

# **Analysis of Employee Performance with Work Motivation as A Mediating Variable at Pt Bpr Syariah Lantabur Tebuireng**

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**ABSTRACT :** *This study aims to analyze the effect of competence, compensation, and work experience on the performance of employees at PT BPR Syariah Lantabur Tebuireng, both directly and through work motivation as a mediating variable. The population of this study consisted of all 89 employees of PT BPR Syariah Lantabur Tebuireng, and the entire population was sampled using the census method because the number of employees was relatively small and easily accessible. The data were analyzed using the Partial Least Square (PLS) approach with the help of Smart PLS 3.0. The results of the study show that: competence can contribute to increased employee performance, compensation can contribute to increased employee performance, work experience can contribute to increased employee performance, compensation can contribute to employee performance through work motivation, competence can contribute to increased employee performance through work motivation, and work experience does not contribute to increased employee performance through work motivation.*

**KEYWORDS -** *competency, compensation, work experience, work motivation, employee performance*

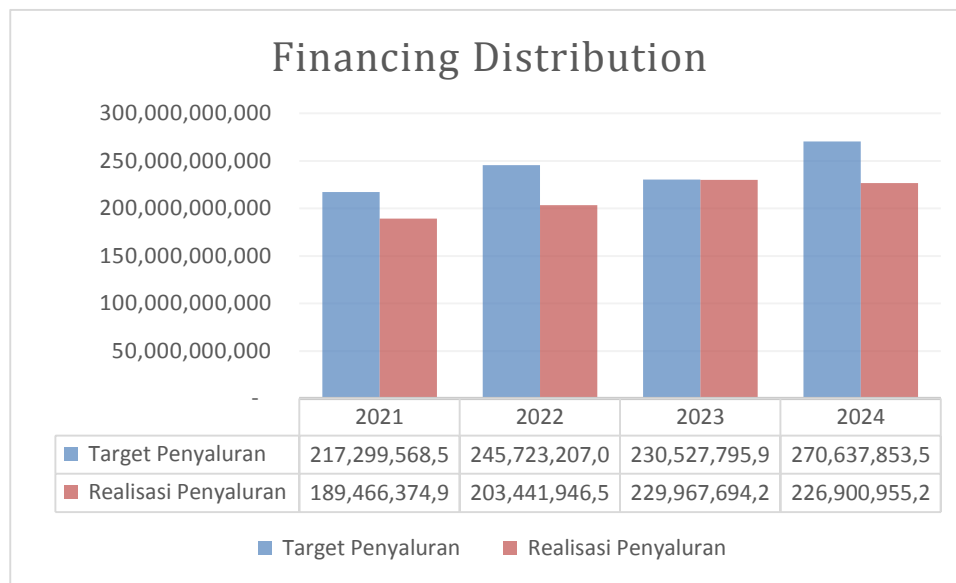
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## **I. INTRODUCTION**

PT Bank Perekonomian Rakyat Syariah (BPRS) Lantabur Tebuireng is a Financial Services Institution registered and licensed by the Financial Services Authority (OJK) which was established in 2005 and obtained a license from Bank Indonesia in 2006, initiated by the Madrasatul Qur'an Tebuireng Islamic Boarding School (PP MQ TBI) with the aim of supporting the economic independence of the Islamic boarding school and the surrounding community. The name "Lantabur" is taken from a quote from one of the verses in Surah 35 Al-Fathir verse 29, which means "never lose," and thank God, since its establishment until now, it has always generated profits. In 2011, the Tebuireng Islamic Boarding School, represented by its caretaker, became a shareholder of BPR Syariah Lantabur Tebuireng to strengthen the company's capital and branding. In 2014, it was agreed to add the name Tebuireng, changing the company's name to PT BPR Syariah Lantabur Tebuireng.

The products offered by BPR Syariah Lantabur Tebuireng are in accordance with the license submitted to the authorities, namely Deposit Products or Fund Collection in the form of Savings and Deposits using both wadiah and mudharabah contracts. In terms of disbursing funds to the community, BPR Syariah Lantabur Tebuireng offers financing with murabahah (sale and purchase) contracts, ijarah multi-services (sale and purchase of services), musyarakah and mudharabah (profit sharing) contracts, and gold pawn (rahn) products to the community.

Table 1. Customer Financing Targets and Realization



Source: Lantabur Tebuireng Sharia Rural Bank, 2025

Table 1 shows data on customer financing targets and realization at Lantabur Tebuireng Sharia Rural Bank for the period 2021 to 2024. It can be seen that although the number of Account Officers (AO) increased from 23 people in 2021 to 27 people in 2022 and 26 people in 2023, and then back to 25 people in 2024, the achievement of financing distribution has not fully reached the set target, indicating a gap between the target and the actual performance of employees even though the number of distributors (AOs) has been adjusted. This may reflect internal factors such as work motivation, work effectiveness, and the quality of human resources that affect the achievement of targets. As shown in the Performance Assessment of BPRS Lantabur Tebuireng Employees.

