



## The Effect of Executive Competence and Integrity on Employee Performance: Motivation as a Mediation

Suryanti<sup>a\*#</sup>, Ayi Ahadiat<sup>b</sup> and Keumala Hayati<sup>b</sup>

<sup>a</sup> Faculty of Economics of Business, Lampung University, Indonesia.

<sup>b</sup> Management Department, Faculty of Economics of Business, Lampung University, Indonesia.

### Authors' contributions

*This work was carried out in collaboration among all authors. All authors read and approved the final manuscript.*

### Article Information

DOI: 10.9734/AJEBA/2022/v22i2330734

### Open Peer Review History:

This journal follows the Advanced Open Peer Review policy. Identity of the Reviewers, Editor(s) and additional Reviewers, peer review comments, different versions of the manuscript, comments of the editors, etc are available here: <https://www.sdiarticle5.com/review-history/92249>

Original Research Article

Received 10 July 2022  
Accepted 20 September 2022  
Published 21 September 2022

### ABSTRACT

**Aims:** The financial services sector is a strategic industry, so developing a competitive financial services sector needs to be supported by professional human resources with integrity and global competitiveness. This study aimed to determine the effect of competence and integrity on employee performance through motivation as a mediating variable.

**Study Design and Methodology:** The sample of this study was 205 employees of Sharia Rural Bank (BPRS) in Lampung Province, Indonesia. Data were obtained through questionnaires and processed using the Smart PLS analysis tool.

**Results:** The results of this study show that competence has a positive and significant effect on employee performance. Integrity has a positive and significant effect on employee performance. Competence has an insignificant positive effect on employee performance through motivation mediation. Integrity positively and significantly affects employee performance through motivation mediation.

**Implications:** This research suggests that BPRS needs to increase Good Corporate Governance (GCG) in the management to produce executive officers and employees with high competence and integrity so that they can make banks healthy. They can minimize fraud in bank financial management.

*Keywords: Competence; integrity; employee performance; motivation.*

# Magister of Management;

\*Corresponding author: E-mail: 1979.suryanti@gmail.com;

## 1. INTRODUCTION

Every organization always strives to display various competitive advantages possessed by its organization, both financial advantages, marketing advantages, production advantages, and technological and information advantages. The development of human resources in the financial services sector also needs to be improved because the financial services sector is a strategic industry. The development of a competitive financial services sector needs to be supported by professional integrity and globally competitive human resources [1].

The achievement of a company's performance cannot be separated from the role of employees. The benchmark of the success of the company's performance can be seen in the performance of its employees. Employee performance is considered one factor that impact and role on organizational performance because it directly contributes to the organization's success. Through individual behavior, even though other factors contribute to its success [2].

According to Ihtiyar and Ahmad [3] employee performance leads to increased efficiency and productivity of the overall organizational processes. Employee performance refers to the activities and tasks performed by an employee efficiently and effectively. The method of measuring employee performance is different in each organization [3].

The performance of employees at Sharia Rural Bank (BPRS) is seen in the amount of achievement or accomplishment of the targets that each BPRS has determined. However, the performance of these employees depends on how each executive officer carries out much coaching, learning, and motivation.

Increased employee performance is supported by competence. Competence is a quality that defines a person and is connected to how effectively someone performs at work [4]. While according to Ong'ango [5] employee competence is associated with individual skills to meet organizational expectations in achieving goals set by the top management of an organization, competence refers to the ability to utilize information, skills, talents, and capacities [5]. Previous research conducted by Ong'ango [5] shows a direct influence of competence in general on the performance of employees in an organization. Further research by Ekhsan et al.

[4] showed that the role of leaders and competencies positively and significantly affects employee performance [4].

In addition to competence, employee performance is also influenced by a leader's integrity. Phenomena that exist in the banking industry until now are still found fraudulent acts and accounting scandals, which employees carry out. For that, it is necessary to have high-integrity employees to ensure the implementation of governance, risk, and compliance can run well. Integrity is a commitment in action to a set of morally justified principles and values. Integrity means that a person's behavior is consistent with espoused values and is honest, ethical, and trustworthy. Integrity is the primary determinant of interpersonal trust [6].

