HR) is one of the main components in a company for carrying out various functions needed to move in a better direction. Basically, every individual has a high potential to advance the company, which is supported by the company's vision, mission, and goals. They also put retention methods into practice, which lower turnover and preserve organizational stability. HR offers employees options for professional growth and skill advancement through training and development. Employees gain from this, and the organization's general competency is improved (Davidescu et al., 2020).

Work productivity can be used as a company benchmark to determine the extent to which human resources are willing to make sacrifices to achieve company goals. Research conducted by Kuswibowo (2021) revealed that workers' productivity is related to competence, career development, and work motivation. Competence is an internal factor of the individual, while career development is a factor provided by the company. When these two factors are available, they can motivate someone to work more productively. Career development positively influences employee performance both directly and through job satisfaction (Katharina & Dewi, 2020). However, the results of the research by Prasetio & Hasanah (2022) stated that career development did not affect employee performance, but competence and motivation did. Compensation actually shows a strong influence on improving employee performance, not career development (Suryanto & Cahaya, 2023). When employees have equal opportunities for career development, regardless of race, ethnicity, gender, or age, they will give their best for the company. This, in itself, will motivate employees to work hard. However, gender, racial, and ethnic stereotypes—in certain companies—are still embedded in the minds of the public, which hinders employee career progress. In fact, there are still gender stereotypes that cause problems in women's career advancement (Tabassum & Nayak, 2021).

PT. Hutama Karya (HK) Realtindo is a state-owned enterprise (BUMN) that operates in the property sector in Indonesia. In 2023, it is expected to manage 13 projects, which are divided into hotels, apartments, offices, and housing. The company's earnings have fluctuated greatly over the past five years. In 2019, the company's revenue increased drastically but fell sharply during 2020-2021 when the COVID-19 pandemic occurred (Figure 1). In 2022, it is estimated that income will not recover to pre-COVID-19 levels. The global uncertainty caused by the COVID-19 pandemic has slowed economic recovery in various sectors (Farida et al., 2022). Employee motivation may weaken if the company is not managed effectively, which can lead to suboptimal performance. Companies have a responsibility to strengthen human resources, which can be achieved through talent development.

The recruitment process for new employees at PT. HK Realtindo has been delayed due to the COVID-19 pandemic, creating challenges as the company works to achieve its targets. Ideally, companies need to foster strong employee attitudes and mentalities to tackle increasingly complex business challenges. By focusing on PT. HK Realtindo, which is navigating post-pandemic economic challenges, this research aims to contribute to the understanding of how companies in volatile industries can leverage human resource strategies to maintain and improve performance.

Training is important for employees, especially for product knowledge. Mastering the products being sold will significantly increase work productivity. There is training that must be provided by the company; however, there are also competencies that can be obtained from outside sources. Competencies that match skills encourage employees to be more productive. On the other hand, having human resources in an environment that does not align with their skills will demotivate employees, resulting in low productivity (Kariza et al., 2022).

Motivation can be linked to productivity because it makes employees feel independent and responsible for the tasks assigned to them without guidance from superiors. With the number of projects continuing to increase, employees need to improve the quality of their work so that they can work more productively to achieve their goals in the property sector they manage each year.

According to research results (Sabil et al., 2021), competence does not appear to affect company performance; however, motivation has a direct influence on it. Research by Sujiati et al. (2017) using competency variables as an intervening factor proves that motivation influences company performance both directly and indirectly. Moreover, competence in the research conducted by Sari and Krisnandi (2023) has been shown to positively influence work productivity through motivation, both directly and indirectly.

