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# The Influence of Compensation, Leadership, and Competency on the Performance Employees Through Motivation as a Mediating Variable

**Nurul Fadhlya Hidayatunnisa[1], R. Adjeng Mariana F[2]**
[1]Universitas Widyatama, Indonesia, nurul.fadhlya@widyatama.ac.id
[2]Universitas Widyatama, Indonesia, adjeng.mariana@widyatama.ac.id

Corresponding Author: nurul.fadhlya@widyatama.ac.id

**Abstract:** This research examines the influence of compensation, leadership, and competence on the performance of employees through motivation as a mediating variable. The research method used is quantitative with a descriptive verification approach. Researchers use nonprobability sampling techniques, namely sampling techniques that do not provide opportunities or opportunities for each member of the population to be selected as a sample. For this study, a sample of the entire employee population of 120 people was selected. The tool used to analyze data in this research is SmartPLS 4 2024. The research results show that (1) Compensation has a positive effect on motivation, (2) Leadership has a positive effect on motivation, (3) Competency has a positive effect on motivation, (4) Compensation has no positive effect on employee performance, (5) Leadership has no positive effect on employee performance (6) Competence on performance has a positive effect on employee performance (7) Motivation has a positive effect on employee performance, (8) Compensation has a positive effect on performance through motivation, (9) Leadership has a positive effect on performance through motivation, (10) Competence has a positive effect on performance positive impact on performance through motivation.

**Keyword:** Compensation, Leadership, Competence, Motivation, Employee performance.

## INTRODUCTION

Human resource management is a process that handles various problems within the scope of employees, managers, workers, and other workers to support the activities of an organization or company to achieve a goal (Sularmi, 2018). In a company, employees are positioned not only as production factors but also as company assets that must be managed and developed. Through careful human resource planning, an employee's performance level can be increased significantly. Good performance will create harmonious relationships and a pleasant work atmosphere. One of the factors that influence the creation of good performance is compensation (Handoko, 2010).

Factors that influence the creation of good performance are leadership factors (Payaman Simanjuntak, 2011). Leadership is the process of influencing the activities of a person or group in their efforts to achieve goals in certain situations. Leadership in

organizations has a very large role in building relationships between individuals and forming organizational values which serve as the basic foundation for achieving organizational goals (Hermaningsih, 2011). Effective leadership must provide direction to the efforts of all workers in achieving organizational goals (Badu, 2017). In organizations where there is no leadership, the relationship between individual goals and organizational goals becomes unidirectional. This situation creates a situation where individuals work to achieve their personal goals. Meanwhile, the entire organization becomes inefficient in achieving its goals. Leadership in an organization is a factor that determines the success or failure of an institution. Because good leadership shows that the management of an organization has been implemented successfully (Harneisa et al., 2023). A leader must have relevant managerial and leadership competencies. Leaders without basic competence will find it difficult to determine the right vision and strategy and will not be able to develop and influence their subordinates, not only that, leaders will not be able to make creative and rational decisions (Kompri, 2017).

Competence is one of the important components that individuals must have so that the implementation of work tasks can run well. Competency is defined as an ability based on skills and knowledge which is supported by work attitudes and their application in carrying out tasks and work in the workplace which refers to the specified work requirements (Vernia & Sandiar, 2020). Employees who have work competence tend to have good abilities in carrying out work, not only that, employees who have good abilities also have the skills to be able to complete work based on work targets given by the company, this can provide work enthusiasm within employees to continue progress in carrying out work that can improve performance within the company. If employees do not have sufficient competence within themselves, they tend not to have the ability to work, and employees do not fully have the skills to complete the work, thus providing less than optimal performance (Rismawati, 2021).

One factor in less than optimal performance is low motivation. Motivation is one of the employee's responses to several statements regarding the overall business that arises from within the employee to build encouragement to work and the goals desired by the employee can be achieved. Motivation is important to improve employee performance. If employees feel motivated, then employees will be enthusiastic about working. Therefore, companies must pay attention to employee motivation so that the company and employees can run smoothly without anyone being harmed (Wijaya *et al*., 2012). The motivation that employees have will have an impact on improving performance. The higher the employee's motivation, the higher the employee's performance, and vice versa, if the employee's motivation is low, the performance will decrease.