The employee performance assessment at BPR Syariah Lantabur Tebuireng also shows results that have not fully reached the target. Although the average employee performance achievement on indicators such as discipline, responsibility, work initiative, work motivation, and commitment is above 80%, the average scores recorded in 2022 (86.1%), 2023 (89%), and 2024 (82.25%) show a decline in several aspects. This decline, particularly in the indicators of work motivation and discipline, could be one of the factors affecting the failure to achieve optimal financing distribution targets. This points to the need for improvements in human resource management and increased motivation and individual performance in order to meet more ambitious targets in the future.

This data shows that fluctuations in employee performance are not only influenced by the number of employees, but also by work behavior factors, particularly motivation, competence, and work experience, which play an important role in achieving the company's financing targets. The above data is also supported by the distribution of questionnaires related to the performance of PT BPR Syariah Lantabur Tebuireng employees, which were sampled from various departments, such as financing marketing (AO), financing administration, and savings marketing (FO), as described below:

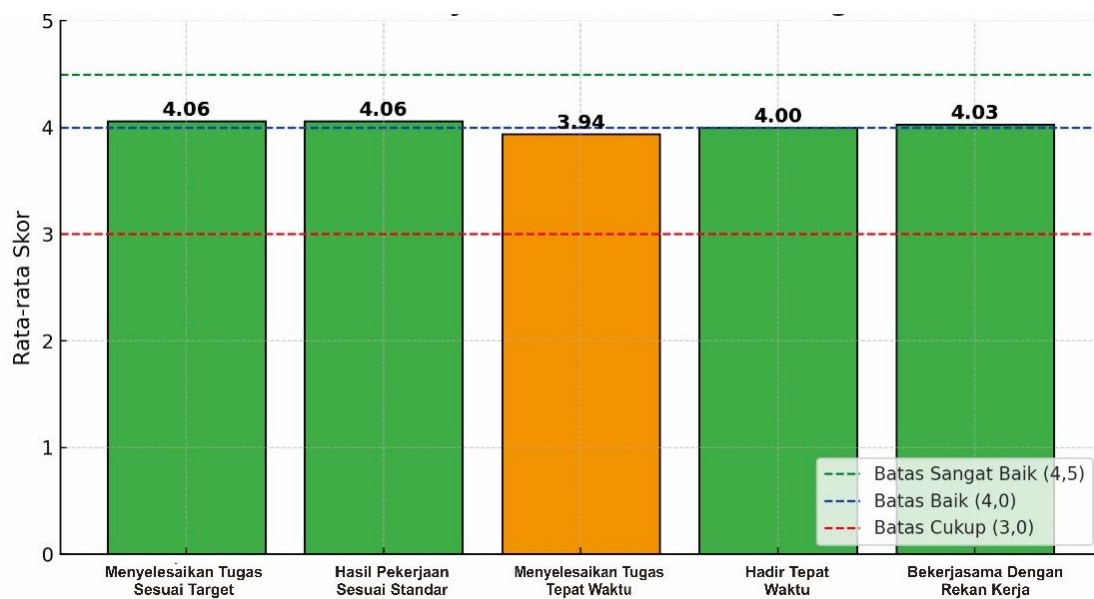


Figure 1. Average Scores of Employee Performance Indicators at PT BPR Syariah Lantabur Tebuireng

Based on Figure 1, the overall performance of PT BPR Syariah Lantabur Tebuireng employees is in the “Good” category with a score above 4.0, but no indicators have reached the “Very Good” category ( $\geq 4.5$ ). Several indicators, such as Completing Tasks on Time, need improvement in order to reach that category. Meanwhile, the 2022-2024 financial reports show the company's commitment to improving employee competence with training costs exceeding 4% of total labor costs, but its effectiveness on performance and motivation still needs to be evaluated. In addition, despite the increase in labor costs, the decline in bonus costs in 2024 reflects the impact of the company's declining profits, which poses challenges in managing employee compensation and motivation.