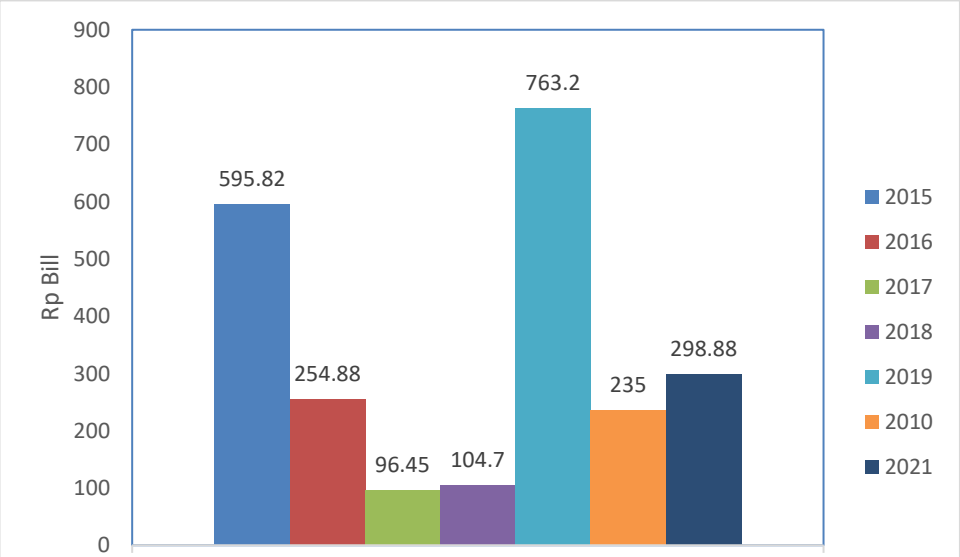


Figure 1. Revenue of PT HK Realtindo

Source: Financial Report, 2021

Career development and employee competency are very important because they provide opportunities for future success. Of course, these factors are also useful for companies looking to increase productivity and overall performance. Employees hope for increased salaries, a sense of security, and job satisfaction, which in turn fosters motivation to work harder. From the empirical literature review above, there are gaps in research findings or notable differences. This research seeks to fill the gap regarding state-owned companies operating in the property sector, which is particularly vulnerable to global issues. For these reasons, research on competence, career development, motivation, and productivity is important to undertake.

2. LITERATURE REVIEW

Work Productivity

According to Sunarsi (2018), work productivity is a comparison between work results and the sacrifices made by individuals to improve the company's output. Work productivity means that employees are able to complete tasks efficiently and effectively to achieve predetermined company goals (Putra & Mujiati, 2022). In addition to work productivity, Lestari and Farida (2023) use the term work performance as a dependent variable in their research. Therefore, it can be summarized that the definition of work productivity is a comparison of work results with the sacrifices made, and it is the result of the relationship between output and input, with a focus on achieving the same goal. Company performance, or work productivity, can be measured both qualitatively and quantitatively. The concept of productivity encompasses many meanings.

According to Busro (2018), factors influencing work productivity can be divided into the following categories: 1) The ability of employees to translate technical, tactical, and strategic policies into a suitable framework for achieving goals. 2) Human resource management must be able to formulate and provide a framework for decision-making by motivating employees to enhance their work. 3) Encouragement or motivation from managers is essential for maximizing productivity. 4) Fair treatment in providing equal opportunities to all employees.

Work Motivation

Motivation, according to Sutrisno (2016), is the result of interactions in a particular situation, which leads to differences in motivation levels between individuals. Motivation is the driving element that underlies a person's work performance (Sunarsi, 2018). It is an individual behavior influenced by intrinsic and extrinsic factors that affect a person's ability to carry out their work. Motivation encourages people to make their best efforts to achieve company goals. Research by Maduka and Okafor (2014) at a manufacturing company in Nnewi found that junior workers whose salaries are below the provisions of the Joint National Industrial Council of Nigeria have poor motivation and low productivity. Junior staff also rarely receive promotions and prefer financial incentives over non-financial incentives.

According to Sutrisno (2016), work motivation factors can be divided into two categories:

Internal factors, which include:

a. The will to survive;

b. The will to possess;

c. The will to win honors;

d. The will to be recognized;

e. The will to wield power.

External factors, which can be broken down into the following categories:

a. Workplace conditions;

b. Sufficient pay;

c. Effective supervision;

d. Job security;

e. Status and obligations;

f. Adjustable regulations.

Competence

According to Busro (2018), competence refers to an individual’s possession of knowledge, skills, and other internal elements that enable them to perform tasks effectively. It is a personal characteristic that allows someone to successfully carry out their responsibilities. Competence is a combination of motives, self-concept, characteristics, knowledge, and abilities/skills (Fu’ad & Aminnudin, 2021). In other words, competence is something possessed by an individual that enables them to successfully fulfill their duties. The extent of a person's competence can be observed through their knowledge, skills, and work attitude, which are reflected in their work performance (Grant & Shandell, 2022). Competency standards are established both technically and managerially to determine a person's professionalism (Utamy et al., 2020). Several factors contribute to competency, including: 1) Values and beliefs, 2) Competencies, 3) Work history, 4) Company culture, 5) Feelings, and 6) Cognition.

Career Development

Career development, according to Ardana et al. (2014), is the individual improvement carried out by a person to achieve a work plan in accordance with the company's path or level. In business, career development is a process that aims to manage the growth of workers’ potential to achieve greater career aspirations (Suryanto & Cahaya, 2023). Understanding career development involves two processes: career management, which is the design and implementation of career development programs by the business, and career planning, which is the process by which individuals plan and carry out their career goals.

