

Unlocking Employee Potential: The Impact of Work Stress, Competence, and Motivation on Performance

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Abstract

This study aims to analyze the influence of job stress, competence, and work motivation on employee performance, and to examine the role of moderating effects in this relationship. This study uses a quantitative approach with the Partial Least Square (PLS) analysis method on data obtained from employee respondents. The results show that competence and work motivation have a positive and significant effect on employee performance. Competence has the most dominant influence with a coefficient of 0.608 and a p-value of 0.000, followed by work motivation with a coefficient of 0.315 and a p-value of 0.000. Conversely, job stress does not have a significant effect on employee performance, as indicated by a p-value of 0.263. In testing the moderating effects, only one moderation has a significant effect on performance ($p = 0.028$), although in a negative direction, while another moderating effect is rejected because it is not statistically significant ($p = 0.105$). These findings emphasize the importance of improving competence and work motivation in driving performance, as well as the need for organizational management to identify and manage factors that have the potential to weaken the relationship between variables. This research provides practical contributions to organizations in designing more effective human resource development strategies.

Keywords: Job Stress, Competence, Work Motivation, Employee Performance, Moderation Effect, PLS.

INTRODUCTION

In today's increasingly competitive work environment, employee performance has become one of the most significant factors that determine an organization's success. Employee performance refers to the level of output and effectiveness with which employees accomplish their tasks, directly impacting organizational objectives. There are various factors that influence this performance, and among them, work stress and individual competence play particularly vital roles. While work stress can undermine employee effectiveness, high competence in performing job responsibilities can significantly enhance individual and organizational performance. Understanding the complex relationship between these factors and how they interact with work motivation is crucial for improving overall workforce productivity.

Work stress is a psychological state that results from an imbalance between job demands and an employee's ability to cope with these demands. It is an inevitable part of working life, especially in high-pressure industries. Uncontrolled or chronic work stress can have a detrimental effect on employee performance, as it often leads to burnout, physical and mental health problems, increased absenteeism, and lower job satisfaction. The negative consequences of work stress are well documented in various studies. According to a report from the International Labour Organization (ILO), more than 50% of workers around the world experience work stress, which has been shown to negatively impact their productivity.

In Indonesia, a 2022 study conducted by the Ministry of Manpower revealed that approximately 60% of workers in the industrial sector experience work stress due to factors such as heavy workloads, inadequate work-life balance, and pressure from superiors. These findings highlight the significant role that work stress plays in diminishing employee performance and the importance of addressing this issue in the workplace.

On the other hand, employee competence is the ability of an individual to perform tasks effectively and efficiently. Competence encompasses skills, knowledge, experience, and the ability to apply them in a particular job role. Highly competent employees are typically more productive, innovative, and capable of achieving organizational goals. In contrast to work stress, which hinders performance, competence enables employees to work more effectively, improve their problem-solving abilities, and contribute to greater organizational success. Competence is particularly important in industries that require specialized knowledge and technical skills. When employees possess high levels of competence, they are more likely to take initiative, drive innovation, and play a crucial role in helping organizations achieve long-term goals.

A growing body of research indicates that work motivation can serve as a moderating variable that affects the relationship between work stress, competence, and employee performance. Motivation refers to the internal and external factors that drive individuals to pursue specific goals or behaviors. Highly motivated employees are more likely to perform better, even in the face of work stress. Motivation can also enhance the positive effects of competence, allowing employees to use their skills and knowledge to their fullest potential. The role of motivation in the workplace cannot be understated, as it is essential for maintaining high performance and ensuring job satisfaction. According to Kiki Farida Ferine (2020), motivation has a partial but significant effect on employee performance. This suggests that while competence and work stress are important, motivation can either amplify or mitigate their impact on performance. For instance, when employees are motivated, they are more resilient to stress and more likely to leverage their competence to achieve better outcomes.