This phenomenon raises research questions regarding the influence of competence, compensation, and work experience on work motivation as a mediating variable, which in turn affects employee performance at PT BPR Syariah Lantabur Tebuireng. Research by (Putra, 2021)Safina et al. (2024) shows that adequate compensation can increase employee motivation and performance, with employees who feel financially rewarded tending to be more motivated. In addition to compensation, good competence also plays an important role in achieving targets, where employees with low competence find it more difficult to achieve targets and are more vulnerable to pressure. Although competence and compensation are adequate, the suboptimal On-Time Task Completion indicator shows the importance of motivation as a connecting factor. Therefore, even though competence and compensation are adequate, strong motivation is needed to support better performance, especially in terms of timeliness.

This study uses the Performance Theory approach, which explains that employee performance is influenced by various factors, including competence, motivation, and compensation. One important performance theory is the 3-Factor Performance Theory developed by Campbell (1990). This theory states that individual performance is influenced by ability (competence and work experience), effort (motivation), and available opportunities or resources (such as compensation). Performance will be optimal when these three factors are in balance. The 3-Factor Model of Performance focuses on identifying and understanding the main factors that influence individual performance in the workplace. This model provides a very useful framework for evaluating employee performance, emphasizing the three main factors that are considered to have the most influence on performance outcomes: Ability, Motivation, and Opportunity.

The research gap on the effect of competence on employee performance, conducted by (Putra, 2021). Proves that competence affects employee performance, which means that the higher the competence of employees, the better their performance. This is because the better the competence of employees with the ability to perform a job based on skills and knowledge and supported by work attitude, the better the performance of employees. This research is in line with (Pandhita et al., 2022), who explain that competence has a positive influence on employee

performance. Competent employees can complete their work according to the specified criteria. However, research conducted by (Subchanifa et al., 2020) shows that competence does not significantly affect employee performance. This indicates that competence alone is not enough to improve employee performance; it must be balanced with support in the form of training, a clear work system, and adequate compensation.

The research gap related to the relationship between compensation and female employee performance shows that findings from (Ayuni et al., 2023) Marlina et al. (2022) (Ayuni et al., 2023) (Fajar, 2019) Yuliantari Dewi and Ardana (2022) indicate that compensation has a significant effect on employee performance. However, according to (Fajar, 2019), compensation does not have a significant effect on employee performance. This is supported by the results of research by (Pertiwi et al., 2019), which states that compensation does not affect employee performance. This shows that overtime pay not provided by the office will not affect employee performance, even though employees work overtime and do not receive compensation, because employees have a sense of responsibility and loyalty to the office.

The research gap related to the effect of work experience on employee performance is shown in studies conducted by Erwanto et al. (2021) and (Lengkong et al., 2019), which indicate that work experience has a positive and significant effect on employee performance. The results of this study indicate that the longer an employee works in a field, the better their performance will be. However, different results were found in a study conducted by (Ratu et al., 2018), which stated that work experience does not affect employee performance. These findings show that even though an employee has more work experience, it does not always guarantee an improvement in their performance.

In this context, work motivation can be interpreted as an internal drive that encourages employees to perform well, which in turn has a positive impact on their performance. Research shows that when employees are highly motivated, they are more likely to meet and even exceed the performance expectations set by the organization. For example, research by (Farid & Clarissa, 2023) reveals that work motivation can mediate the relationship between compensation and employee performance.

## **II. THEORETICAL BASIS AND HYPOTHESIS DEVELOPMENT**

### **Employee Competence**

The theory used regarding employee competence in this study is Competency Theory, developed by Richard Boyatzis in 1982. This theory focuses on understanding the skills, attitudes, and knowledge needed to achieve superior performance in a job or role (Fariyani & Pertiwi, 2021). Boyatzis defines competency as a combination of knowledge, skills, and individual attributes that create effectiveness at work (Fadilah & Purwanto, 2022). In other words, competency includes not only technical abilities but also interpersonal and managerial abilities that influence how a person operates in the work environment (Fariyani & Pertiwi, 2021).

The dimensions of competency according to human resource theory cover various aspects that an individual must possess to succeed in their tasks. According to Competency Theory, these dimensions can be divided into two main categories: technical competencies and behavioral competencies (Jannati & Suhermin, 2020). Technical competencies include the specific skills and knowledge required to perform certain tasks, while behavioral competencies relate to how individuals interact with others, how they manage their emotions, and how they react to various situations (Resi & Djakaria, 2020). Research by Ibidunni shows that the combination of these two dimensions is very important in an organizational context to achieve strategic goals and improve overall performance (Sutianah, 2021).

The influence of competence on employee performance is very significant, as shown by research by Krisnawati and Bagia, which found that work competence has a significant positive impact on employee performance (Fajar, 2019). Employees with high competencies tend to be more productive and efficient in carrying out their tasks, as well as being able to adapt better to changes in the work environment. Therefore, continuous competency development through training and human resource development is a must for organizations to maximize employee performance and achieve competitive advantage (Widodo & Yandi, 2022). H1; Competence has a positive and significant effect on employee performance.