Career development factors, according to Hartatik & Nareswati (2014), consist of:

1. Employee and company relationships
2. Employee characteristics, specifically the nature of employees within a company
3. External factors, including encouragement from outside parties and planning the employee's career as seen in employee performance and productivity

4. Reward systems
5. Number of employees
6. Company size.

3. RESEARCH METHOD

The research utilized quantitative analysis on employees of PT. HK Realtindo as respondents. Simple random sampling was the method employed for this study. A total of 115 respondents' data were collected. Data collection was conducted using Google Forms, with questionnaires distributed via a WhatsApp group, and all 115 employees answered through the Google Form. A 5-point Likert scale was used to gauge the respondents' answers. Partial Least Squares Structural Equation Modeling (PLS-SEM) was then used to process the data.

There were two phases in the execution of the measuring model. The first phase involved the outer measurement model. The purpose of the path coefficient test is to determine the validity and reliability of the direct and indirect effects of exogenous variables on the endogenous variable. Validity testing was conducted by examining the outer loading results, with indicators meeting the requirement if their value exceeds 0.708. Any indicators with a smaller value will be eliminated.

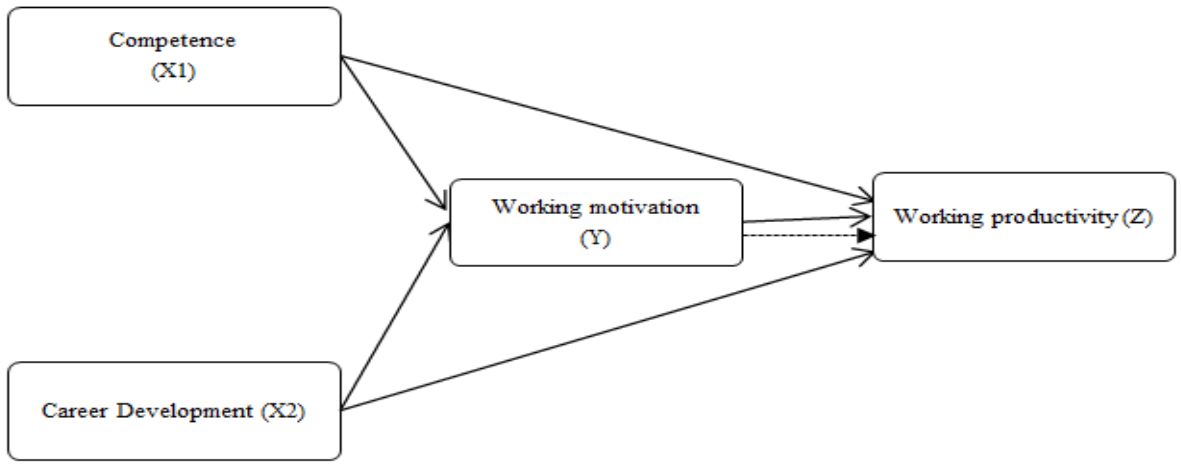
The second phase involved the structural model (inner measurement), which consists of R^2, f^2, and goodness of fit (GoF) tests. The R-squared (R^2) value can be used to explain the influence of specific exogenous latent variables on other endogenous or exogenous latent variables, assessing whether they have a substantive influence. According to Hair et al. (2019), the R^2 values of 0.75, 0.50, and 0.25 indicate that the model is strong, moderate, and weak, respectively.

F-squared (f^2) is a measure used to assess the relative impact of an influencing variable (exogenous) on an influenced variable. According to Sarstedt et al. (2017), f^2 values of 0.35, 0.15, and 0.02 can help conclude that the model is large, medium, and small, respectively.

Finally, hypothesis testing uses the path coefficient to examine the direct and indirect influence of exogenous variables on endogenous variables. The path coefficient helps determine the direction of the relationship between variables, indicating whether it has a positive or negative direction, with a range between -1 and 1.

Hypothesis

Based on the background provided above and in line with the results of the theoretical basis, the conceptual framework in Figure 2 can be described as follows:



Dashes = Indirect effect
Figure 2. Conceptual framework
Source: Data processed, 2023

The following conjecture can be made based on Figure 2's explanation of the thinking framework:

H1: At PT. HK Realtindo, work motivation is influenced by competence.

H2: At PT. HK Realtindo, career development has an impact on employee motivation at work.

H3: At PT. HK Realtindo, competence has an impact on work productivity..

H4: At PT. HK Realtindo, career/professional development has an impact on work productivity at work.