According to Elsetouhi et al. [7], ethical leaders show greater behavioral integrity, employees are more satisfied with their jobs and leadership, and they are more committed to the organization [8]. Research results by Rahim et al. [8] shows that there is a positive relationship between integrity and employee performance which illustrates that employees who have high integrity will perform better than employees who do not have integrity [9].

Competence and integrity do not necessarily commit to carrying out good coaching without the motivation that will encourage the implementation of satisfactory employee performance. *Motivation* is defined as a person's desire and ability to do something well and be disciplined in achieving maximum work performance. Motivation is essential because it can encourage someone to work hard or excel in their work [10]. Thus, motivation is one of the critical factors in achieving high performance. The researchers assume that motivation has a positive impact on the effectiveness of executive officers.

In the face of policy changes, increasing competition between banks, and increasing the market share of Islamic Banking, BPRS requires executive officers with competence and integrity who are expected to produce quality human resources with good performance. The purpose of this study is to examine the relationship between executive officers' competence and integrity and employees' performance as well as the mediating role that motivation plays in that relationship.

## 2. LITERATURE REVIEW

### 2.1 The Effect of Competence on Employee Performance

Competence is the ability to perform a task or conduct an audit objectively, meticulously, and thoroughly. It includes knowledge, skills, experience, and other internal elements. Generally speaking, competence can be understood, measured, and evaluated as a combination of knowledge, character traits, and abilities that are displayed in work behavior [11].

According to Bukit et al. [10], in general, leader competence is understood as a combination of: a) Knowledge, knowledge of leaders affects the success of an organization, b) Skill, which is a skill or talent possessed by an individual in doing the work assigned to him, c) Attitude, namely the individual's reaction to every stimulus that comes from outside, such as pleasure, likes or dislikes, which is reflected through job behavior that can be observed, measured and evaluated.

Competence is not just knowing what to do. However, on the contrary, competence involves generative abilities where the skills of all components must be selected and organized into integrated actions to manage to change task demands. Thus, competence can be understood as the knowledge, individual skills, interpersonal skills, and general wisdom needed to succeed in a work environment [12].

Zwell in Satriyo et al. [12] provides five categories of competence: 1. Task Achievement is a category of competence related to good performance. Competencies relate to task achievement by results orientation, managing performance, influencing, initiative, innovation, and technical expertise, 2. The relationship is a competency category related to communicating, working well with others, and satisfying their needs. Relationship competencies include cooperation, service orientation, interpersonal care, conflict resolution, and 3. Personal Attribute is an individual's intrinsic competence and relates to how people think, feel, learn, and develop, including integration and honesty, self-development, assertiveness, decision quality, analytical thinking, and conceptual thinking, 4. *Managerial* is a competency related explicitly to managing, supervising, and developing other people. Managerial competence in motivating, empowering, and developing others, 5. *Leadership* is a competency related to leading

organizations and people to achieve the organization's goals, vision, and goals. Competencies related to leadership include visionary leadership, strategic thinking, and building organizational commitment [13].

Performance describes the level of achievement of implementing a program of activities in realizing the goals, objectives, vision, and mission of the organization as stated through planning the business strategy of an organization. Employee performance greatly influences the success of an organization, and one of the determinants of organizational performance progress is organizational skills in managing the performance of its employees [14].

In a previous study by Pristiningsih [13], competence significantly affects employee performance [14]. The results of this study support the previous research by Ong'ango [5] which found that most showed a direct influence of competence in general on the performance of an employee in an organization [5]. The research hypothesis can be expressed as follows in light of prior study findings:

H1: Competence has a positive and significant effect on employee performance

### 2.2 The Effect of Integrity on Employee Performance

According to the Indonesian Dictionary, the meaning of Integrity is the quality, nature, or condition that shows a unified whole so that it has the potential and ability that radiates authority; honesty. Integrity is a quality of character that supports the growth of professional reputation. Integrity is a quality that supports public trust and serves as a standard for members to use when evaluating any actions they make.

Integrity calls for candor and forthrightness without jeopardizing the recipient of services' privacy. To be a basis for trustworthy decision-making, services and public trust must not be compromised by self-interest [13].

