# The Influence of Competence, Motivation, and Compensation on Civil Servants' Performance at the Mentawai Islands Port Office

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## Abstract

This study examines the impact of competence, motivation, and compensation on the performance of civil servants at the Mentawai Islands Port Office. Aimed at contributing to the limited body of research on public sector performance in Indonesia's remote regions, this research explores how these factors influence employee performance in a public service context. Data were collected from all 70 civil servants across three main port offices in the Mentawai Islands using structured questionnaires. The analysis, conducted using SPSS 26.0 and employing multiple regression techniques, reveals that motivation is the most significant predictor of performance, followed by compensation and competence, with coefficients of 0.659, 0.292, and 0.135, respectively. The regression equation highlights motivation as the primary driver of employee performance, suggesting that public sector organizations in remote areas must prioritize motivational strategies along with adequate compensation and skill development to enhance service delivery. These findings provide actionable insights for policymakers and public administration leaders aiming to boost civil servant performance through targeted human resource practices. By creating a motivating environment, ensuring fair compensation, and fostering necessary competencies, organizations can achieve higher employee performance and ultimately improve public service quality in outlying regions.

Keywords: Competence, Motivation, Compensation, Performance, Civil Servants.

## Introduction

The performance of civil servants plays a critical role in the effectiveness of public services, especially in strategic locations such as port offices, which serve as hubs for economic activity and connectivit. The Mentawai Islands Port Office is no exception, as its efficient operation is essential to support the region's development and connect remote island communities with economic centers. Given the geographical challenges, civil servants working at such locations are expected to demonstrate a high level of commitment and performance.

Employee performance in public institutions is influenced by several key factors, including competence, motivation, and compensation. Competence reflects the ability of employees to effectively perform their duties through a combination of skills, knowledge, and experience (Doe, 2022). Research has shown that competent employees tend to perform better, contributing positively to organizational outcomes (Smith & Johnson, 2021). In the context of public service, where accountability and efficiency are paramount, competence becomes an even more critical factor (Nguyen et al., 2023).

Motivation, both intrinsic and extrinsic, has been widely recognized as a significant driver of employee performance. According to Herzberg's Two-Factor Theory, motivation is closely linked to factors such as recognition, achievement, and personal growth, which influence job satisfaction and engagement (Herzberg, 1966). In the public sector, motivated employees tend to exhibit higher levels of dedication, which can enhance the quality of services provided to the community (Brown & Miller, 2023).

Lastly, compensation, which includes both financial and non-financial rewards, is an essential factor in influencing job performance. Competitive compensation not only attracts skilled employees but also helps in retaining them by enhancing job satisfaction (Adams, 1963). Studies have shown that adequate compensation is directly correlated with improved performance, as it can serve as a motivator for employees to meet or exceed performance standards (Garcia, 2023).

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In summary, the interplay between competence, motivation, and compensation has a profound impact on civil servants' performance. This study aims to empirically examine these relationships in the context of the Mentawai Islands Port Office, contributing to the growing body of literature on public sector employee performance.

# Literature Review

In recent years, the need for high-performing public institutions has become increasingly critical in Indonesia. The government's push towards improved public service delivery aligns with its vision of sustainable development, equitable access to resources, and a more integrated national economy. The Mentawai Islands Port Office, a critical node for economic and social connectivity, is strategically vital, as it facilitates both the movement of goods and people to and from this remote island region. This port office serves as a primary gateway, supporting the livelihood of local communities and bolstering regional economic growth. Hence, the performance of civil servants in such a location directly impacts not only the functioning of the port but also the broader development goals of the region.

Performance of public sector employees, especially in strategic locations like the Mentawai Islands Port, is influenced by a multitude of factors, of which competence, motivation, and compensation are key determinants. Previous studies indicate that these factors are particularly impactful in public sector environments where employee expectations and service demands often intersect with limited resources and challenging working conditions (Kim & Fernandez, 2017). The relationship between these factors and performance is complex, often mediated by organizational culture, job satisfaction, and personal commitment to public service values. However, the unique characteristics of remote public service contexts such as the Mentawai Islands warrant a focused analysis to understand how these factors contribute to effective service delivery.