H5: At PT. HK Realtindo, work motivation has an impact on productivity.

H6: At PT. HK Realtindo, work motivation acts as an intervening variable to affect competence on work productivity (Indirect effect).

H7: At PT. HK Realtindo, career growth/development han an impact on work productivity through work motivation as intervening variables (indirect effect).

4. RESULTS AND DISCUSSION

4. 1 RESULTS

Structural Equation Modeling – Partial Least Square (PLS)

The results of the full SEM model using SmartPLS (figure 3) have been eliminated and will be analyzed further.

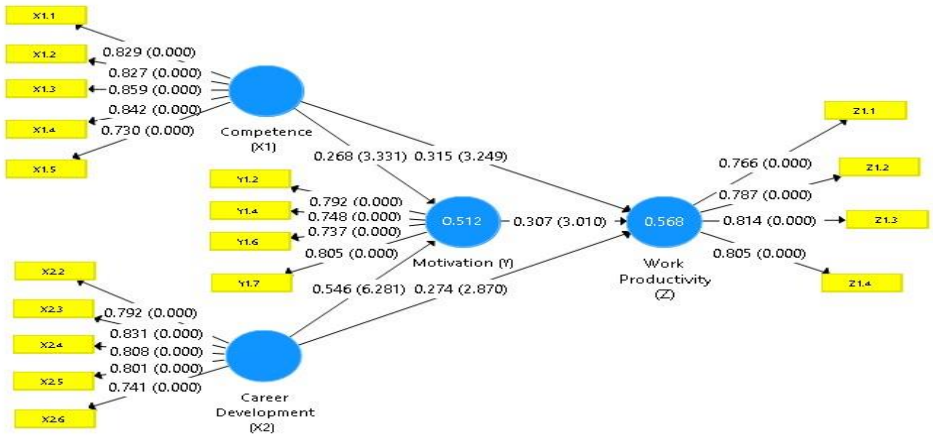


Figure 3. The full model of SEM-Smart-PLS

Source: Data processed (2023)

Before the elimination process, a total of 26 indicators were posed to respondents. These indicators were divided into competency dimensions: 7 items for competency, 8 items for career development, 7 items for motivation, and 4 items for work productivity. To fulfill the requirements of the outer model test, several indicators were removed in order to achieve validity and reliability for the instrument.

Outer Model

The outer model is carried out to obtain values that can be used for validity and reliability analysis. The purpose of this study is to determine the validity of the indicator items. By evaluating the statistical significance of standardized factor loadings, outer loading analysis is employed. Even modest standardized factor loadings can be statistically significant for samples that are somewhat large. However, this perspective is weak. Therefore, assessing the significance of standard factor loadings alone is not sufficient (Cheung et al., 2023).

In general, some researchers consider standardized factor loadings above 0.5 as acceptable, with 0.708 being deemed better. In this research, the loading factor used was greater than 0.7, and the Smart-PLS tool automatically issued a red alert for loading factor values below this threshold. We discarded any values marked in red or below 0.7 before retesting. The significant and accepted loading factor results are presented in Table 1.

Table 1 | Loading Factors for Convergent Validity

Indicators	Competence	Career Development	Motivation	Working Productivity
X1.1	0.829			
X1.2	0.827			
X1.3	0.859			
X1.4	0.842			
X1.5	0.730			
X2.2		0.792		
X2.3		0.831		
X2.4		0.808		
X2.5		0.801		
X2.6		0.741		
Y1.2			0.792	
Y1.4			0.748	
Y1.6			0.737	
Y1.7			0.805	
Z1.1				0.766
Z1.2				0.787
Z1.3				0.814
Z1.4				0.805

Source: Data Processed (2023)

Validity testing uses reflective loading factors with the condition that the correlation value is ≥ 0.70. In the initial test, numerous indicators did not meet the loading factor specifications, with values < 0.70: specifically, X2.1 (0.472), X2.8 (0.608), and Y1.6 (0.628). These indicators were discarded, and data testing needed to be carried out again. After conducting a second test using the PLS algorithm, the loading factor value for each indicator (see Table 1) had a correlation value of ≥ 0.70, thus indicating that convergent validity was valid.

Measurement Model

After the outer model values are obtained, the measurement model is then carried out, focusing on the reliability construct and the validity construct. The Cronbach's Alpha, Rho Coefficient, and Composite value show the construct reliability value (see Table 2). Additionally, the Average Variance Extracted (AVE) value (also in Table 2) is examined for construct validity (Convergent Validity). Concurrently, the Heterotrait-Monotrait (HTMT), Fornell-Larcker, and cross-loading values are used in the discriminant validity study.