In the Financial Services Authority Regulation, the Integrity of a leader includes at least: having good character and morals, having a commitment to comply with sharia banking regulations and laws and regulations, having a high commitment to the development of healthy BPRS operations, Not included in The

Disqualified List (TDL) as stipulated in the provisions of the financial services authority regarding fit and proper test for Islamic Banks and Sharia Business Units [15].

Integrity behavior includes where a leader does what he says, and vice versa says what he does [16]. In other words, integrity basically refers to the congruence of one's words and deeds. Positive results show that the integrity of the leader's conduct can boost workers' productivity since it can increase their trust in their superiors, which in turn boosts productivity [17].

In a previous study by Choi et al. [16], the Integrity of leader behavior is positively related to co-worker support and performance [17]. The results of this study are supported by Setiono et al. [17], the integrity variable has a positive effect on the performance of the supervisory staff of the permanent employee group. It is concluded that Integrity has a positive and significant effect on performance [18]. The research hypothesis can be outlined as follows based on the findings of earlier study:

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

### **2.3 The Mediation Role of Motivation in the Effect of Competence on Employee Performance**

The concept of motivation is essential in the study of individual performance. According to Noe et al. [18] motivation is divided into two, extrinsic motivation depends on rewards such as salary, benefits, interpersonal relationships, and working conditions, which are controlled by external sources, whereas intrinsic motivation comes from rewards that flow naturally from the work itself, such as enjoying doing interesting work, responsibility, and development. This motivational need is influenced by several environmental factors, including those proposed by Abraham Maslow, which states that motivation is addressed by the function of the five basic needs, which are indicators in this study; physiological needs are the need to meet the survival of life comes from basic or primary needs in the form of clothing, food, and shelter, the need for a sense of security (safety needs). The need for security by humans is security against threats, security in property, fair treatment, the existence of a guaranteed old age, and social Needs [19].

Humans are social creatures who need others to accompany and socialize with them. The need for humans to be accepted in the social environment is the need for appreciation (Prestige). The higher the status, the higher the prestige and the support needed to make the human being more respected than others around him. Self-actualization is the desire to enhance work capacity through seminars, conferences, and academic education [20].

Motivation comes from the word motive, an effort that encourages someone to do something. Motivation is described as behavioral changes brought about by internal or external stimuli [21]. The higher the motivation of employees, the more they will try to achieve maximum competence so that performance will increase [22]. Thus motivation is one of the critical factors in achieving high performance. The researcher considers that motivation has a positive impact on the effectiveness of executive officers.

In a previous study by Satriyo et al. [12], found that motivation mediates competence in the performance of PT Bank Syariah Mandiri Jember Area Office employees [13]. From this research, motivation plays a role in mediating the effect of competence on employee performance. So that the research hypothesis can be formulated as follows:

H3: Work Motivation has a role in mediating the indirect effect of competence on performance.

### **2.4 The Mediation Role of Motivation in the Effect of Integrity on Employee Performance**

Motivation is divided into two, namely extrinsic motivation depending on rewards such as salary, benefits, interpersonal relationships, and working conditions controlled by external sources. In contrast, intrinsic motivation depends on rewards that flow naturally from work, such as doing interesting work, responsibility, and development [19]. The fulfillment of employee motivation related to the award will increase the principle of Integrity in an employee.

A previous study by Satriyo et al. [12], found that motivation mediates Integrity in the performance of PT Bank Syariah Mandiri Jember Area Office employees [13]. This study found that motivation plays a role in mediating the influence of Integrity on employee performance. So that the research hypothesis can be formulated as follows:

H4: Work motivation has a role in mediating the indirect effect of Integrity on employee performance.