Employee performance is an important aspect of achieving company goals. If performance in a company is good, then the company's goals can be achieved. If performance is problematic in a company, certainly the company's goals will not be achieved. Performance is the result that has been achieved by an employee in carrying out his duties his responsibilities (Mahmudi, 2015). One of the supporting tools to see employee performance achievements is the Key Performance Indicator. Key Performance Indicators (KPIs) contain measurable indicators and include information on reporting employee performance results as a key parameter for determining the company's achievement or success as well as setting challenging annual performance targets (Haholongan, 2022).

Based on the descriptions stated above, this research aims to analyze the influence of compensation, leadership, and competence on employee performance through motivation as a mediating variable.

## METHOD

This research also uses descriptive descriptive analysis which is used to test whether compensation, leadership, and competence affect employee performance through motivation

as mediating variables. The population in this study was 120 people. Researchers used nonprobability sampling methods or saturated sampling techniques. In this research, 120 respondents will be observed. The data used in this research is quantitative. Data collection techniques carried out by researchers are from literature studies and field research. Field research includes observations, interviews, and questionnaires. The scale used in the researcher's questionnaire is the Likert scale. Data were analyzed using SmartPLS 4 2024 software. Data analysis included validity and reliability testing (Outer Model). For testing path analysis and indirect effects, it is in the (Inner Model) which is to see the relationship between exogenous and endogenous variables.

## RESULT AND DISCUSSION

The respondents in this study were 120 employees. The data obtained shows the demographic profile of the respondents who participated in this research. Based on the data obtained, the majority of respondents in this study were male, numbering 115 people (96%) while respondents who were female were 5 people (4%). The 20-30 age group totaled 75 people (63%), 40 people aged 31-40 (33%), and 5 people aged 41-50 (4%). If based on the last education group, there are more than 90 high school graduate or 75%, and the remaining 25% is filled by D1, D3, and S1 graduates. For the 1-5 years work period group there were 97 people (81%), 6-10 years there were 23 people (19%).

The outer model or measurement model describes how each block of indicators relates to its latent variable. The outer model is used to test the construct validity and reliability of the instrument. This is useful for knowing the ability of research instruments to measure what should be measured. The consistency of measuring instruments in measuring a concept or the consistency of respondents in answering question items in questionnaires or research instruments. According to (Ghozali, 2020) measurements are carried out through measurement models, namely convergent validity, discriminant validity, and composite reliability (Cronbach's alpha).

### Convergent Validity

The measurement model shows how manifest variables or observed variables represent the latent variables to be measured. Convergent validity is measured using outer loading and AVE (Average Variance Extracted) parameters. An individual reflexive measure is said to be correlated if the value is more than 0.7 with the construct to be measured (Ghozali, 2020). From the results of the measurement model analysis above, it is known that there are several manifest variables whose factor loading value is <0.70, so to fulfill the rule of thumb, manifest variables whose value is <0.70 must be dropped from the model. Manifest variables that must be removed from the model. The following are the results of the convergent validity values:

**Table 1. Outer Loadings Value of Compensation Exogenous Constructs**

| Variable | Indicators | Outer loadings | Rule of Thumb | Conclusion |
|---|---|---|---|---|
| **Compensation** | X1.1 | 0.865 | 0.700 | Valid |
| | X1.2 | 0.884 | 0.700 | Valid |
| | X1.3 | 0.897 | 0.700 | Valid |
| | X1.4 | 0.833 | 0.700 | Valid |
| | X1.5 | 0.870 | 0.700 | Valid |
| | X1.6 | 0.873 | 0.700 | Valid |
| | X1.7 | 0.897 | 0.700 | Valid |

Source: Data processing, SmartPLS 4

The following are the results of the convergent validity value of the exogenous leadership construct:

**Table 2. Value of Outer Loadings of Exogenous Leadership Constructs**

| Variable | Indicators | Outer Loadings | Rule of Thumb | Conclusion |
|---|---|---|---|---|
| **Leadership** | X2.1 | 0.923 | 0.700 | Valid |
| | X2.2 | 0.944 | 0.700 | Valid |
| | X2.3 | 0.945 | 0.700 | Valid |
| | X2.4 | 0.947 | 0.700 | Valid |