Table 2 | Construct Reliability and Validity Value

	Cronbach's Alpha	*Rho_A*	*Composite Reliability*	*Average Variance Extracted* (AVE)
Competence	0.876	0.877	0.910	0.670
Career Development	0.854	0.855	0.896	0.632
Motivation	0.774	0.780	0.854	0.595
Working Productivity	0.804	0.806	0.872	0.629

Source: Data processed (2023)

Cronbach's alpha and composite reliability are metrics used to test the reliability of variable data. A value of ≥ 0.70 is considered reliable and acceptable. Table 2 indicates that all variables demonstrate a good level of consistency and reliable accuracy in measuring all constructs, thereby meeting the required reliability standards. Similarly, Rho_A for each variable

indicates a reliable value and aligns with the requirements. The Rho_A value is between the composite reliability and Cronbach's alpha values. Meanwhile, the AVE value is considered valid if it is ≥ 0.50 for each variable. The AVE results in Table 2 show valid values.

Discriminant Validity

The goal of discriminant validity is to determine how much the latent construct differs from other constructs in reality. An indicator of a construct's uniqueness and capacity to explain the phenomenon being measured is a high discriminant validity value. When the correlation value between latent variables and the root value of AVE are compared, a construct is considered valid. It is necessary for the root value of AVE to exceed the correlation between latent variables. Three perspectives exist on the discriminant validity of data in Smart-PLS: the Heterotrait-Monotrait Ratio (HTMT), the Fornell & Larcker Criterion, and the cross-loading test. However, not all of these methods must meet the required criteria; as long as one of these methods meets the requirements, it can be said that the model is valid. The function of cross-loading is to find out whether each main indicator has a higher value than the values of other indicators. The cross-loading results are presented in Table 3.

Table 3 | Result of Cross-Loading

	Competence	Career Development	Motivation	Working Productivity
X1.1	0.829	0.357	0.387	0.454
X1.2	0.827	0.286	0.410	0.498
X1.3	0.859	0.356	0.451	0.527
X1.4	0.842	0.369	0.431	0.493
X1.5	0.730	0.581	0.482	0.512
X2.2	0.334	0.792	0.536	0.468
X2.3	0.456	0.831	0.532	0.500
X2.4	0.362	0.808	0.454	0.521
X2.5	0.359	0.801	0.575	0.539
X2.6	0.400	0.741	0.577	0.484
Y1.2	0.307	0.598	0.792	0.482
Y1.4	0.615	0.454	0.748	0.632
Y1.6	0.319	0.404	0.737	0.415
Y1.7	0.353	0.614	0.805	0.473
Z1.1	0.402	0.536	0.531	0.766
Z1.2	0.410	0.695	0.579	0.787
Z1.3	0.482	0.381	0.473	0.814
Z1.4	0.644	0.365	0.497	0.805

Source: Data processed (2023)

Table 3 shows that the cross-loading results are considered valid because each main indicator has a higher or the highest value among the values of the other indicators. For example, it can be seen that the indicators for variable X1 (competence) (X1.1, X1.2, X1.3, X1.4, and X1.5), or the construct of competence, have the highest scores. Likewise, career development (X2), as a construct variable, shows that the indicators X2.2, X2.3, X2.4, X2.5, and X2.6 also have the highest values.

The cross-loading results indicate that they are valid for discriminant validity, meaning that the model can proceed to further processing and analysis. However, we tested whether the other two methods in this study were also valid. The Fornell & Larcker Criterion results are presented in Table 4.

Table 4 | Result of Fornell and Larioncker-Criter

	Competence	Career Development	Motivation	Working Productivity
Competence	0.819			
Career Development	0.532	0.771		
Motivation	0.482	0.676	0.795	
Working Productivity	0.610	0.660	0.633	0.793

Source: Data processed (2023)

The results from the Fornell and Larcker criterion table are said to have good discriminant validity if the square root of the Average Variance Extracted (AVE) of a variable is greater than the correlations between that variable and other variables. Table 3 shows that Competency (X1) is 0.819, Career Development (X2) is 0.771, Motivation (Y) is 0.795, and Work Productivity (Z) is 0.793. The values of each of these variables are greater than the values of the other variables. Hence, discriminant validity based on the Fornell and Larcker criterion is confirmed.

Furthermore, to evaluate discriminant validity, the heterotrait-monotrait ratio (HTMT) can also be used. The HTMT method has a higher level of sensitivity for data processing results. The heterotrait-monotrait ratio results for each variable are presented in Table 5.