PT PLN (Persero) Medan Customer Service Implementation Unit (PLN UP3 Medan), a prominent business unit in the electricity sector, faces several challenges in managing its workforce. As an organization that provides essential services, PLN UP3 Medan operates in a high-demand environment, which places significant pressure on its employees. The constant need to meet service expectations, coupled with the physical and emotional demands of the job, exposes employees to work stress. This stress, if not properly managed, can have a profound impact on employee performance and overall organizational effectiveness. In addition to work stress, PLN UP3 Medan strives to enhance employee competency through various training and development programs. The company recognizes that fostering competence is key to improving both individual and organizational performance. However, despite these efforts, managing work stress while improving employee competence remains an ongoing challenge for PLN UP3 Medan.

Given these circumstances, it becomes increasingly important to understand how work stress and competence influence employee performance at PLN UP3 Medan, and how work

motivation may moderate this relationship. By examining this relationship, the company can design more effective strategies for improving employee performance, managing work stress, and boosting motivation. This research aims to explore these dynamics and provide insights into how PLN UP3 Medan can enhance employee performance through targeted interventions.

The theoretical contribution of this research lies in expanding the understanding of how work stress, competence, and work motivation interact to influence employee performance. While previous studies have separately examined the effects of work stress and competence on performance, there is limited research on how these factors interact with work motivation, particularly in the context of the electricity sector. This research seeks to fill this gap by examining how these variables influence performance both independently and interactively. Additionally, the findings of this study can contribute to the broader field of human resource management, particularly in industries that face high levels of work-related stress.

Practically, the results of this research will provide valuable recommendations for PLN UP3 Medan's management in designing more effective human resource policies. By understanding the ways in which work stress, competence, and work motivation impact employee performance, management can implement strategies to mitigate stress, enhance employee skills, and foster a motivated workforce. Specifically, the findings can guide the development of employee training programs, stress management initiatives, and motivational strategies that align with the goals of the organization. These interventions can ultimately lead to improved employee well-being, enhanced job satisfaction, and better overall performance.

This research will address several key questions that are essential for understanding the dynamics of employee performance at PLN UP3 Medan. The primary research questions are as follows: Does work stress have a significant and positive effect on employee performance at PLN UP3 Medan? Does competence significantly influence employee performance at PLN UP3 Medan? Does work motivation positively affect employee performance at PLN UP3 Medan? Does work stress affect employee performance when moderated by work motivation at PLN UP3 Medan? Finally, does competence affect employee performance when moderated by work motivation at PLN UP3 Medan?

The objectives of this study are to test and analyze the influence of work stress on employee performance, the effect of competence on employee performance, the impact of work motivation on employee performance, and the moderating role of work motivation in the relationships between work stress and employee performance, and between competence and employee performance.

The benefits of this research are twofold. Theoretically, this study contributes to the development of knowledge in human resource management and organizational behavior by shedding light on the factors that influence employee performance. The inclusion of work motivation as a moderating variable provides a new perspective on how work stress and competence can be managed to improve employee outcomes. Practically, the findings can be used by PLN UP3 Medan's management to improve policies related to work stress,

competence development, and motivation, ultimately enhancing employee performance and organizational effectiveness.

LITERATURE REVIEW

Work stress

According to Hasibuan (2016), work stress is a tension that results in an imbalance in the employee's psychological state which can affect their way of thinking, emotions and their own condition.

Job Stress Indicators

According to Hasibuan (2016), there are 6 indicators of work stress, namely

1. Workload, measured from the respondent's perception regarding the workload that is felt to be excessive.
2. The leader's attitude, measured from the respondent's perception regarding the leader's unfair attitude in giving assignments.
3. Working time, measured from respondents' perceptions of perceived excessive working time.
4. Conflict, measured from respondents' perceptions of conflict between employees and management.
5. Communication, measured by respondents' perceptions of poor communication between employees.
6. Work authority, measured from respondents' perceptions of work authority related to responsibility

Competence

According to Wibowo (2017), competence is all forms of attitudes, motives, skills, knowledge, behavior or other personal characteristics that are important for carrying out work so that they can differentiate between average performance and superior performance.