Source: Data processing, SmartPLS 4

The following are the results of the convergent validity value of the exogenous competency construct:

**Table 3. Outer Loadings Value of Exogenous Competence Construct**

| Variable | Indicators | Outer Loadings | Rule of Thumb | Conclusion |
|---|---|---|---|---|
| **Competence** | X3.01 | 0.910 | 0.700 | Valid |
| | X3.02 | 0.907 | 0.700 | Valid |
| | X3.03 | 0.888 | 0.700 | Valid |
| **Competence** | X3.04 | 0.900 | 0.700 | Valid |
| | X3.05 | 0.884 | 0.700 | Valid |
| | X3.06 | 0.891 | 0.700 | Valid |
| | X3.07 | 0.883 | 0.700 | Valid |
| | X3.08 | 0.872 | 0.700 | Valid |
| | X3.09 | 0.902 | 0.700 | Valid |
| | X3.10 | 0.866 | 0.700 | Valid |
| | X3.11 | 0.864 | 0.700 | Valid |

Source: Data processing, SmartPLS 4

The following are the results of the convergent validity values of the exogenous construct of employee performance:

**Table 4. *Outer Loadings***

| Variable | Indicators | Outer Loadings | Rule of Thumb | Conclusion |
|---|---|---|---|---|
| **Employee Performance** | Y.01 | 0.832 | 0.700 | Valid |
| | Y.02 | 0.794 | 0.700 | Valid |
| | Y.03 | 0.858 | 0.700 | Valid |
| | Y.04 | 0.838 | 0.700 | Valid |
| | Y.05 | 0.810 | 0.700 | Valid |
| | Y.06 | 0.864 | 0.700 | Valid |
| | Y.07 | 0.834 | 0.700 | Valid |
| | Y.08 | 0.847 | 0.700 | Valid |
| | Y.09 | 0.834 | 0.700 | Valid |
| | Y.10 | 0.877 | 0.700 | Valid |
| | Y.11 | 0.835 | 0.700 | Valid |

Source: Data processing, SmartPLS 4

The following are the results of the convergent validity value of the exogenous construct of Motivation:

**Table 5. Outer Loadings Value of Endogenous Constructs/Motivational Mediator**

| Variable | Indicators | Outer Loadings | Rule of Thumb | Conclusion |
|---|---|---|---|---|
| **Motivation** | Z.01 | 0.853 | 0.700 | Valid |
| | Z.02 | 0.871 | 0.700 | Valid |
| | Z.03 | 0.813 | 0.700 | Valid |
| | Z.04 | 0.873 | 0.700 | Valid |

| | | | | |
|---|---|---|---|---|
| | Z.05 | 0.825 | 0.700 | Valid |
| | Z.06 | 0.879 | 0.700 | Valid |
| | Z.07 | 0.883 | 0.700 | Valid |
| | Z.08 | 0.861 | 0.700 | Valid |

Source: Data processing, SmartPLS 4

## Discriminant Validity

Discriminant validity is used to test the validity of a model. Discriminant validity is seen through the cross-loading value which shows the magnitude of the correlation between the construct and its indicators and indicators from other constructs. The standard value used for cross-loading must be greater than 7 or by comparing the square root of the average variance extracted (AVE) value for each construct with the correlation between the construct and other constructs in the model. If the AVE root value for each construct is greater than the correlation value between the construct and other constructs in the model, then it is said to have good discriminant validity values.