Table 5 | Result of Heterotrait-Monotrait Ratio (HTMT)

	Competence	Career Development	Motivation	Working Productivity
Competence				
Career Development	0.551			
Motivation	0.623	0.820		
Working Productivity	0.725	0.751	0.816	

Source: Data processed (2023)

To guarantee discriminant validity between two reflective constructs, the HTMT value must be smaller than 0.9 (Henseler et al., 2015). The HTMT results in Table 5 show that all pairs of the two reflective constructs have values <0.90. This indicates that each variable has good discriminant validity because they are not mutually reflective. Based on the discriminant validity evaluation using cross-loading, Fornell-Larcker (FL) criteria, and the heterotrait-monotrait ratio (HTMT), the results indicate that the discriminant validity in this study is fulfilled and can be considered valid.

Inner Model

Smart-PLS analysis, four criteria can be used to evaluate the inner model and measure the relationships between constructs: the significance (sig) value of variables, R-squared (R^2), f-squared (f^2), hypothesis testing, and goodness of fit (GoF) for each variable.

R-Square

R-squared (R^2) is used to determine the extent to which other exogenous and endogenous variables impact the endogenous variable. The model is classified as strong, moderate, or weak based on the coefficient of determination (R^2) values of 0.75, 0.50, and 0.25 (Hair et al., 2019). The R^2 value that has been adjusted in accordance with the standard error value is known as the adjusted R-squared. When determining whether an external construct can adequately explain an endogenous construct, the adjusted R^2 value offers a more compelling picture than R^2.

Table 6 displays the results of R-squared (R^2).

Table 6 | R-Square Results

	R-Square	R-Square Adjusted
Motivation	0.512	0.503
Working Productivity	0.568	0.557

Data processed (2023)

Based on data processing, the Adjusted R-square for the motivation variable obtained a value of 50.3%. This means that the motivation variable is affected by competence and career path, while the remaining 49.7% comes from other factors not included in this research. Likewise, the Adjusted R-square for the work productivity variable obtained a value of 55.7%, meaning that the work productivity variable was influenced by competence, career development, and motivation, while the remaining 44.3% was influenced by other factors. The magnitude of these values is considered to be moderate.

F-Square

F-square is used to assess the influence of variables at the structural level. Using effect size f-square, it evaluates the strength of the relationship between variables (Wong, 2013). The value of f-square is 0.02 for small, 0.15 for medium, and 0.35 for large effects. Values less than 0.02, according to many studies, are categorized as having no effect. The results table of f-square (F^2) is presented in Table 7.

Table 7 | F-Square Results

	Competence	Career Development	Motivation	Work Productivity
Competence			0.113	0.158
Career Development			0.469	0.091
Motivation				0.107
Work Productivity				

Source: Data processed (2023)

In the inner model analysis, the f-square (f^2) value for the competency variable on motivation is 0.113, indicating a low influence, similar to career development and motivation on work productivity, which have values of 0.091 and 0.107, respectively. Meanwhile, the competency variable's influence on work productivity shows a moderate effect, with a value of 0.158. The only variable with an extremely large effect size is career development on motivation, with an f-square (f^2) value of 0.469. Companies that provide employees with career opportunities for development will create a climate of healthy competition.

Hypothesis Test

Based on the bootstrapping results, the path coefficient values, which consist of direct and indirect effects, were analyzed. The following Table 8 presents the coefficient values to address the hypothesis

Table 8 | Hypothesis Test Result

	Initial Sample (O)	Mean (M) sample	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Competence -> Motivation	0.268	0.265	0.082	3.259	0.001
Career Development -> Motivation	0.546	0.550	0.088	6.213	0.000
Competence -> Work Productivity	0.315	0.312	0.096	3.271	0.001
Career Development -> Work Productivity	0.274	0.276	0.093	2.934	0.003
Motivation -> Work Productivity	0.307	0.309	0.100	3.082	0.002
Competence -> Motivation -> Work Productivity	0.082	0.082	0.039	2.137	0.033
Career Development -> Motivation -> Work Productivity	0.168	0.171	0.064	2.607	0.009

Source: Data processed (2023)

Hypothesis testing can be understood through the bootstrapping process in Smart-PLS. The t-values for the two-tailed test (2-tailed test) should be greater than 1.96 (significance level = 5%). In addition to the t-statistic, a p-value is also used to determine the significance of the effect. Table 8 shows the results of the p-value calculation, indicating that all values are below 0.05. This means that all variables have a significant effect, both directly and indirectly, on work productivity.