Competency Indicators

According to Wibowo (2017) there are 7 competency indicators, namely:

1. Beliefs and values

People's beliefs about themselves and others greatly influence their behavior. If people believe they aren't creative and innovative, they won't try to think of new or different ways of doing things. Therefore, everyone should think positively about themselves and others and demonstrate the characteristics of a forward-thinking person.

2. Skills

Skills play a role in most competencies. Public speaking is a skill that can be learned, practiced, and refined. Furthermore, previous training will also enhance your abilities.

3. Experience

Expertise in many competencies requires experience organizing people, communicating in groups, solving problems, and so on. Experience can be developed based on length of time working in a company or organization.

4. Personality Characteristics

People respond to and interact with the forces and environment around them.

5. Motivation

Motivation is a factor in competence by providing encouragement, appreciation for the work of subordinates, providing recognition and individual attention from superiors can have a positive influence on the motivation of a subordinate.

6. Intellectual Ability

The ability to work together and provide encouragement, appreciation to subordinates, and recognition and individual attention from superiors can have a positive influence on subordinates.

7. Organizational culture

Organizational culture includes the work environment that can influence human resource competency.

Employee performance

According to Mathis and Jackson (2023), employee performance is what employees do or do not do to improve the performance of a company or organization, including individual performance and teamwork within a company.

Performance Indicators

According to Mathis and Jackson (2023), there are 5 indicators of employee performance, including:

1. Quantity of Work

This standard is carried out by comparing the volume of work that should be (standard work norms) with actual capabilities.

2. Quality of Work

This standard emphasizes the quality of work produced rather than the volume of work.

3. Punctuality

Namely the use of work periods adjusted to company policy.

4. Attendance Rate

The assumption used in this standard is that if employee attendance is below the established work standards, the employee will not be able to provide optimal contribution to the company.

5. Cooperation

The involvement of all employees in achieving the set targets will have an impact the success of the supervised section. Cooperation between employees can be improved if leaders are able to motivate employees well.

Work motivation

According to Hasibuan (2019), work motivation is the provision of driving force that creates a person's enthusiasm for work so that they are willing to work together, work effectively and integrate with all efforts to achieve satisfaction.

Motivation Indicators

According to Hasibuan (2019), there are 5 indicators of work motivation consisting of:

1. Physical Needs

Basic needs such as adequate food, drink, shelter and clothing.

2. The Need for Safety

Feelings of security in the work environment, including physical and financial security.

3. Social Needs

The desire to have good social relationships with colleagues and superiors.

4. The Need for Appreciation

The desire to receive recognition and appreciation for good performance.

5. The Need for Self-Actualization

The desire to achieve one's potential and contribute to the organization.

Conceptual Framework

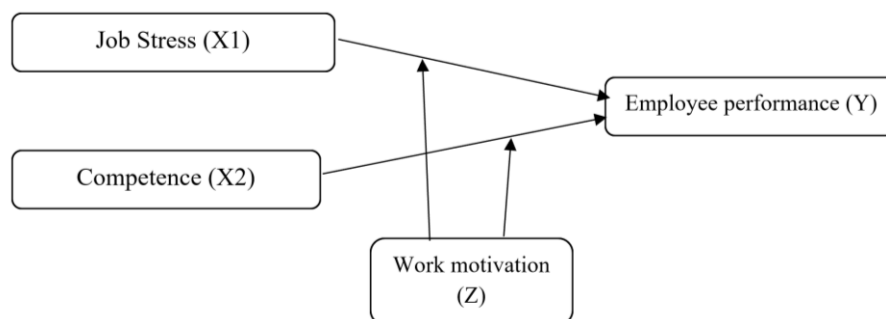


Figure 1. Conceptual Framework

Hypothesis

1. Work stress has a negative and significant effect on employee performance at PLN UP3 Medan.
2. Competence has a positive and significant influence on employee performance at PLN UP3 Medan
3. Work motivation has a positive and significant influence on employee performance at PLN UP3 Medan
4. Work stress has a negative and significant effect on employee performance moderated by work motivation at PLN UP3 Medan.
5. Competence has a positive and significant effect on employee performance moderated by work motivation at PLN UP3 Medan.