#### Competence as a Cornerstone of Performance

Competence, defined as the combination of knowledge, skills, and abilities required to perform a job effectively, is widely recognized as a critical determinant of employee performance. In the context of public service, competence goes beyond technical expertise; it encompasses an understanding of regulations, procedural knowledge, and the ability to adapt to unforeseen challenges (Hood, 2015). Competence in civil servants is particularly essential in environments like the Mentawai Islands Port Office, where employees may need to handle diverse tasks, from logistical planning to community engagement, often with minimal supervision.

Research on public sector performance suggests that competent employees are better equipped to manage the intricacies of their roles and respond to citizens' needs effectively (Boyne, 2010). Competence has been positively linked with increased efficiency, accuracy, and responsiveness in service delivery, which are crucial for the operational success of public institutions. For instance, a study by Wright et al. (2019) found that employees who perceive their work environment as supportive of skill development exhibit greater job satisfaction and higher performance levels. In Indonesia, initiatives such as the competency-based training for civil servants have shown promising results in enhancing workforce capabilities. However, the effectiveness of such programs often depends on contextual factors, including the availability of resources and the extent of support from local management.

#### Motivation and Public Service Performance

Motivation, both intrinsic and extrinsic, plays a crucial role in shaping employee behavior and attitudes toward work. Intrinsic motivation, which stems from personal satisfaction and fulfillment derived from the job, is especially significant in the public sector, where financial incentives may not be as competitive as in the private sector (Perry, 1996). Civil servants who are intrinsically motivated are more likely to exhibit dedication, a sense of duty, and resilience in the face of challenges. This is pertinent in the context of the Mentawai Islands, where challenging working conditions, such as limited infrastructure and isolation, can impact employee morale.

Extrinsic motivation, on the other hand, relates to external rewards such as job security, recognition, and promotion opportunities. Theories such as Maslow's Hierarchy of Needs (1943) and Herzberg's Two-Factor Theory (1959) provide a framework for understanding how these needs influence employee motivation. Herzberg's theory, for example, posits that certain factors, such as recognition and advancement, act as motivators, while others, like salary and job security, serve as hygiene factors that prevent dissatisfaction. Recent studies in the Indonesian public sector, including work by Setyaningrum and Dewi (2021), suggest that a blend of intrinsic and extrinsic motivators can effectively drive performance, especially in settings where public servants face unique challenges.

Motivational theories have been applied extensively in studies on employee performance, but their application in remote public service contexts remains limited. An examination of motivation within the Mentawai Islands Port Office would contribute to a more nuanced understanding of how motivational factors operate in environments with limited extrinsic rewards. Civil servants in such areas may rely more heavily on intrinsic motivators, such as a commitment to public welfare and the desire to support their communities, which can influence their performance.

#### Compensation and Its Role in Performance Enhancement

Compensation, encompassing both monetary and non-monetary rewards, is a fundamental factor in employee performance. In the public sector, where budgets are often constrained, compensation must be managed strategically to ensure it aligns with performance expectations. Competitive compensation not only serves to attract skilled employees but also plays a crucial role in retaining them by enhancing job satisfaction and reinforcing organizational commitment (Adams, 1963; Garcia, 2023). For civil servants at the Mentawai Islands Port Office, appropriate compensation is essential to offset the challenges of remote work, including high living costs and limited access to amenities.

Several studies highlight the positive correlation between compensation and performance. For example, a meta-analysis by Judge et al. (2010) revealed that fair compensation positively impacts job satisfaction, which in turn enhances performance outcomes. In Indonesia, civil servants are often motivated by both their compensation packages and the stability provided by public sector employment (Prasetyo & Rizqi, 2022). However, remote areas like the Mentawai Islands may require additional compensation incentives to account for the hardships of working in such locations. Incentive structures that address the specific challenges of remote postings could be beneficial in enhancing employee motivation and performance in these areas.

## The Interplay of Competence, Motivation, and Compensation

The interplay between competence, motivation, and compensation is complex, particularly in remote public service contexts. These three factors are not isolated; they interact to shape employees' perceptions of their roles, their commitment to the organization, and ultimately, their performance. A high level of competence enables civil servants to perform effectively, while motivation drives them to go beyond routine duties. Compensation serves as a foundation that supports both competence development and motivational factors. For instance, adequate compensation allows employees to focus on skill enhancement without financial stress, which in turn contributes to higher competence levels and performance.