## **Compensation**

Basically, people work to achieve their life goals, whether it is to fulfill basic needs, achieve economic stability, or realize greater personal goals (Arifin et al., 2019). Compensation plays an important role in increasing employee motivation, motivating them to contribute more, and maintaining their loyalty to the organization. (Widodo & Yandi, 2022) Compensation is not only a form of recognition for the performance achieved by employees, but also a way to motivate employees to continue to excel. According to (Hariyanti, 2020), compensation is given based on fair and reasonable standards. This compensation is given as a reward for the efforts made by employees in achieving organizational goals, both short-term and long-term. Compensation can be in the form of direct compensation such as monthly salaries, annual bonuses, or commissions, as well as indirect compensation such as company facilities, health benefits, and insurance. (Azhari et al., 2024).

Compensation is also an effective tool in improving employee performance. (Guspa & Rahmi, 2014) state that companies will allocate a financial budget to provide rewards and benefits to employees in an effort to encourage them to achieve higher performance. According to (Kainde et al., 2022) financial rewards take two main forms: direct and indirect compensation. Overall, compensation plays a very important role in modern organizations. Appropriate and fair compensation not only serves to reward achievements, but also to motivate employees to achieve organizational goals. Therefore, companies must design a reward system that can motivate employees, increase job satisfaction, and ensure long-term loyalty (Prajodi & Amalya, 2024).

H2: Compensation has a positive and significant effect on employee performance.

## **Work Experience**

The theory used regarding work experience in the context of human resource management is the Work Experience Theory developed by David Kolb. Kolb argues that work experience is the basis for acquiring knowledge and skills through a learning process that involves reflection and practical application (Tarwiyah & Parma, 2022). According to this theory, work experience is defined as all experiences gained by an individual while interacting with their work environment, which includes various aspects such as tasks and responsibilities, challenges, and social interactions in the workplace. This experience is considered essential because it can shape individual competencies and influence their future work performance (Purba et al., 2021).

The influence of work experience on employee performance is significant, as revealed by Tarigan et al., who found that work experience has a positive effect on employee performance (Lubis et al., 2022). Employees with longer work experience tend to have a better understanding of the procedures, policies, and practices that apply in the organization, which makes them more efficient in completing the tasks assigned to them. In addition, work experience also contributes to the development of soft skills, such as communication and leadership skills, which are important in improving overall team performance (Jayanti & Dewi, 2021)(Yunus & Roccianingrum, 2023). Therefore, companies should focus on developing employee work experience through training, projects, and career development opportunities to improve individual and overall organizational performance (Jayanti & Dewi, 2021).

H3: Work experience has a positive and significant effect on employee performance.

## **Work Motivation**

The theory used regarding work motivation in the context of management is the Two-Factor Theory of Motivation or Herzberg's Theory, developed by Frederick Herzberg in the early 1950s. This theory claims that there are two groups of factors that influence job satisfaction and dissatisfaction: motivators and hygiene factors. Motivators, such as achievement, recognition, responsibility, and opportunities for growth, tend to increase job satisfaction. Conversely, hygiene factors, such as salary, working conditions, and company policies, if not met, can cause dissatisfaction but do not increase motivation (Purwanto, 2023). Therefore, Herzberg defines work motivation as a process that triggers individuals to strive for better achievements, based on both intrinsic and extrinsic factors. (Sari & Anwar, 2021) Intrinsic motivation comes from within the individual, for example, a sense of achievement, pride, and opportunities to learn; while extrinsic motivation comes from external factors such as salary, incentives, and recognition from superiors. Research shows that a combination of these two

dimensions is very important for creating a productive work environment and motivating employees to achieve their best performance. (Yuliantari Dewi & Ardana, 2022).

The effect of work motivation on employee performance is very significant. As explained by Widiana and Heryanda, motivated employees tend to show higher productivity levels and greater commitment to their work (Astarman et al., 2024). Work motivation can increase discipline and job satisfaction levels, which in turn have a positive impact on overall performance. In addition, factors that influence work motivation can vary, including the work environment, compensation, interpersonal relationships, and organizational policies (Mustaqimah et al., 2022). For example, a positive work environment that rewards employee performance can increase their intrinsic motivation, while fair compensation can fulfill the extrinsic needs that underlie employee motivation (Mardiana et al., 2021). Thus, it is important for managers to understand and utilize these various factors to create effective motivation programs to improve employee performance in the organization.