Researchers develop a framework of thought in which this framework is made to see the relationship between variables through pictures. Employee performance is the dependent variable in this study, whereas competence and integrity are the independent variables and motivation is the mediating variable. The research framework is presented in Fig. 1 as follows:

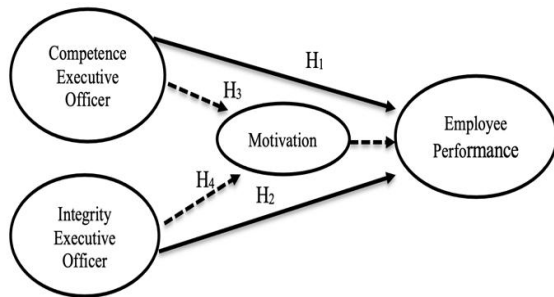


Fig. 1. Thinking framework

### 3. RESEARCH METHODS

This study uses a quantitative approach. The population in this study were all BPRS employees from 11 (eleven) BPRS in Lampung Province, namely 436 employees. Determination of the sample in this study using the table Krejcie and Morgan (1970) [23]. With a population of 436 rounded up to 440, It was found that the number of samples was 205 (two hundred and five) respondents. The method of collecting data in this study is by means of a questionnaire, by submitting several lists of statements to respondents with two parts, the first part contains personal data information and basic data in the company such as position, length of service of the respondent. The second part concerns the variables used in this study, namely competence, independence, motivation, and employee performance. In this study, the variables used are as follows: The leader competency variable uses a scale of 6 (six) question items developed by Mao et al. [11] [12].

Integrity variable using measurement with 15 question items developed Elsetouhi et al. [7]. Motivation using the 18-item Work Extrinsic and Intrinsic Motivation Scale (WEIMS) developed by Tremblay et al. [23]. Performance using

measurements developed by Koopmans [24], which amounts to 18 question items [25].

This study used the Structural Equation Model - Partial Least Square (SEM-PLS) method for data analysis and hypothesis testing. PLS, or partial least square, is a type of structural equation modeling (SEM) that is based on a component or variant. The purpose of PLS is to predict the effect of variable X on variable Y, which explains the theoretical relationship between the two variables [26]. PLS-SEM analysis usually consists of two sub-models, namely the measurement model or the outer model and the structural model (structural model) or the inner model [27]. Discussion of the findings from the study's hypothesis testing, which was conducted using the SmartPLS v. 3.2.9 program and the Structural Equation Model (SEM) model.

## 4. RESULTS AND DISCUSSION

### 4.1 Descriptive Statistics

The descriptive data in this study was in the gender category with the male sex with a frequency of 125 or 61%. Furthermore, the number of respondents of the female gender has a frequency of 80 or 39%. In the category of the number of employees with educational background, with the last education being SMA or equivalent as many as 44 employees or 21.5%, the last education being diploma three as many as 12 employees with a percentage of 5.9% and undergraduate (S1) as many as 149 employees or as much as 72.7%. Employees with more than four years of service are 85 employees or 41.5%, Employees with two years of service are 73 employees or 35.6%, Employees with three years of service are 32 employees or 15.6%, and Employees with a length of work of 4 years as many as 15 employees or 7.3%.

### 4.2 Measurement Model

Using Smart PLS software, this study applies a covariance-based Structural Equation Modeling (CB-SEM) to test the suggested research model. The measurement model for this study employs validity and reliability, which can be evaluated by factor loadings, which must have a value greater than 0.5, average variance extract (AVE), which must have a value greater than 0.5, cronbach's alpha, which must have a value greater than 0, 7, and composite reliability, which must have a value greater than 0.7 [28].

Table 1 shows that factor loadings have a value > 0.5, Average Variance Extract (AVE) > 0.5, Cronbach Alpha, and Composite Reliability have a value > 0.7, so it is concluded that all variables in this study have met the valid and reliable criteria recommended.

### 4.3 Structural Model (Inner Model)

Measurement of the structural model (inner model) is done by testing the influence of one variable on another variable. The inner model

can be evaluated by looking at the R-square (R<sup>2</sup>) value for the dependent construct and Q-Square (Q<sup>2</sup>) to measure how well the model generates the observation value and the t-statistical value of the path coefficient test. Based on the analysis of the coefficient of determination, it is explained that all exogenous constructs simultaneously affect Y by 0.379 or 37.9% or can explain the constructed variable of 37.9%. Furthermore, the R-Square value for the exogenous construct Employee Performance variable simultaneously affects Y by 0.379 or 37.9% or can explain the constructed variable by 37.9%.