**Table 6. Discriminant Validity Value**

| DISCRIMINANT VALIDITY | | | | | |
|---|---|---|---|---|---|
| **Construct** | **Leadership** | **Performance** | **Compensation** | **Competence** | **Motivation** |
| **X1.1** | 0.594 | 0.647 | 0.865 | 0.622 | 0.677 |
| **X1.2** | 0.662 | 0.644 | 0.884 | 0.636 | 0.697 |
| **X1.3** | 0.626 | 0.615 | 0.897 | 0.587 | 0.663 |
| **X1.4** | 0.564 | 0.577 | 0.833 | 0.500 | 0.553 |
| **X1.5** | 0.646 | 0.605 | 0.870 | 0.578 | 0.604 |
| **X1.6** | 0.655 | 0.664 | 0.873 | 0.631 | 0.696 |
| **X1.7** | 0.648 | 0.712 | 0.897 | 0.697 | 0.767 |
| **X2.1** | 0.923 | 0.678 | 0.666 | 0.731 | 0.747 |
| **X2.2** | 0.944 | 0.706 | 0.648 | 0.744 | 0.744 |
| **X2.3** | 0.945 | 0.698 | 0.695 | 0.804 | 0.771 |
| **X2.4** | 0.947 | 0.711 | 0.692 | 0.775 | 0.768 |
| **X3.01** | 0.710 | 0.746 | 0.634 | 0.910 | 0.754 |
| **X3.02** | 0.719 | 0.731 | 0.622 | 0.907 | 0.723 |
| **X3.03** | 0.733 | 0.732 | 0.661 | 0.888 | 0.721 |
| **X3.04** | 0.741 | 0.732 | 0.614 | 0.900 | 0.719 |
| **X3.05** | 0.741 | 0.708 | 0.634 | 0.884 | 0.765 |
| **X3.06** | 0.751 | 0.722 | 0.592 | 0.891 | 0.732 |
| **X3.07** | 0.699 | 0.720 | 0.620 | 0.883 | 0.728 |
| **X3.08** | 0.704 | 0.705 | 0.632 | 0.872 | 0.729 |
| **X3.09** | 0.748 | 0.736 | 0.659 | 0.902 | 0.754 |
| **X3.10** | 0.675 | 0.667 | 0.551 | 0.866 | 0.664 |
| **X3.11** | 0.712 | 0.709 | 0.596 | 0.864 | 0.733 |
| **Y.01** | 0.565 | 0.832 | 0.533 | 0.634 | 0.710 |
| **Y.02** | 0.603 | 0.794 | 0.489 | 0.666 | 0.613 |
| **Y.03** | 0.632 | 0.858 | 0.679 | 0.711 | 0.751 |
| **Y.04** | 0.628 | 0.838 | 0.595 | 0.644 | 0.700 |
| **Y.05** | 0.621 | 0.810 | 0.569 | 0.645 | 0.608 |
| **Y.06** | 0.722 | 0.864 | 0.643 | 0.808 | 0.782 |
| **Y.07** | 0.627 | 0.834 | 0.711 | 0.705 | 0.727 |
| **Y.08** | 0.643 | 0.847 | 0.599 | 0.683 | 0.734 |
| **Y.09** | 0.601 | 0.834 | 0.609 | 0.639 | 0.646 |

| DISCRIMINANT VALIDITY | | | | | |
|---|---|---|---|---|---|
| **Construct** | **Leadership** | **Performance** | **Compensation** | **Competence** | **Motivation** |
| **Y.10** | 0.601 | 0.877 | 0.656 | 0.685 | 0.674 |
| **Y.11** | 0.600 | 0.835 | 0.647 | 0.629 | 0.636 |
| **Z.01** | 0.676 | 0.661 | 0.648 | 0.672 | 0.853 |
| **Z.02** | 0.715 | 0.695 | 0.714 | 0.763 | 0.871 |
| **Z.03** | 0.670 | 0.695 | 0.584 | 0.672 | 0.813 |
| **Z.04** | 0.714 | 0.743 | 0.695 | 0.743 | 0.873 |
| **Z.05** | 0.667 | 0.686 | 0.618 | 0.685 | 0.825 |
| **Z.06** | 0.705 | 0.705 | 0.663 | 0.686 | 0.879 |
| **Z.07** | 0.677 | 0.727 | 0.682 | 0.695 | 0.883 |
| **Z.08** | 0.703 | 0.744 | 0.643 | 0.718 | 0.861 |

Source: Data processing, SmartPLS 4

From the cross-loading results in the table above, it can be concluded that the loading value of each indicator is greater than the cross-loading value. Based on the table above, it can be seen that the cross-loading value of each indicator on the variable is greater than the other variables, so it can be concluded that the discriminant validity is stated to be good.