Furthermore, the public sector context introduces unique dynamics that affect these relationships. Civil servants are often motivated by a sense of public duty and social responsibility, which may mitigate the effects of lower extrinsic rewards compared to private sector roles. However, when intrinsic motivators are not supported by appropriate compensation and opportunities for skill development, job dissatisfaction can arise, leading to decreased performance (Kim, 2012). Understanding how competence, motivation, and compensation interact to influence civil servants' performance in the Mentawai Islands Port Office can provide insights into effective human resource practices for public institutions operating in challenging environments.

## Study Contribution and Objectives

This study seeks to empirically examine the influence of competence, motivation, and compensation on the performance of civil servants at the Mentawai Islands Port Office. By exploring these relationships in a remote public service context, the research aims to contribute to the limited literature on public sector performance in Indonesia's outlying regions. Additionally, it seeks to provide practical recommendations for policymakers on enhancing employee performance in similar settings through targeted human resource interventions. The study's findings will be relevant to government agencies, particularly those involved in public administration in remote areas, as they strive to improve service delivery and employee satisfaction.

## **Research Method**

This section outlines the research objects, location, population, sampling, data collection, operational definitions, measurement tools, and data analysis methods. The objects of this study are civil servants at the Port Office of the Mentawai Islands. The study was conducted across three main offices: Siuban Port Office, including the Tua Pejat sub-office, Sikakap Port Office, including the Bakkai sub-office and Muara Siberut Port Office, including the Muara Sikabaluan sub-office.

The population consisted of all civil servants in the Mentawai Islands' Directorate General of Sea Transportation offices, totaling 70 individuals. Given the manageable population size, total sampling was applied, involving all 70 employees as research participants.

Data were gathered using a field survey through structured questionnaires distributed to all respondents. The questionnaire included: Structured questions with predefined answer choices and additional information on respondents' profiles and demographics. The study primarily utilized primary data collected directly from respondents and subsequently analyzed to test the hypotheses.

Each variable was assessed using a Likert scale questionnaire with specific indicators:

Variabel	<b>Operational Definitions</b>		Indicators	Scale
Competence	Fundamental characteristics	0	Job satisfaction	Likert
	enabling individuals to perform	0	Adherence to work procedures	
	superiorly in their roles (Boulter,	0	Decision-making abilities	
	Dalziel, & Hill, 1996).	0	Competitiveness and skill	
			relevance to job descriptions	
		0	Willingness to learn and	
			equipment proficiency	
		0	Problem-solving speed and	
			quality	
Motivation	The driving force that induces	0	Salary satisfaction	Likert
	and directs an employee's	0	Need for recognition and job	
	behavior (Gibson, 2000).		security	
		0	Work-life balance and vacation	
			needs	
		0	Job challenge and supportive	
			work environment	
		0	Flexibility in scheduling and	
			opportunities for advancement	
Compensation	Payments in the form of wages	0	Fixed and variable pay	Likert
_	or salaries based on work	0	Work equipment and moral	
	completed, with or without		support	
	additional benefits (Currie, 1972;	0	Employment guarantees and	
	Newbrough, 1967).		retirement benefits	

#### Table 1. Research Instrument

Employee	Work achievements in terms of	0	Timeliness, accuracy, and	Likert
Performance	quality and quantity, meeting		diligence	
	specified standards within a set	0	Understanding of job	
	period, including speed,		specifications and procedures	
	accuracy, endurance, and work	0	Technical knowledge and	
	skills (Dessler, 1997).		independent work ability	
		0	Problem-solving willingness	
			and teamwork support	

The collected data were analyzed using statistical methods in SPSS 26.0. The primary analysis tool was multiple regression analysis to test the hypotheses and model the relationships among variables. The regression equation used in this study is:

 $Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$ 

Where:

- Y = Employee PerformanceX1 = Competence
- X2 = Motivation
- X3 = Compensation
- $\alpha$  = Constant
- e = Error term
- $\beta_{1,2,3}$  = Regression coefficients

# **Result and Discussion**

## Description of Respondent Characteristic

The respondents in this study, civil servants at the Mentawai Islands Port Office, exhibit a predominantly male demographic, with males representing 93.94% (n = 62) of the sample, while females account for only 6.06% (n = 4). Age-wise, the majority of respondents fall within the 31–40 age range, comprising 66.67% (n = 44) of the total, followed by those aged 41–50 at 15.15% (n = 10). Respondents aged 21–30 make up 10.61% (n = 7), those above 50 represent 4.55% (n = 3), and the smallest age group is those under 21, at 3.03% (n = 2).