**Table 1. Measurement Model**

		<b>Outer Loadings</b>	<b>AVE</b>	<b>Cron alpha</b>	<b>comp reliability</b>
<b>Competency</b>	KOM1	0,926	0,786	0,965	0,972
	KOM2	0,924			
	KOM3	0,915			
	KOM4	0,924			
	KOM5	0,919			
	KOM6	0,931			
<b>Integrity</b>	ITG1	0,880	0,601	0,954	0,938
	ITG2	0,888			
	ITG3	0,905			
	ITG4	0,912			
	ITG5	0,896			
	ITG6	0,835			
	ITG7	0,886			
	ITG9	0,743			
<b>Motivation</b>	MOT4	0,749	0,852	0,921	0,972
	MOT5	0,717			
	MOT6	0,825			
	MOT7	0,796			
	MOT8	0,782			
	MOT10	0,738			
	MOT11	0,779			
	MOT14	0,739			
	MOT15	0,739			
	MOT16	0,616			
MOT18	0,728				
<b>Performance</b>	KP1	0,736	0,560	0,926	0,933
	KP2	0,738			
	KP3	0,845			
	KP6	0,819			
	KP7	0,825			
	KP8	0,846			
	KP9	0,676			
	KP10	0,750			
	KP11	0,738			
	KP14	0,763			

**Table 2. Inner model**

	R Square	R Square Adjusted
Performance	0,280	0,273
Motivation	0,641	0,636

**Table 3. Blindfolding Results (Q2)**

	SSO	SSE	Q <sup>2</sup> (=1-SSE/SSO)
Integrity	1435,000	1435,000	
Competence	1230,000	1230,000	
Motivation	2255,000	1930,280	0,144
Employee Performance	2050,000	1327,649	0,352

Measurement of the structural model (inner model) is also carried out with Predictive relevance, which is done to show how good the observed value is using the blindfolding procedure by looking at the value of Q square. If the value of Q square > 0, it can be said that the model has a good observation value or predictive relevance. In contrast, if the value of Q square < 0, it can be stated that the model has a poor observation value or lacks predictive relevance.

Table 3 shows the results of the predictive relevance test due to the Blindfolding calculation using the SEM application in SmartPLS 3.2.9. It is found that the results of the Predictive Relevance (Blindfolding) test, the resulting Q Square value is greater than 0, which is 0.144 for motivation and 0.352 for performance employees, so it can be said that this research has a good or good observation value.

**4.4 Hypothesis Test**

One can decide whether a hypothesis can be accepted or rejected by paying attention to the significant value between constructs, t-statistics, and P-values, among other factors. The software program SmartPLS (Partial Least Square) 3.2.9

was used to test the research's hypotheses. The results of bootstrapping show these values. The general guideline applied in this study is a t-statistic > 1.96, a p-value of 0.05 (5%) significance level, and a positive beta coefficient.

In Fig. 2 and Table 4, the first hypothesis tests whether competence positively and significantly affects employee performance. The first hypothesis is accepted since the test findings demonstrate that the t-statistics results exceed the t-table of 3,285 > 1.96 and the p-value of 0.001 < 0.05. It demonstrates that competence affects performance in a favorable and meaningful way. It demonstrates that competence affects performance in a favorable and meaningful way.

The second hypothesis tests whether integrity positively and significantly affects employee performance. According to the test results, the t-statistic is 2,084 and the p-value is 0.038. The t-statistic is declared to be significant based on these findings. The second hypothesis is accepted since the t-statistic is higher than 2,084 > 1.96 and the p-value is less than 0.05, which shows that integrity has a positive and significant impact on performance.