## **Employee Performance**

The theory used in understanding employee performance in this study is the Employee Performance Theory introduced by Edwin A. Locke and Gary P. Latham through the Goal Setting Theory. This theory was first developed in the 1960s and remains one of the most influential approaches to understanding and improving individual performance within an organization (Nugroho & Amirudin, 2022). Locke and Latham argue that setting clear, specific, and challenging goals plays an important role in motivating individuals to work optimally (Herlambang et al., 2023). This theory is based on the assumption that individuals have a natural tendency to work better when they have clear goals, compared to when they work without specific direction (Anwar, 2020).

According to Locke and Latham, employee performance can be defined as the work results achieved by individuals or groups within an organization based on the quality and quantity of work performed (Irfania & Rini, 2025). In other words, performance describes the level of success of an individual in achieving predetermined work targets (Azhari and Pertiwi 2024). Clear and challenging work goals not only provide direction for employees, but also increase their motivation and commitment to completing the tasks assigned (Purwanto et al., 2022). When individuals are given specific and realistic targets, they are more likely to focus, develop effective strategies, and increase their determination in completing their tasks (Premesti & Yuniningsih, 2023).

One of the main principles of Goal Theory is that specific and challenging goals tend to produce better performance than goals that are too general or easy to achieve (Samprastyo et al., 2021). Clarity of purpose means that the targets set must be specific, measurable, and have clear deadlines in order to be more effective than vague or unfocused goals. (Herlambang and Pertiwi 2023).

## **III. RESEARCH METHODOLOGY**

This study uses a quantitative approach with explanatory research methods to explain the causal relationship between independent, mediating, and dependent variables. The focus of the study is to analyze the influence of competence, compensation, and work experience on employee performance, with work motivation as a mediating variable at PT BPR Syariah Lantabur Tebuireng. The research design is causal research, which aims to test the direct and indirect effects of independent variables on employee performance. Primary data were collected through a questionnaire with a Likert scale and analyzed using Structural Equation Modeling - Partial Least Squares (SEM-PLS). This study is expected to provide insights into the factors that influence employee performance and recommendations for improving the effectiveness of human resources in the company.

Subhaktiyasa (2024) explains that the population is a generalization area consisting of objects or subjects that have certain qualities and characteristics determined by the researcher to be studied and then conclusions are drawn. The population in this study was all 89 employees at PT BPR Syariah Lantabur Tebuireng.

The sample taken from the population must be truly representative. The sample in this study is a total sample or the entire population. This is because the research conducted is a census study, where this method is applicable if the population is relatively small or easily accessible. Therefore, the sample size in this study is 89 employees of PT BPR Syariah Lantabur Tebuireng

The data used in this study was analyzed using the Partial Least Square (PLS) approach with the help of the smart PLS 3.0 analysis tool. Analysis using this approach is quantitative and was chosen because the model

used in this study is a causal and recursive relationship, which only has a one-way relationship and cannot be reciprocal. (Ghozali, 2021).

Research by Ghozali (2021) states that the advantage of using the PLS approach is that it is able to test path analysis models from many variables simultaneously, rather than gradually, making this model more appropriate for testing theories.

The steps for data analysis in the PLS approach are as follows:

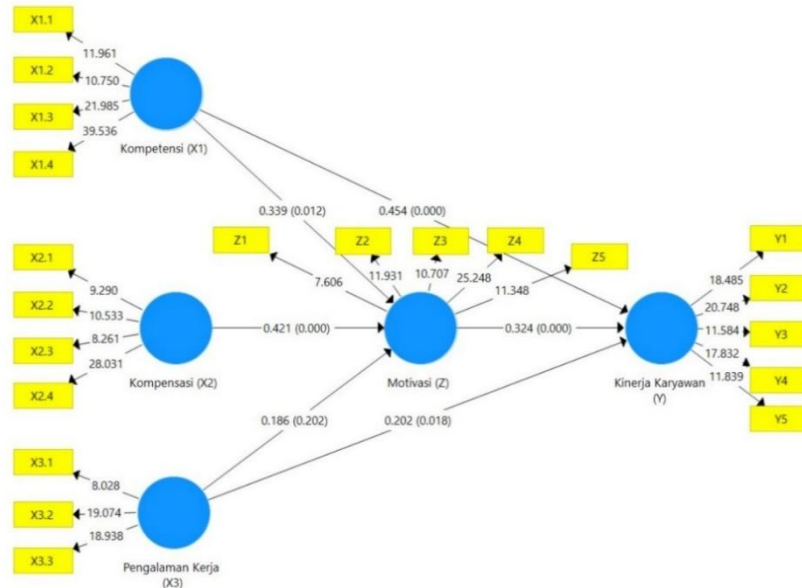
1. Designing a structural model (inner model), which is a model that connects latent variables.
2. Designing a measurement model (outer model), which is a model that connects indicators with latent variables.