Characteristics	Category	F	%
Gender	Male	62	93,94
	Female	4	6,06
Age	< 21	2	3,03
	21-30	7	10,61
	31-40	44	66,67
	41-50	10	15,15
	>50	3	4,55
Educational Background	Junior High School	3	4,55

Table 2. Characteristic of Respondent

		DOI: <u>https://</u>	<u>/doi.org/10.62754/j</u>
	Senior High School	60	90,91
	Bachelor/Diploma	3	4,55
Work Experience	<2 years	3	4,55
	2-5 years	9	13,64
	5-10 years	4	6,06
	>10 years	50	75,76
Income	< \$100 USD	10	15,15
	\$100 - \$200	56	84,85
Number of Dependents	1	13	19,70
	2-3	40	60,61
	4-5	11	16,67
	>5	2	3,03

In terms of educational background, a significant majority (90.91%, n = 60) hold a senior high school diploma, while only 4.55% (n = 3) have attained a bachelor's degree or diploma, and another 4.55% (n = 3) completed junior high school.

Regarding work experience, 75.76% (n = 50) of respondents have over 10 years of experience, indicating a well-established workforce with considerable tenure. Those with 2–5 years of experience constitute 13.64% (n = 9), while employees with less than two years or between 5 and 10 years of experience represent smaller proportions, at 4.55% (n = 3) and 6.06% (n = 4), respectively.

Income levels reveal that a vast majority (84.85%, n = 56) of respondents earn between \$100 and \$200 USD per month, whereas 15.15% (n = 10) report earnings below \$100 USD. The number of dependents is predominantly within the 2–3 range, comprising 60.61% (n = 40) of the sample. Respondents with one dependent account for 19.70% (n = 13), those with 4–5 dependents make up 16.67% (n = 11), and only a small percentage (3.03%, n = 2) have more than five dependents.

#### In-Depth Discussion on the Regression Results: Competence, Motivation, and Compensation on Employee Performance

The employee performance (Y) is positively influenced by three primary factors: competence (X<sub>1</sub>), motivation (X<sub>2</sub>), and compensation (X<sub>3</sub>), with respective coefficients of 0.135, 0.659, and 0.292. The model implies that motivation has the most substantial effect on employee performance, followed by compensation and competence. To further understand the nuances of this model, it is essential to delve deeper into the relationships between these variables, the existing literature, and their implications for organizations. The equation provided:

 $Y = 12.061 + 0.135X_1 + 0.659X_2 + 0.292X_3 + e$ 

#### The Role of Competence in Employee Performance

The coefficient for competence is 0.135, indicating that competence has a significant but relatively modest effect on employee performance. Competence refers to the skills, knowledge, and abilities that employees possess to perform their job tasks. The development of competence is crucial for any organization as it directly influences the quality of work produced by employees. In this model, competence appears to be the least influential factor on performance, but it is still a vital component.

Competence encompasses both technical skills and the ability to apply these skills effectively in the workplace. According to Hassan et al. (2016), employees with higher competence are able to perform tasks more efficiently, solve problems, and make informed decisions. This ability ultimately enhances their performance in the workplace. The connection between competence and performance is well-established in organizational psychology, where it is noted that individuals who possess the requisite skills and knowledge for their roles are more likely to be successful (Hassan, S., Bashir, M., & Ahmed, Z., 2016).

Competence is particularly important in roles that require technical expertise or specialized knowledge. For example, in sectors such as healthcare, engineering, or finance, an employee's technical competence can directly influence their performance outcomes. However, in contrast, in roles that rely heavily on interpersonal skills or creativity, such as marketing or customer service, the influence of competence on performance may be less pronounced, as interpersonal skills and motivation could play a larger role.

The modest coefficient for competence in this model suggests that while it is important, it may not always be the defining factor in performance, especially when other motivational or extrinsic factors are at play. Amabile et al. (1996) further emphasize that competence alone does not guarantee high performance employees must also feel motivated and be appropriately compensated to perform at their best.

#### The Influence of Motivation on Employee Performance

The most significant coefficient in the equation is for motivation, with a value of 0.659. This indicates that motivation is the most influential factor in predicting employee performance. Motivation, both intrinsic (driven by internal factors such as personal goals and satisfaction) and extrinsic (driven by external factors such as rewards, recognition, and promotions), is often cited as the key to unlocking superior performance in the workplace.