METHOD

The type of research used is quantitative research. According to Sugiyono (2018), quantitative data is a research method based on positivity (concrete data), research data in the form of numbers that will be measured using statistics as a calculation test tool, related to the problem being researched to produce a conclusion.

This research was conducted in May 2025 for 3 months at PLN UP3 Medan, Jalan Listrik No. 8 Medan.

The research data sources used by researchers are primary data sources, primary data sources are those from which researchers obtain data directly. Sugiyono (2018) states that primary data sources are those that directly provide data to data collectors or researchers.

- 1) Primary Data: Collected through a questionnaire distributed to employees of PT PLN (Persero) UP3 Medan.
- 2) Secondary Data: Derived from company reports, academic literature, and previous research.

Population is a generalization area consisting of objects/subjects that have certain qualities and characteristics that are applied by researchers to be studied and conclusions drawn (Sugiyono, 2016). The population used in this study was all employees at PLN UP3 Medan, totaling 77 employees.

According to Sugiyono (2016), a research sample is a portion of the population and its characteristics. The sample in this study was 77 PLN UP3 Medan employees (saturated sample).

The data collection technique used is a questionnaire, the researcher will distribute the questionnaire to the respondents who are the sample. According to Sugiyono (2018), a questionnaire is a data collection technique carried out by giving a set of written questions or statements to respondents to answer.

According to Sugiyono (2018), a variable is an attribute, characteristic, or value of a person, object, or activity that exhibits specific variations determined by researchers to be studied and conclusions drawn. In this study, there are two types of variables: independent variables, dependent variables, and moderating variables. The dependent variable in this study is the purchasing decision. Meanwhile, the independent variables in this study are product quality, brand image, and product design.

Table 1. Definition of Operational Variables

Variables	Operational Definition	Indicator
Job Stress (X₁)	According to Hasibuan (2016), work stress is a tension that results in an imbalance in the employee's psychological state which can affect	According to Hasibuan (2016), there are 6 indicators of work stress, namely: 1. Workload 2. Leader's attitude

Variables	Operational Definition	Indicator
	their way of thinking, emotions and their own condition.	<ol style="list-style-type: none"> 3. Working hours 4. Conflict 5. Communication 6. Work authority
Competence (X₂)	According to Wibowo (2017), competence is all forms of attitudes, motives, skills, knowledge, behavior or other personal characteristics that are important for carrying out work so that they can differentiate between average performance and superior performance.	<p>According to Wibowo (2017) there are 7 competency indicators, namely:</p> <ol style="list-style-type: none"> 1. Beliefs and values 2. Skills 3. Experience 4. Personality characteristics 5. Motivation 6. Intellectual abilities 7. Organizational culture
Employee Performance (Y)	According to Mathis and Jackson (2023), employee performance is what employees do or do not do to improve the performance of a company or organization, including individual performance and teamwork within a company.	<p>According to Mathis and Jackson (2023), there are 5 indicators of employee performance, including:</p> <ol style="list-style-type: none"> 1. Quantity of work 2. Quality of work 3. Punctuality 4. Attendance rate 5. Cooperation
Work motivation (Z)	According to Hasibuan (2019), work motivation is the provision of driving force that creates a person's enthusiasm for work so that they are willing to work together, work effectively and integrate with all efforts to achieve satisfaction.	<p>According to Hasibuan (2019), there are 5 indicators of work motivation consisting of:</p> <ol style="list-style-type: none"> 1. Physical needs 2. The need for a sense of security 3. Social needs 4. The need for appreciation 5. The need for self-actualization

Data Analysis Model

The analytical model used in this study is path analysis, a statistical technique used to examine direct and indirect relationships between variables. In this study, path analysis was used to analyze the relationship between job stress, competence, employee performance, and work motivation.