Hypothesis testing is conducted to determine the effect between independent and dependent variables, taking into account moderating variables. This test compares the path coefficient value with the T table to draw conclusions. A hypothesis is said to be significant if the t-value is greater than the t-table at a degree of freedom of 1% or 5%, and insignificant if the t-value is less than the t-table at a degree of freedom of 10%. For one-tailed hypothesis testing with an alpha of 5%, the hypothesis is accepted if the T-statistic value is  $\geq 1.96$  and the p-value is  $< 0.05$ .

#### IV. RESEARCH RESULTS AND DISCUSSION

Hypothesis testing was conducted to determine the direct and indirect effects between the research variables. To conclude whether the hypothesis was accepted or rejected, the p-value at a significance level of  $\alpha = 5\%$  or 0.05 was used. If the p-value was  $< 0.05$ , then  $H_0$  was rejected, indicating that there was an effect. Conversely, if the p-value  $> 0.05$ , then  $H_0$  is accepted, indicating no effect. The following are the results of the structural model evaluation obtained from the SmartPLS Bootstrapping report, presented in Tables 4 and 5.

**Figure 1. Bootstrapping output with P-Value**



**Table 4. Direct Effect Hypothesis Test**

	Original Sample	T Statistics	P Values	Keterangan
<b>Competence (X1) -&gt; Employee Performance (Y)</b>	0,393	4,820	0,000	Diterima
<b>Compensation (X2) -&gt; Employee Performance (Y)</b>	0,454	5,440	0,000	Diterima
<b>Work experience (X3) -&gt; Employee Performance (Y)</b>	0,202	2,376	0,018	Diterima

1. Competence has a significant and positive effect on the performance of employees at PT BPR Syariah Lantabur Tebuireng. This result is acceptable with a path coefficient of 0.454 and a P-Value of 0.000, which is less than 0.05, thus indicating a significant (positive) effect.

2. Compensation has a significant and positive effect on the performance of PT BPR Syariah Lantabur Tebuireng employees. This result is acceptable, with a path coefficient of 0.393 and a P-Value of 0.000, which is less than 0.05, indicating a significant (positive) effect.

3. Work experience has a significant and positive effect on the performance of PT BPR Syariah Lantabur Tebuireng employees. With a path coefficient of 0.202 and a P-value of 0.018, which is less than 0.05, this result indicates a significant (positive) effect.

**Table 5. Path Coefficients, T-Values, P-Values**

	Original Sample	T Statistics	P Values	Description
<b>Competence (X1) -&gt; Motivation (Z) -&gt; Employee Performance (Y)</b>	0,110	1,967	<b>0,050</b>	<b>Accepted</b>
<b>Compensation (X2) -&gt; Motivation (Z) -&gt; Employee Performance (Y)</b>	0,136	2,362	<b>0,019</b>	<b>Accepted</b>
<b>Work experience (X3) -&gt; Motivation (Z) -&gt; Employee Performance (Y)</b>	0,060	1,302	<b>0,194</b>	<b>Rejected</b>

Source: Appendix 3, Data Analysis Results

1. Competence has a significant and positive effect on the performance of PT BPR Syariah Lantabur Tebuireng employees through motivation. This result is acceptable, with a path coefficient of 0.110 and a P-Value of 0.050, which is less than or equal to 0.05, indicating a significant (positive) effect or mediation effect.
2. Compensation has a significant and positive effect on the performance of PT BPR Syariah Lantabur Tebuireng employees through motivation. This result is acceptable with a path coefficient of 0.136 and a P-Value of 0.019, which is less than 0.05, thus indicating a significant (positive) effect or mediation effect.

Work experience does not have a significant effect on the performance of PT BPR Syariah Lantabur Tebuireng employees through motivation. With a path coefficient of 0.060 and a P-Value of 0.194, which is greater than 0.05, this result is not acceptable because it does not indicate a significant effect or mediation.

## **V. DISCUSSION**

### **The Effect of Competence on Employee Performance**

Based on the results of data analysis, competence has been proven to have a positive and significant effect on employee performance at PT BPR Syariah Lantabur Tebuireng. These findings confirm that employee performance is greatly influenced by their level of competence, which includes technical skills, knowledge of Islamic banking products, communication skills with customers, and abilities in risk management and banking information system operations. The company's annual training program, which includes modules such as customer service, risk management, and the use of the latest banking technology, plays an important role in improving employee competence. Interviews with branch managers revealed that trained employees tend to be more confident, faster in completing transactions, and more effective in providing solutions to customers. In other words, this training contributes directly to improved branch performance by reducing operational errors and increasing transaction efficiency.