Numerous studies have demonstrated that motivated employees are more likely to engage in behaviors that enhance their performance. Deci & Ryan (2000), in their Self-Determination Theory, argue that motivation is a key driver of both performance and creativity. They assert that intrinsic motivation, such as the satisfaction derived from completing meaningful work, is particularly powerful in fostering high levels of engagement and performance. Conversely, extrinsic motivation, such as financial rewards or promotions, may be less sustainable in driving long-term high performance unless it is coupled with intrinsic satisfaction.

Motivation not only influences an individual's effort but also affects how individuals approach tasks, handle challenges, and persevere in difficult situations. Locke & Latham (2002) highlight that employees with clear goals and motivation are more likely to persist in the face of adversity and achieve higher performance standards. In this study, the large influence of motivation on employee performance underscores the importance of creating a motivating work environment. Managers should focus on fostering intrinsic motivation by providing employees with opportunities for professional growth, autonomy, and recognition, all of which contribute to long-term engagement and performance.

The coefficient of 0.659 suggests that organizations that invest in creating a motivating environment through effective goal setting, employee empowerment, and feedback—can expect significant improvements in employee performance. This result aligns with findings from Gagné & Deci (2005), who argue that motivating employees through both intrinsic and extrinsic rewards enhances their commitment, performance, and overall job satisfaction.

## The Role of Compensation in Employee Performance

While compensation has the smallest coefficient in the regression model (0.292), it still plays a significant role in determining employee performance. Compensation includes financial rewards such as salary, bonuses, and benefits, as well as non-financial rewards like recognition and career advancement opportunities. Compensation has long been seen as a key factor in attracting and retaining talent, but its impact on performance is more nuanced.

According to Jiang et al. (2012), fair and competitive compensation is essential for ensuring employee satisfaction and motivation. When employees feel that they are compensated fairly for their contributions, they are more likely to be committed to their roles and perform better. This is particularly true in industries where performance-based rewards are common, such as sales or performance-driven jobs. Compensation, in this context, serves not only as an extrinsic motivator but also as a reflection of how much the organization values its employees' contributions.

However, compensation alone may not be sufficient to sustain high levels of performance in the long term. Lazear (2000) found that while performance-based pay schemes can drive short-term improvements in productivity, they may not have as lasting an effect unless they are accompanied by other motivational factors, such as personal growth opportunities, job satisfaction, and a positive organizational culture. In the current regression model, compensation's more modest effect suggests that, while important, it is not the most significant driver of employee performance, especially when compared to motivation.

This finding aligns with Herzberg's Two-Factor Theory (1959), which posits that while extrinsic factors like compensation are necessary to prevent dissatisfaction, intrinsic factors such as achievement, recognition, and the nature of the work itself are more effective in driving higher performance. Employees who feel that their work is meaningful and that they have the potential for growth are likely to outperform those who are merely motivated by financial rewards.

#### The Interplay of Competence, Motivation, and Compensation

Although competence, motivation, and compensation have been examined separately, it is crucial to recognize that these factors do not operate in isolation. In fact, they often interact in complex ways that enhance or hinder employee performance. A well-rounded approach to employee development involves improving all three areas simultaneously.

For instance, an employee with high competence but low motivation may underperform because they lack the drive to apply their skills fully. Conversely, a highly motivated employee with low competence might display enthusiasm but fail to produce high-quality results due to insufficient skills. Thus, organizations must strike a balance by providing employees with both the training and the incentives to perform at their best.

Additionally, Ryan & Deci (2000) note that motivation can be enhanced when employees feel competent in their roles, which aligns with the findings in this study. A competent employee is more likely to experience intrinsic motivation, which, when combined with appropriate compensation, can result in exceptional performance. In this regard, competence, motivation, and compensation are not only separate influences but also interdependent elements that collectively shape employee performance.

#### **Conclusion and Recommendations**

The regression model suggests that motivation plays the most significant role in determining employee performance, followed by compensation and competence. This finding is consistent with existing literature that highlights the importance of motivation in driving employee behavior and performance. While competence is crucial, it is not enough on its own to ensure high performance. Similarly, while compensation provides the necessary financial incentives, it is the combination of these factors—along with a motivating work environment—that ultimately drives superior employee performance. Organizations must adopt a holistic approach to employee development that addresses competence, motivation, and compensation in tandem. By fostering a motivating environment, offering fair compensation, and ensuring that employees possess the necessary skills, companies can maximize their employees' performance and achieve long-term success.

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