4.2 DISCUSSION

Competence Effect on Motivation in PT. HK Realtindo

The effect of competence on motivation is represented by a path coefficient of 0.268 and a t-statistic of 3.259, which is higher than 1.96, or a p-value of 0.001 (which is less than 0.05). Competence positively affects motivation, so H1 is accepted. This result is in line with the findings of (Suardika, 2020). It is stated that employee competency is a characteristic that every person must possess to fulfill certain requirements or roles. If a worker has better abilities, they are more responsible and professional, allowing them to achieve better results. To develop these skills, employees must have a positive attitude towards their work. To improve competency, companies can provide personal development programs for employees by offering access to learning resources, namely online courses or e-learning platforms, and encouraging employees to take time to learn and develop themselves to increase company productivity. Companies often facilitate non-degree programs designed to develop tech-related skills relevant to digital transformation in the property industry. Relevant courses such as AI for Business and Data Analytics for Decision Making are aimed at younger staff who are more tech-savvy. However, for further education, many employees still take the initiative independently.

Career Development Effect on Motivation in PT. HK Realtindo

The career development effect on motivation has a path coefficient of (0.546) and t-statistics of (6.213 > 1.96) or a p-value of (0.000 < 0.05). Career development has a positive and significant effect on motivation, so H2 is accepted. In improving employee career development, companies can provide regular training every month to help employees enhance their personal skills and abilities so they can grow professionally and advance within the company.

Based on initial interviews with staff and the author's experience while working at the company, there are often changes in management ranks. Additionally, mutations occur too often, resulting in employee instability within the company. Organizations should provide clear career pathways, skill development programs, and opportunities for advancement to improve employee performance. Employees are often more motivated when they see opportunities for professional growth,

skill development, and advancement within the organization. Clear career paths and development programs can help employees feel as though they have a future with the company (Alagaraja & Shuck, 2015). When employees can see how their work contributes to the overall goals and success of the organization, they are more engaged and motivated. Career development programs that align individual goals with the company's vision can help employees find greater meaning in their work.

Competence Effect on Work Productivity in PT. HK Realtindo

The effect of competency is on work productivity with a path coefficient of (0.315) and t-statistics of (3.304 > 1.96) or a p-value of (0.001 < 0.05). Competence has a positive and significant effect on work productivity. This result aligns with Kuswibowo (2021), therefore, H3 is accepted. To increase employee work motivation, companies can give awards to employees regularly so that organizational productivity can reach targets. This can be divided into formal awards, namely monthly or annual awards, or informal forms of recognition, namely direct appreciation from managers or co-workers, allowing employees to feel recognition from the company.

There are several reasons why an employee's perceived capacity or ability to perform their job effectively has a significant impact on workplace productivity: 1) Self-efficacy - employees believe in their ability to succeed (Ouweneel et al., 2013). This belief can lead to more effort, more persistence, and ultimately more productivity. 2) Mastery and flow: Competent employees are more likely to experience a state of "flow," where they are completely absorbed in their work and can perform at their best. This state of flow has been linked to increased productivity because employees are able to work efficiently. 3) Intrinsic motivation: Competent employees often find their work intrinsically motivating because they feel a sense of accomplishment and satisfaction when they are able to perform their tasks well. This intrinsic motivation can motivate them to try harder and work more efficiently. 4) Autonomy and decision-making: Competent employees often have greater autonomy and decision-making because they have demonstrated the ability to handle work independently (Burcharth et al., 2017). This autonomy can lead to increased productivity because employees can work more efficiently without constant supervision or direction (Zychová et al., 2024).

By nurturing employee skills through training, development, and providing the necessary resources and support, organizations can unlock the full potential of their workforce and inspire increased productivity and overall performance.

Career Development Effect on Work Productivity in PT. HK Realtindo

The effect of career development on work productivity is represented by the path coefficient (0.274) and t-statistic (2.888 > 1.96), along with a p-value (0.004 < 0.05). Career development has a positive and significant effect on work productivity, leading to the acceptance of H4. Career development must be customized to the goals and requirements of the business. Performance evaluation, which is used to assess career pathways, is closely related to career development. The foundation for individual evaluation to meet organizational objectives is performance appraisal. Performance appraisal serves as the basis for individual evaluation to achieve company goals (Fauziyana et al., 2022).

In order to increase employee productivity, company leaders must instill confidence in the work carried out by employees to complete tasks, thereby boosting their sense of self-confidence and providing opportunities for growth. Companies should invest in career development to enhance productivity. Employees who recognize growth opportunities are generally more engaged and motivated, leading to higher productivity. However, in reality, employee transfers still often occur, which can be less supportive of effective career development.