## Composite Reliability

Apart from looking at the value of the factor loading of each construct as a validity test, the measurement model also carries out a reliability test. Reliability tests are carried out to prove the accuracy, consistency, and precision of the instrument in measuring a construct. When using SmartPLS 4, measuring the reliability of a construct can be done in two ways, namely with Cronbach's Alpha and Composite reliability. However, using Cronbach's Alpha to test the reliability of a construct will give a lower value (underestimate) so it is more recommended to use Composite Reliability. The following are the composite reliability results of this research:

**Table 7. Composite Reliability Value/Reliability Test**

| Variable | Cronbach's alpha | Composite reliability | Rule of Thumb | Conclusion |
|---|---|---|---|---|
| **Leadership** | 0.956 | 0.968 | 0.700 | Reliable |
| **Employee Performance** | 0.958 | 0.963 | 0.700 | Reliable |
| **Compensation** | 0.949 | 0.958 | 0.700 | Reliable |
| **Competence** | 0.973 | 0.976 | 0.700 | Realiable |
| **Motivation** | 0.948 | 0.957 | 0.700 | Reliable |

Sumber: Olah data, SmartPLS 4

The conclusion on data processing shows satisfactory figures, all variables are above the threshold of 0.70, indicating high consistency and stability of the instruments used. It can be concluded that all the constructs of this research have become suitable measuring tools and have good reliability.

## Hypothesis Test Results (Inner Model)

Evaluation of the structural model or inner model aims to predict the relationship between latent variables. The structural model is evaluated by looking at the percentage of variance explained, namely by looking at the R-Square value for endogenous latent constructs, and AVE for predictiveness by using resampling procedures such as jackkniffing and bootstrapping to obtain stability of the estimates.

## R-square

This analysis is to determine the percentage of endogenous construct variability that may be explained by exogenous construct variability. This analysis is also to determine the goodness of the structural equation model. The higher the R-square value shows that the greater the exogenous variable can explain the endogenous variable, so the better the structural equation. The following are the output values for the R-Square values:

**Table 8. R-Square Value Results**

| Construct | R-square | R-square adjusted |
|---|---|---|
| **Employee Performance (Y)** | 0,748 | 0,739 |
| **Motivation (Z)** | 0,770 | 0,764 |

Source: Data processing, SmartPLS 4

1. The R-square value of the employee performance variable is 0.739, which means that the variability of the employee performance construct which can be explained by the variability of the compensation, leadership, competency, and motivation constructs is 73.9% while the rest is explained by other variables outside those studied.
2. The R-square value of the motivation variable is 0.739, which means that the variability of the motivation construct which can be explained by the variability of the constructs of compensation, leadership, competence, and employee performance is 76.4% while the rest is explained by other variables outside those studied.

## F-square ($f_2$)

This formula is to explore whether the endogenous latent variable is strongly influenced or not by the exogenous latent variable (Ghozali, 2020). If the f2 number is 0.02 then the influence is small, the value is 0.15 is medium and the value is 0.35 then the influence of the exogenous latent variable is declared large (Ghozali, 2020). The following are the results of the F-Square values:

**Table 9. F-Square**

| Construct | Leadership | Performance | Compensation | Competence | Motivation |
|---|---|---|---|---|---|
| **Leadership** | | 0,000 | | | 0,098 |
| **Performance** | | | | | |
| **Compensation** | | 0,048 | | | 0,165 |
| **Competence** | | 0,133 | | | 0,210 |
| **Motivation** | | 0,130 | | | |

Based on the F-Square results above, it can be explained that:

1. The leadership variable on performance with an f-square value of 0.000 has a small influence.
2. The compensation variable on performance with an f-square value of 0.048 has a small effect.
3. The competency variable on performance with an f-square value of 0.133 has a small effect.
4. The motivation variable on performance with an f-square value of 0.130 has a medium effect.
5. The leadership variable on motivation with an f-square value of 0.098 has a small influence.
6. The compensation variable on motivation with an f-square value of 0.165 has a medium effect.
7. The competency variable on motivation with an f-square value of 0.210 has a medium effect.