The results of this study are consistent with the findings of previous studies. Putra et al. (2020) and Siagian (2018) confirm that competence has a direct effect on performance improvement. Paryanti (2020) also shows that the higher the competence, the better the performance, while low competence will cause a decline in performance. In addition, Pandhita et al. (2022) add that competence affects performance both directly and through work motivation, with more competent employees tending to be more motivated to complete their work better. Research by Wahyuni and Budiono (2022), as well as Lianasari and Ahmadi (2022), also reveals that high competence can strengthen employees' confidence and readiness to take on more complex tasks, which in turn drives optimal performance.

In this context, competency is a determining factor in the quality of customer service and the achievement of company operational targets. Improving employee competency not only enhances individual performance but also strengthens overall organizational performance, making it a strategic investment for the company.

### **The Effect of Compensation on Employee Performance**

Based on the results of data analysis, compensation has been proven to have a positive and significant effect on employee performance at PT BPR Syariah Lantabur Tebuireng. The better the compensation received by employees, the higher their motivation and performance in carrying out their daily tasks. The compensation provided includes basic salary, performance allowances, achievement-based incentives, and annual bonuses. The company's compensation policy is designed to be fair, transparent, and competitive. Interviews with branch managers show that employees who receive bonuses or performance incentives tend to be more motivated to improve efficiency and customer service quality. Conversely, if compensation is perceived as not commensurate with contributions, employee motivation can decline. These findings are in line with research by Wekesa and Nyaroo (2019), which states that appropriate compensation is an important factor in improving employee performance.

The majority of company employees have worked for more than 10 years, demonstrating high loyalty and commitment. Long work experience helps employees understand compensation mechanisms and associate financial rewards with their achievements. These findings support previous research showing that fair compensation increases job satisfaction, loyalty, and performance. In the context of Campbell's 3-Factor Performance Theory, compensation acts as a motivating factor that drives employees to achieve optimal results. The combination of work experience and good compensation policies creates effective synergy in improving overall employee performance.

### **The Effect of Work Experience on Employee Performance**

Based on the analysis results, work experience has a positive and significant effect on employee performance at PT BPR Syariah Lantabur Tebuireng. The longer employees work, the greater their contribution to the company's performance. Work experience helps employees better understand operational procedures, policies, and organizational culture. On-the-job training and mentoring programs in the company support the improvement of work experience, where senior employees often serve as references for new employees in solving complex problems. More experienced employees tend to be more efficient, accurate, and able to provide appropriate solutions. These findings are consistent with the research by Andrey R.H. (2019), which states that employees with minimal experience often find it difficult to perform their duties to the fullest. Conversely, longer

work experience allows employees to learn from mistakes, improve work processes, and devise more mature strategies to achieve company goals.

In addition, work experience improves decision-making skills, especially in terms of risk management and customer feasibility analysis. Experienced employees are better able to predict potential problems and complete tasks with high quality. These findings are consistent with performance theory, which states that work experience improves individuals' abilities and readiness to face work challenges. Thus, work experience not only improves individual performance, but also strengthens the effectiveness of teams and organizations as a whole.

### **The Influence of Competence on Performance Through Work Motivation**

Based on the results of data analysis, it was found that competence influences employee performance through work motivation. These results show that employee competence, which includes skills, knowledge, and abilities, not only directly affects their performance but also plays an important role in increasing work motivation, which in turn contributes to improved organizational performance. At PT BPR Syariah Lantabur Tebuireng, the company has implemented various competency training and development programs that focus not only on improving technical skills but also on shaping positive attitudes and mindsets that support employee work motivation. Training programs designed to improve employee competency, such as Islamic banking skills workshops and leadership development programs, indirectly increase their work motivation. When employees feel that they are continuously developing and have better abilities to carry out their duties, they tend to feel more confident and motivated to work better. Therefore, the company also integrates a strategy of rewarding and recognizing the achievements of individuals and teams who have successfully demonstrated improved competencies and satisfactory performance results.

These results are consistent with the research by Mudayana & Suryoko (2016), which found that work motivation can be a mediating variable in the relationship between competence and employee performance. Therefore, PT BPR Syariah Lantabur Tebuireng's policy of emphasizing employee competence development coupled with increased work motivation has proven effective in improving individual and team performance.

### **The Effect of Compensation on Performance Through Work Motivation**

Based on the results of data analysis, it was found that compensation affects employee performance through work motivation. These results show that the compensation received by employees not only has a direct impact on their performance, but also indirectly through increased work motivation. At PT BPR Syariah Lantabur Tebuireng, competitive salary policies, performance-based incentives, annual bonuses, and welfare benefits have been designed to ensure that employees feel valued for their contributions.