Motivation Effect on Work Productivity in PT. HK Realtindo

Work productivity is impacted by motivation, as indicated by the path coefficient (0.307), t-statistics (3.057 > 1.96), and p-value (0.002 < 0.05). H5 is accepted since motivation significantly and favorably affects performance. A study by Handriyani et al. (2022) demonstrated the importance of the effect of motivation on worker performance. Employee performance is significant. Motivation aims to encourage individuals to do all they can to achieve and possibly exceed organizational goals (Maduka & Okafor, 2014).

The Mediating Role of Motivation in PT HK Realtindo

The effect of competence on work productivity, with motivation as an intervening variable (0.082) and t-statistics (2.090 > 1.96) or p-value (0.037 < 0.05), indicates that motivation is able to partially mediate the relationship between competence and productivity positively and significantly, leading to the acceptance of H6. The coefficient of the indirect relationship of competence to work productivity is smaller than that of the direct relationship coefficient, and all relationships—both direct and indirect—are significant. According to a similar study (Suardika, 2020), this research revealed that motivation has a positive and significant impact on employee performance and that it significantly influences employee performance both directly and through mediation.

Mediation occurs when an intermediary variable (motivation) helps explain the mechanism by which an independent variable (competence) affects a dependent variable (work productivity). In this case:

1. Competence → Motivation → Work Productivity: Employees with higher competence levels have the necessary skills and knowledge to perform their tasks efficiently. However, without sufficient motivation, they may lack the drive to fully utilize their skills or push beyond basic performance expectations. When motivation is present (through intrinsic or extrinsic factors), competent employees become more engaged, proactive, and committed, leading to higher productivity.
2. Career Development → Motivation → Work Productivity: Career development provides employees with opportunities for growth, skill enhancement, and professional progress. Employees who see potential for career advancement are more likely to feel motivated, as they recognize their efforts can lead to promotions, salary increases, or personal growth. Increased motivation then translates into better productivity, as employees work harder to achieve organizational goals.

The effects of career path on work productivity are mediated by motivation, with a coefficient of 0.168 and a t-statistic of 2.611 (which is greater than 1.96) or a p-value of 0.009 (which is less than 0.05). Motivation can partially mediate the relationship between career development and productivity in a positive and significant manner, thus supporting H7. Furthermore, motivation indirectly mediates the impact of career path on employee performance at PLN Bojonegoro (Fauziyana et al., 2022). When people are motivated, synergy emerges.

Goodness-of-Fit

Goodness-of-fit functions are used to evaluate both the outer model and the inner model. The calculation can be performed by determining the root of the average communality, which can be observed through the blindfolding feature in Smart-PLS. This value is then multiplied by the average R^2. The average results for the communality value are presented in Table 9.

Table 9 | Average Value of Communality

	Communality	Average of Communality	Average of R-Square
Competence	0.497	0.405	0.540
Career Development	0.322		
Motivation	0.434		
Work Productivity	0.370		

Source: Data processed (2023)

Furthermore, the formula below to see the Goodness of Fit on data:

$$GOF = \sqrt{\text{Average of com} * \text{Average of R square}}$$

$$GOF = \sqrt{0.405 * 0.540}$$

$$GOF = 0{,}468$$

The goodness of fit has categories; namely, a value of 0.3 is considered high, 0.25 is medium, and 0.01 is small. The GOF value in the study was 0.468, which indicates that the goodness of fit is high.

5. CONCLUSION

The conclusion that can be drawn is that the two independent variables, namely competency and career development, as well as the intervening variable work motivation, both directly and indirectly affect work productivity at PT. HK Realtindo in a positively significant manner. The company has been implementing career development initiatives for some time. The steps that have been taken include transparency regarding job paths, fair treatment of staff, and providing accessible information about career paths. Professional growth at PT. HK Realtindo motivates employees to work effectively and efficiently, thereby influencing employee loyalty to the company. The company raises awareness among employees about the importance of increasing their competencies, which in turn enhances work motivation. As for suggestions in this research, it would be better to include additional independent variables to improve the model.

6. LIMITATION AND IMPLICATION

The number of samples according to statistical rules has been fulfilled in this study. However, the limitation of the research location is that it is based solely on one site, the Jakarta head office, which is less diverse. The reason for selecting this single location is due to limited time and funds to complete the final study assignment. While the research object, serving as the site for internships, facilitates data collection, the mutual acquaintance factor between the researchers and respondents may lead to biased responses. Nonetheless, the research stages have been conducted correctly. The research results show relevance to the theories studied in class. This research benefits company management, as well as enhances insights in the academic field.

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