**Hypothesis Test**

Hypothesis testing was carried out using the bootstrapping technique. The data used for bootstrapping is data that has been carried out in the Measurement stage. Hypothesis testing is included in the Structural Model and shows the hypothesized relationships with simulation practice. This bootstrapping test also aims to determine the direction of the relationship and the significance of the relationship for each latent variable. Hypothesis testing is carried out by comparing predetermined t-statistics or t-counts. The t-count produced in the bootstrapping test must be greater than the one-tail t-table, namely 1.65 for a standard error of 5% or a p-value below 0.05 (Hair et al. 2017: 320).

**Table 10. Hypothesis Test Results**

| No | Hypothesis | T-statistic | | P-Values | | Conclusion |
|---|---|---|---|---|---|---|
| **1** | Compensation has a positive and significant effect on motivation | 2.899 | >1.96 | 0.004 | <0,05 | **Accepted** |
| **2** | Leadership has a positive and significant effect on motivation | 2.258 | >1.96 | 0.024 | <0,05 | **Accepted** |
| **3** | Competence has a positive and significant effect on motivation | 2.892 | >1.96 | 0.004 | <0,05 | **Accepted** |
| **4** | Compensation has a positive and significant effect on employee performance | 1.849 | <1.96 | 0.065 | >0,05 | **Rejected** |
| **5** | Leadership has a positive and significant effect on employee performance | 0.164 | <1.96 | 0.870 | >0,05 | **Rejected** |
| **6** | Competency has a positive and significant effect on employee performance | 2.475 | >1.96 | 0.013 | <0,05 | **Accepted** |
| **7** | Motivation has a positive and significant effect on employee performance | 3.630 | >1.96 | 0.000 | <0,05 | **Accepted** |
| **8** | Compensation has a positive and significant effect on employee performance through motivation as a mediating variable | 2.125 | >1.96 | 0.034 | <0,05 | **Accepted** |
| **9** | Leadership has a positive and significant effect on employee performance through motivation as a mediating variable | 2.100 | >1.96 | 0.036 | <0,05 | **Accepted** |
| **10** | Competence has a positive and significant effect on employee performance through motivation as a mediating variable | 2.057 | >1.96 | 0.040 | <0,05 | **Accepted** |

Sumber: Olah data, SmartPLS 4

1. The Influence of Compensation on Motivation
   Hypothesis testing on the compensation variable on motivation results in the path analysis value at t statistical level 2.89925>1.96 with a significance level of 0.004<0.05 so that H0 is rejected and H1 is accepted, meaning the first hypothesis

states that compensation has a positive and significant influence on employee motivation

2. The Influence of Leadership on Employee Motivation
   Hypothesis testing on the leadership variable on motivation results in the path analysis value at t statistical level 2.8258>1.96 with a significance level of 0.024<0.05 so that H0 is rejected and H2 is accepted, meaning the second hypothesis states that leadership has a positive and significant influence on employee motivation.
3. The Influence of Competency on Employee Motivation
   Hypothesis testing on the competency variable on motivation results in the path analysis value at t statistical level 2,892>1.96 with a significance level of 0.004<0.05 so that H0 is rejected and H3 is accepted, meaning the third hypothesis states that competence has a positive and significant influence on employee motivation.
4. The Influence of Compensation on Employee Performance
   Hypothesis testing on the compensation variable on employee performance results in the path analysis value at the t statistics level of 1.849<1.96 with a significance level of 0.065>0.05 so that H0 is accepted and H4 is rejected, meaning the fourth hypothesis states that compensation does not have a positive and significant influence on employee performance.
5. The Influence of Leadership on Employee Performance
   Hypothesis testing on the leadership variable on employee performance results in the path analysis value at t statistical level 0.164<1.96 with a significance level of 0.870>0.05 so that H0 is accepted and H5 is rejected, meaning the fifth hypothesis states that leadership does not have a positive and significant influence on employee performance.
6. The Influence of Competency on Employee Performance
   Hypothesis testing on the competency variable on employee performance results in the path analysis value at t statistical level 2.475>1.96 with a significance level of 0.013<0.05 so that H0 is rejected and H6 is accepted, meaning the sixth hypothesis which states that competency has a positive and significant influence on employee performance is supported.
7. The Influence of Motivation on Employee Performance
   Hypothesis testing on the motivation variable on employee performance results in the path analysis value at t statistical level 3,630>1.96 with a significance level of 0.000<0.05 so that H0 is rejected and H7 is accepted, meaning that the seventh hypothesis which states that motivation has a positive and significant influence on employee performance is supported.
8. The Influence of Compensation on Employee Performance through the Motivation variable
   Hypothesis testing on the motivation variable mediates the effect of compensation on employee performance with the results of the indirect effect value at t statistical level 2.125>1.96 with a significance level of 0.034<0.05 so that H0 is rejected and H8 is accepted, meaning that compensation can improve employee performance but before improving performance it is necessary to increase employee motivation first. first, after that performance will increase.
9. The influence of leadership on employee performance through the motivation variable
   Hypothesis testing on the motivation variable mediates the influence of leadership on employee performance with the results of the indirect effect value at t statistical level 2,100>1.96 with a significance level of 0.036<0.05 so that H0 is rejected and H9 is accepted. This means that leadership can improve employee performance, but before improving performance, it is necessary to increase employee motivation first. If employees have high motivation it will have an influence on employee performance.