The model used in this study can be described as follows:

Path Analysis Model

1) Direct Effect

A direct effect is an effect that occurs directly from one variable to another without going through other variables. It shows the direct effect of work stress (X1) on employee performance (Y), or the direct effect of competence (X2) on employee performance (Y).

2) Indirect Effect

Indirect influence is an influence that occurs through the moderating variable. It shows the indirect influence of work stress (X1) on employee performance (Y) through work motivation (Z).

3) Total Effect

The total effect is the sum of the direct and indirect effects between two variables. It shows the total effect of work stress (X1) on employee performance (Y), which is calculated from the direct effect and the indirect effect involving work motivation (Z).

RESULTS AND DISCUSSION

Research Test

By conducting initial testing of the questionnaire instrument, the accuracy and reliability of the variable and indicator data collected for this study were confirmed. The test results revealed four variables in the model to be used in the study, as listed below:

Evaluation of measurement model (outer model)

Convergent Validity

In this study, the acceptable loading factor value is 0.7 and the acceptable AVE value is 0.5. Higher values are considered valid. An indicator is considered valid if it has a value >0.7 when explaining the construct variable. The following graph displays the structural model of this study.

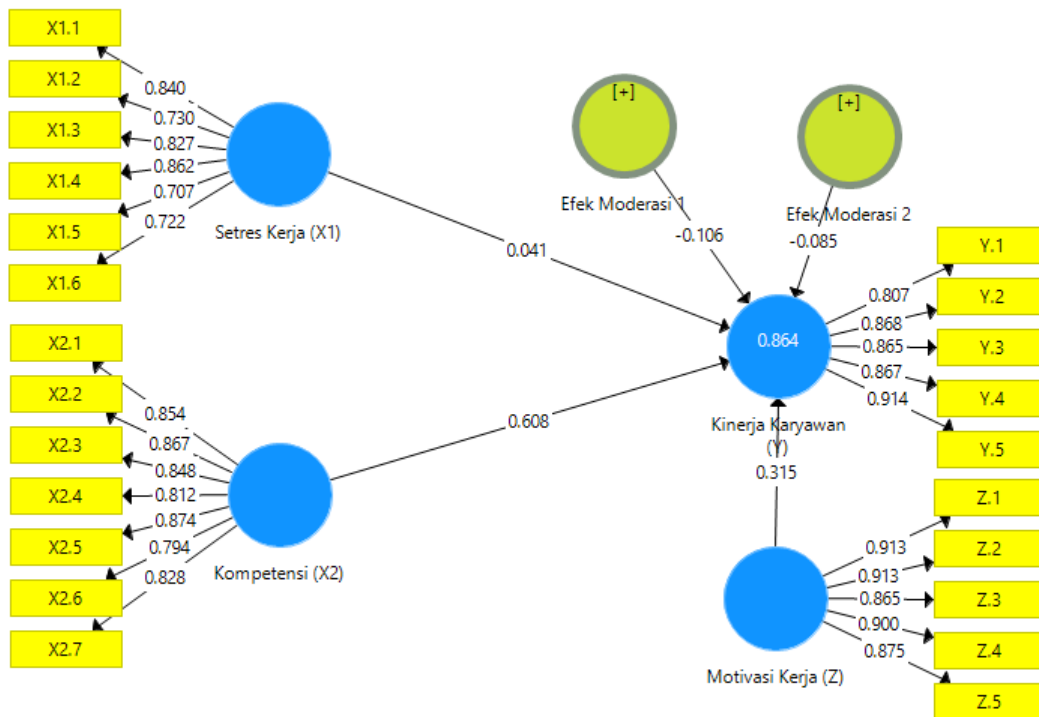


Figure 2. Research Model in SmartPLS

The Smart PLS output for loading factor gives the results in the following table: Outer Loadings In this study there is an equation and the equation consists of two equations.