Appropriate and fair compensation encourages employees to work to their full potential, as they realize that their efforts and performance will be recognized and rewarded. In addition, competitive compensation also increases employee loyalty, reduces turnover rates, and creates a more productive and harmonious work environment. In other words, work motivation is an intermediary factor that links compensation to employee performance; employees who are motivated by adequate rewards tend to show higher productivity and work quality. These results are consistent with Subchanifa's (2022) research, which shows that compensation has an influence on employee performance through work motivation. In addition, Samsir (2019) found that high compensation has a significant effect on employee work motivation, which ultimately leads to improved performance. Thus, the compensation policy implemented by PT BPR Syariah Lantabur Tebuireng has proven to be effective not only in increasing work motivation but also in boosting overall employee performance.

### **The Effect of Work Experience on Performance Through Work Motivation**

Based on the results of data analysis, it was found that work experience did not affect employee performance through work motivation at PT BPR Syariah Lantabur Tebuireng. These results show that the length of a employee's work experience does not automatically increase motivation at work, so it does not have a significant impact on performance. This may be because the organization emphasizes other factors, such as rewards, recognition, and interpersonal relationships, rather than solely on the duration of work experience. In other words, even if employees have considerable work experience, it does not guarantee that they will be more

motivated if psychological aspects such as feeling valued and recognized are not fulfilled. The fact that work experience does not affect performance through work motivation shows that the quality of motivation at PT BPR Syariah Lantabur Tebuireng is more influenced by a supportive work climate and recognition from superiors and coworkers, rather than the length of experience that employees have.

These results are in line with Astarman's (2024) study entitled "The Influence of Education and Experience on Employee Performance with Work Motivation as an Intervening Variable at the Kuala Cenaku District Health Center in Indragiri Hulu Regency." The study shows that work experience mediated by motivation does not affect employee performance.

## **VI. CONCLUSION AND RECOMENDATIONS**

### **Conclusion**

Based on the results of research on the influence of Competence, Compensation, and Work Experience on the Performance of Employees at PT BPR Syariah Lantabur Tebuireng, both directly and through work motivation, the following conclusions can be drawn:

1. Competence can contribute to improving employee performance. This shows that increasing the knowledge, skills, and abilities of employees directly improves their performance in carrying out their duties and responsibilities.
2. Compensation can contribute to improving employee performance. Providing fair compensation in line with employee contributions can encourage employees to work to their full potential, increase motivation, and positively influence work results.
3. Work experience can contribute to improving employee performance. The longer an employee's work experience, the better their ability to face work challenges, thereby improving performance.
4. Competence can contribute to improving employee performance through work motivation. Improving employee competence not only has a direct impact, but also increases work motivation, which in turn drives performance improvement.
5. Compensation can contribute to improving employee performance through work motivation. Work motivation acts as a mediator that strengthens the influence of compensation on performance, so that the right compensation policy can indirectly improve performance.
6. Work experience cannot contribute to improving employee performance through work motivation. This shows that work motivation does not mediate the influence of work experience on performance, even though work experience still has a direct influence on employee performance.

### **Recommendations**

Based on the research results and conclusions presented, the following recommendations can be made:

1. PT BPR Syariah Lantabur Tebuireng needs to continue implementing structured training and development programs for employees. Training relevant to the field of work, such as mastery of Islamic banking technology, communication skills, and risk management, will further strengthen competencies so that performance can continue to improve.
2. Compensation should take into account aspects of fairness and appropriateness in relation to workload and performance achievements. The company can design a performance-based compensation system to motivate employees to achieve their targets.
3. Employees with long work experience should be involved in mentoring activities or sharing their experiences with new employees. This will ensure effective knowledge and skill transfer, and work experience will become an important asset in improving overall team performance.
4. Since motivation has been proven to mediate the influence of competence and compensation on performance, companies need to create a supportive work environment in terms of work atmosphere, employee relations, and career development opportunities. This will encourage both intrinsic and extrinsic motivation among employees to work more optimally.

For future researchers, it is recommended to explore other mediating variables that may influence the

relationship between competence, compensation, and work experience on employee performance besides motivation, such as job satisfaction, organizational commitment, or employee engagement.

### **Acknowledgements**

The authors would like to express their sincere gratitude to PT BPR Syariah Lantabur Tebuireng for granting permission and providing support during the data collection process. Appreciation is also extended to all employees who willingly participated as respondents in this study. In addition, the authors would like to thank colleagues and academic supervisors from the Master of Management Program, Veteran National Development University of East Java, Indonesia, for their valuable guidance and constructive feedback throughout the completion of this research.

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