10. The Influence of Competency on Employee Performance through the Motivation variable

    Hypothesis testing on the motivation variable mediates the influence of competence on employee performance with the results of the indirect effect value at t statistical level 2.057>1.96 with a significance level of 0.040<0.05 so that H0 is rejected and H10 is accepted. This means that the better the competency an employee has, the more enthusiasm or motivation the employee will have in completing the work. If employees have high competence, it will have on influence on employee performance so that company goals can be achieved well

## CONCLUSION

Based on the research conducted by the researcher, the researcher can draw the following conclusions:

Hypothesis testing is based on path analysis on the compensation variable on motivation at t statistics level 2.89925>1.96 with a significance level of 0.004<0.05 so that H0 is rejected and H1 is accepted. Based on the F-square results on the compensation variable on motivation with an f-square value of 0.165, it has a medium effect.

Hypothesis testing is based on path analysis of leadership variables on motivation at t statistics level 2.8258>1.96 with a significance level of 0.024<0.05 so that H0 is rejected and H2 is accepted. Based on the F-square results on the leadership variable on motivation with an f-square value of 0.098, it has a small effect.

Hypothesis testing is based on path analysis of competency variables on motivation at t statistics level 2,892>1.96 with a significance level of 0.004<0.05 so that H0 is rejected and H3 is accepted. Based on the F-square results on the competency variable on motivation with an f-square value of 0.210, it has a medium effect.

Hypothesis testing is based on path analysis of compensation variables on employee performance at t statistics level 1.849<1.96 with a significance level of 0.065>0.05 so that H0 is accepted and H4 is rejected. Based on the F-square results on the compensation variable on performance with an f-square value of 0.048, it has a small effect.

Hypothesis testing is based on path analysis of leadership variables on employee performance at t statistics level 0.164<1.96 with a significance level of 0.870>0.05 so that H0 is accepted and H5 is rejected. Based on the F-square results on the leadership variable on performance with an f-square value of 0.000, it has a small effect.

Hypothesis testing is based on path analysis of competency variables on performance at t statistical level 2.475>1.96 with a significance level of 0.013<0.05 so that H0 is rejected and H6 is accepted. Based on the F-square results on the competency variable on performance with an f-square value of 0.133, it has a small effect.

Hypothesis testing is based on path analysis of motivation variables on employee performance at t statistics level 3,630>1.96 with a significance level of 0.000<0.05 so that H0 is rejected and H7 is accepted. Based on the F-square results on the motivation variable on performance with an f-square value of 0.130, it has a medium effect.

Hypothesis testing on motivation variables mediates the effect of compensation on employee performance at t statistical level 2.125>1.96 with a significance level of 0.034<0.05 so that H0 is rejected and H8 is accepted.

Hypothesis testing on motivation variables mediates the influence of leadership on employee performance at t statistics level 2,100>1.96 with a significance level of 0.036<0.05 so that H0 is rejected and H9 is accepted.

Hypothesis testing on the motivation variable mediates the influence of competence on employee performance at t statistical level 2.057>1.96 with a significance level of 0.040<0.05 so that H0 is rejected and H10 is accepted.

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