$$Y = b_1X_1 + b_2Z + b_3X_1Z + e_1$$

$$Y = 0.041 + 0.315 - 0.106 + e_1$$

$$Y = b_2X_2 + b_3Z + b_4X_2Z + e_2$$

$$Y = 0.608 + 0.315 - 0.085 + e_2$$

Table 2. Outer Loadings/Cross Loading

	Moderation Effect 1	Moderation Effect 2	Employee Performance (Y)	Competence (X2)	Work Motivation (Z)	Work Stress (X1)
Competence (X2) * Work Motivation (Z)		0.706				
Work Stress (X1) * Work Motivation (Z)	0.985					
X1.1						0.840
X1.2						0.730
X1.3						0.827
X1.4						0.862
X1.5						0.707
X1.6						0.722
X2.1				0.854		

X2.2				0.867		
X2.3				0.848		
X2.4				0.812		
X2.5				0.874		
X2.6				0.794		
X2.7				0.828		
Y.1			0.807			
Y.2			0.868			
Y.3			0.865			
Y.4			0.867			
Y.5			0.914			
Z.1					0.913	
Z.2					0.913	
Z.3					0.865	
Z.4					0.900	
Z.5					0.875	

In the table, each variable shows a value above 0.7 on its indicator, indicating the data's validity for further research. After obtaining the results, the research proceeded to the next stage.

Discriminant Validity

This discussion will focus on the results of the discriminant validity test in this section. Cross-loading values are used to test discriminant validity. If the cross-loading of an indicator is higher than that of another variable, it indicates discriminant validity. The cross-loading values for each indicator are as follows:

Table 3. Discriminant Validity

	Moderation Effect 1	Moderation Effect 2	Employee Performance (Y)	Competence (X2)	Work Motivation (Z)	Work Stress (X1)
Competence (X2) * Work Motivation (Z)	0.320	1,000	-0.303	-0.228	-0.234	0.087
Work Stress (X1) * Work Motivation (Z)	1,000	0.320	-0.032	0.062	0.090	0.643
X1.1	0.403	0.009	0.212	0.243	0.137	0.840
X1.2	0.639	0.156	0.156	0.288	0.211	0.730
X1.3	0.476	0.157	0.224	0.235	0.212	0.827
X1.4	0.522	0.126	0.222	0.258	0.148	0.862
X1.5	0.535	0.154	0.099	0.185	0.155	0.707
X1.6	0.527	-0.124	0.218	0.352	0.311	0.722
X2.1	0.019	-0.289	0.800	0.854	0.804	0.270

X2.2	-0.007	-0.243	0.825	0.867	0.820	0.194
X2.3	0.156	-0.164	0.706	0.848	0.739	0.302
X2.4	-0.024	-0.286	0.787	0.812	0.696	0.193
X2.5	0,000	-0.169	0.808	0.874	0.730	0.346
X2.6	0.121	0.057	0.660	0.794	0.708	0.382
X2.7	0.130	-0.202	0.761	0.828	0.798	0.318
Y.1	-0.050	-0.286	0.807	0.711	0.737	0.130
Y.2	-0.065	-0.279	0.868	0.729	0.687	0.196
Y.3	-0.072	-0.265	0.865	0.851	0.775	0.258
Y.4	0.023	-0.257	0.867	0.814	0.785	0.278
Y.5	0.021	-0.228	0.914	0.830	0.805	0.217
Z.1	0.083	-0.152	0.837	0.844	0.913	0.234
Z.2	0.085	-0.139	0.844	0.916	0.913	0.247
Z.3	0.172	-0.233	0.709	0.728	0.865	0.328
Z.4	0.072	-0.244	0.749	0.769	0.900	0.220
Z.5	-0.004	-0.295	0.771	0.753	0.875	0.101

In table 2. There is a cross loading factor value on each variable and indicator that has a value greater than the cross loading factor value on each other variable, the cross loading factor of the moderating effect variable 2 has a value greater than the cross loading of other latent variables, the cross loading factor value of the moderating effect variable 1 is greater than the cross loading factor value on other latent variables, the cross loading value of the employee performance variable is greater than the cross loading of other latent factors, the cross loading factor value on the competency variable is greater than the cross loading value on other latent variables. the cross loading factor value on the work motivation variable is greater than the cross loading value on other latent variables. the cross loading factor value on the work stress variable is greater than the cross loading value on other latent variables. So the test is valid discriminantly.