**Table 4. Path Coefficients Results**

Hipotesis	Original Sample (O)	T Statistics	P Values	Ket
There is an influence of executive officer competence on employee performance	0,254	3,285	0,001	H1 accepted
There is an influence of executive officer integrity on employee performance	0,187	2,084	0,038	H2 accepted

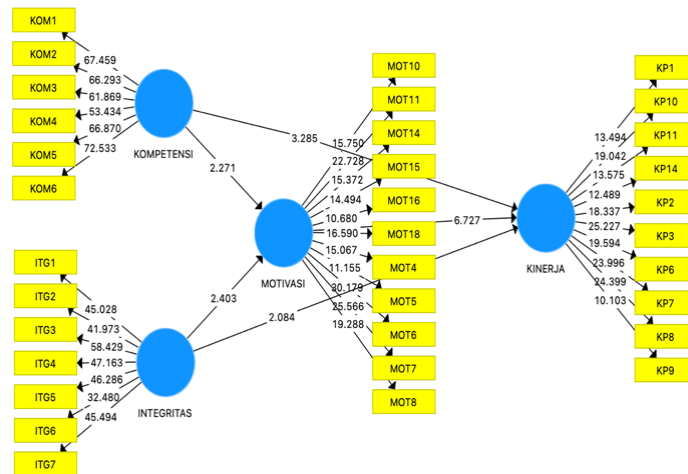


Fig. 2. Research Model Results

Table 5. Results of Specific Indirect Effect Tests

Hipotesis	Original Sample	T Stat	P Values	Ket
There is an influence of executive officer competence on employee performance through the mediating variable of motivation	0,138	2,030	0,043	H3 accepted
There is an influence of executive officer integrity on employee performance through the mediating variable of motivation	0,138	2,106	0,036	H4 accepted

The mediation test was also run to see how the mediating variable affects the relationship between the endogenous and exogenous variables in terms of the direction, strength, and t-value of the association.

0.05, or the size of the influence of executive officer competence on employee performance is 3,285 or 32,85%. It Supports that competence has a positive and significant effect on performance, so this hypothesis is accepted.

With test findings of  $t = 2,030 > 1.96$  and  $p = 0.043 < 0.05$ , Table 5 demonstrates that the test of the indirect effect of mediation on the influence of competence on employee performance is positive and significant. And for motivation has a positive and significant effect on mediating. indirect effect of integrity on performance partially with a value ( $t = 2,206 > 1.96$  and  $p = 0.036 < 0.05$ ).

The results of this discussion align with previous research conducted by Satriyo et al. (2020), which discovered that the impact of competence on employee performance is both favorable and significant [13]. Competence is crucial in every company to meet organizational expectations in an environment where changes occur rapidly, problems develop in a complex and dynamic manner, and competition is increasingly fierce. Employees' high competence can help companies achieve good performance [11].

#### 4.5 The Effect of Executive Competence on Employee Performance

The study's first hypothesis—that competence affects employee performance—is supported by the data. The first hypothesis is accepted based on the test findings, which indicate a t-statistic value of  $3,285 > 1.96$  and a p-value of  $0.001 <$

Results The highest score for respondents' answers to this competency variable is 4.24, namely on the statement "my leader is very capable of doing his job," and the lowest score is 4.05 on the statement "I feel very confident with my leader's skills." Obtaining this lowest score



shows that there is still a low level of employee confidence in the abilities of executive officers.

In previous studies, the measurement of the level of competence in this study is to measure the level of problem mastery, cognitive skills, and behavioral skills, research discovered a favorable and considerable impact of competence on worker performance. Competence is crucial in every company to meet organizational expectations in an environment where changes occur rapidly, problems develop in a complex and dynamic manner, and competition is increasingly fierce.

Companies need competences to help them carry out their work successfully, and some even set the necessary competency criteria for their personnel. Employees' high competence can help companies achieve good performance [11]. The competence of executive officers has a very important role in employee performance. The more competent an executive officer is, performance of the employee will rise, and vice versa. An executive officer's performance will suffer if they are not competent.

Implementing operational activities at the Sharia Rural Bank (BPRS) in Lampung Province requires executive officers who have experience in the banking sector following the division they occupy. Currently, BPRS fills executive officer positions with two methods, namely (1) career paths by regenerating employees who have the talent and competence to be nominated or included in filling executive office positions and (2) by recruiting professionals with commensurate competence and experience with the division field to be occupied.

#### **4.6 The Effect of Executive Integrity on Employee Performance**

The second hypothesis tests whether integrity positively and significantly affects employee performance. The second hypothesis is accepted as evidenced by the test results, which show the t-statistic value of  $2,084 > 1.96$  and p-value of  $0.038 < 0.05$ , or the magnitude of the influence of executive officers' integrity on employee performance to be 2,084 or 20,84%. This establishes that integrity has a positive and significant impact on performance.