Composite reliability

In composite reliability analysis, the reliability coefficients of each variable are correlated. Research is considered reliable if the variable value is greater than 0.60, but unreliable if it is less than 0.60 or as low as 0.07. Several evaluation blocks can indicate the effectiveness and validity of research, such as Cochran's alpha, composite reliability, and AVE values, as shown in the table below.

Table 4. Construct Reliability and Validity

	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Moderation Effect 1	1,000	1,000	1,000

Moderation Effect 2	1,000	1,000	1,000
Employee Performance (Y)	0.915	0.937	0.748
Competence (X2)	0.930	0.944	0.706
Work Motivation (Z)	0.937	0.952	0.798
Work Stress (X1)	0.875	0.905	0.614

Table 4 demonstrates the high reliability of the data for each variable, indicating that all variable values in the Cronbach's alpha column are greater than 0.7. Because the data are above 0.6, it is known that the composite reliability column has a value greater than 0.6, which means each variable is considered reliable. The value of each variable in the AVE column needs to be checked whether it is greater than 0.7, which means the data is valid according to AVE. Because each variable value in the reliability, AVE, and Cronbach's alpha columns is greater than 0.7 and 0.6, respectively, these values are considered valid and reliable.

Inner Model Analysis

To ensure the baseline model is accurate and robust, an internal model evaluation is performed. The completed audit phase is one of the indicators taken into account when evaluating the baseline model.

Coefficient of Determination (R²)

By using the SmartPLS 3.0 program to process the data, here's how to determine the R Square value:

Table 5. R Square Results

	R Square	Adjusted R Square
Employee Performance (Y)	0.864	0.854

There is an R square value in table 4 for employee performance with a value of 0.864 and if converted to a percentage it becomes 86.4%, meaning the influence of work stress, competence and work motivation is 0.864 and the rest is in other variables.

Hypothesis Testing

The relationship between idle builds and the data in this example must be confirmed after the deep model is created. T-Statistics and P-Values are examined to perform statistical analysis in this case study. To determine whether the P-Values are < 0.05 and T-Insights values are > 1.96, speculation is used. The impact of the Road Impact Coefficient over time is as follows:

Table 6. Hypothesis Results

	Original Sample (O)	T Statistics (O/STDEV)	P Values	Results
Moderation Effect 1 -> Employee Performance (Y)	-0.106	1,920	0.028	Accepted
Moderation Effect 2 -> Employee Performance (Y)	-0.085	1,257	0.105	Rejected
Competence (X2) -> Employee Performance (Y)	0.608	6,565	0,000	Accepted
Work Motivation (Z) -> Employee Performance (Y)	0.315	3,456	0,000	Accepted
Work Stress (X1) -> Employee Performance (Y)	0.041	0.634	0.263	Rejected

The hypothesis results in Table 6 are the final results of the research and will be explained as follows:

1. Moderation Effect 1 has a negative and significant effect on Employee Performance with an original sample value of -0.106 and p values of 0.028. Moderation Effect 1 has a negative and significant effect on employee performance. This indicates that the moderating variable reduces the influence of the independent variable on performance, but the effect remains statistically significant (because $p < 0.05$ and $t > 1.96$). Thus, the interaction truly moderates the tested relationship.
2. Moderation Effect 2 has a negative and insignificant effect on Employee Performance with an original sample value of -0.085 and a p-value of 0.105. Moderation Effect 2 does not have a significant effect on employee performance. A p-value > 0.05 and t-value < 1.96 indicate that this interaction does not moderate the relationship between the tested variables. Although the direction of the effect is negative, it is not statistically strong enough to be considered influential.
3. Competence has a positive and significant effect on employee performance, with an original sample value of 0.608 and a p-value of 0.000. Competence has a positive and significant effect on employee performance. This means that the higher the competence, the higher the employee performance. The very small p-value (< 0.001) and the T-statistic well above 1.96 indicate a very strong statistical influence.
4. Work motivation has a positive and significant effect on employee performance, with a value of 0.315 for the original sample and a p-value of 0.000. Work motivation has a positive and significant effect on employee performance. This means that when work motivation increases, employee performance will also increase. These results reinforce the importance of motivational factors in supporting work productivity.
5. Job stress has a positive but insignificant effect on employee performance with an original sample value of 0.041 and p values of 0.263.
6. Job stress did not significantly impact employee performance. Although the direction of the effect was positive, this contradicts the general theory that job stress typically

decreases performance. Because the p-value > 0.05 and t-value < 1.96 , this hypothesis is rejected. It is possible that the effect of stress in this context is not strong enough, or that other factors are more dominant in influencing performance.

CLOSING

Conclusion

After obtaining the results of this research and describing them through hypotheses, the conclusions of this research are as follows:

1. Competence has a positive and significant effect on employee performance, with a coefficient value of 0.608 and a p-value of 0.000. This indicates that the higher an employee's competency, the higher their performance. Competence is a dominant factor in increasing productivity and work effectiveness.
2. Work motivation also has a positive and significant effect on employee performance, with a coefficient value of 0.315 and a p-value of 0.000. This finding confirms that strong motivation will encourage employees to work harder and achieve work targets more optimally.
3. Job stress did not significantly impact employee performance, as indicated by a p-value of 0.263 (>0.05). This indicates that the stress levels experienced by employees in this study were not strong enough or consistent enough to directly impact performance. It's possible that the stress experienced was within the normal range or offset by other factors such as motivation or competence.
4. Moderation Effect 1 had a negative and significant effect on employee performance (coefficient -0.106; p-value 0.028), indicating that the interaction effect did moderate the relationship between the tested variables, albeit in a weakening direction. This indicates that the presence of certain moderators can weaken the positive impact of the independent variables on performance.
5. Moderation Effect 2 did not significantly impact employee performance, with a p-value of 0.105 (>0.05). This means that this interaction effect does not play a significant moderating role in the relationship between the variables, and its presence does not impact the strength of the primary relationship with performance.

Suggestion

After getting the conclusion, the research will provide suggestions, the suggestions given are as follows:

1. Practical Advice

- a) Employee Competency Improvement: Given that competency has been proven to have a strong and significant impact on performance, companies are advised to regularly hold training, workshops, or professional development programs to improve employee knowledge, skills, and work attitudes. Competency assessments also need to be conducted objectively to identify individual development needs.
- b) Improving Work Motivation: Management needs to create a work environment that encourages both intrinsic and extrinsic motivation. This can be achieved through a

reward and recognition system, incentives, clear career development, and employee involvement in decision-making. High motivation will encourage employees to be more enthusiastic and productive.

- c) Work Stress Management: Although work stress did not show a significant impact in this study, companies still need to be aware of the potential for long-term stress. It is recommended to provide stress management programs, such as counseling, managing a balanced workload, and creating a healthy and supportive work culture.
- d) Managing Weakening Moderating Effects: The results indicate that one moderating effect negatively impacts performance. Therefore, companies must identify factors that may weaken the relationship between variables such as competence or motivation and performance, such as role conflict, bureaucracy, or lack of organizational support. Adjusting these factors will help maintain performance effectiveness.

2. Theoretical Suggestions

- a) Development of a More Appropriate Moderation Model For future researchers, it is recommended to explore other more potential and relevant moderator variables, such as transformational leadership, organizational culture, or social support, to see whether they can significantly strengthen or weaken the relationship between variables.
- b) Expanding Research Objects and Samples: Future research is expected to involve a broader range of objects and samples, or across different industrial sectors, to make the results more generalizable. For example, comparing the private and public sectors in terms of the influence of motivation and competence on performance.
- c) Use of Additional Qualitative Methods To understand more deeply the dynamics of work stress or other factors that act as moderators, the use of qualitative methods such as in-depth interviews or FGD (Focus Group Discussion) is highly recommended.

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