This study is in line with previous research by Karapinar [29], They discovered that, generally, integrity has a favorable and considerable impact

on worker performance [29]. Integrity is a fundamental measure of leadership. A leader must lead with integrity and honesty and adhere to the values of his organization. The integrity of executive officers has a vital role in the performance of every employee, executive officers who have high integrity then the performance of employees will increase as well, and vice versa. If executive officers do not have integrity, then the performance of employees will decrease.

The result of the highest score on the respondent's answer on the integrity variable was obtained at 3.89, namely on the statement "if the Executive Officer says he will do something, he will do it." The lowest score was 3.71 on the statement, "When the Executive Officer promises something, I believe it will happen." Obtaining the lowest score on this integrity variable indicates that there is still the possibility of non-fulfillment of promises given by executive officers to employees.

Research on the level of integrity in previous studies with this research is measuring the level of conformity of behavior with the words of a leader in behaving, upholding the principle of obedience to the provisions, where the study's findings show that honesty has a favorable and significant impact on workers' performance.

Integrity is a fundamental measure of leadership. A leader must lead with integrity and honesty and adhere to the values of his organization. In the financial services industry, including BPRS, fraudulent acts and accounting scandals are still found, carried out by the board of directors, executive officers, and employees. For this reason, Sharia Rural Banks (BPRS) need a high-integrity leader to ensure the implementation of governance, risk, and compliance can run well [1].

Executive Officers in a BPRS must have a spirit of integrity so that any party cannot influence them. For this reason, executive officers must ensure that every banking operational activity is under standard operating procedures, sharia banking laws and regulations, and the National Sharia Council's (DSN) fatwa guidelines.

The integrity of executive officers has a very important role in employee performance. Executive officers with high integrity will increase employee performance and vice versa. If executive officers do not have integrity,

employee performance will decrease. Executive Officers in BPRS are the direct superiors of employees in their respective divisions, so the role of an executive officer becomes a role model for his subordinates. It greatly influences employee performance.

#### **4.7 The Effect of Competence on Employee Performance through Motivation**

According to the findings of this study's third hypothesis, job motivation does not play a part in mediating the indirect impact of executive officer competence on performance. The test value for the indirect effect of motivation on the influence of competence on employee performance is  $t = 2,030 > 1.96$  and  $p = 0.043 < 0.05$ , or 2,030 or 20.30%, Based on the results obtained that the role of motivation in mediating the indirect effect of competence on employee performance proves that there is a positive and significant effect, so this hypothesis is supported.

The results of this study indicate that the competence of executive officers has a positive effect on employee performance. In contrast to previous research conducted by Satriyo et al. (2020), the role of motivation can mediate the indirect effect of competence on employee performance [13]. Different research components cause this difference. In this study, the research material is the competence of a leader.

The results of the highest score on respondents' answers to the motivation variable in this study were 4.13 on the statement "because I want to succeed in this job. Otherwise, I will be very ashamed of myself", and the lowest score of 2.22 on the statement "I asking myself this question, I cannot seem to manage the important tasks related to this job." Obtaining the lowest score on this motivational variable shows that executive officers still lack the competence to foster and direct employees in determining the priority scale in work.

#### **4.8 The Effect of Integrity on Employee Performance through Motivation**

The fourth hypothesis testing the indirect effect of motivation on the effect of integrity on employee performance is a positive and significant effect with the test results  $t = 2,106 > 1.96$  and  $p = 0.036 < 0.05$  or the magnitude of the influence of motivation in mediating the integrity of executive

officers on performance employees only amounted to 2,106 or 21.06%. So this hypothesis can be accepted.

Thus, motivation acts as a variable that mediates the integrity of executive officers and employee performance, so the role of motivation in mediating the relationship between integrity and performance is partially mediating. Partial mediation is the relationship between executive officer integrity and employee performance not fully mediated by motivation. The influence of executive officer integrity on employee performance can be explained by indirect motivation.

This research strengthens the previous research by Satriyo et al. (2020), who get the results that the role of motivation can mediate the indirect effect of integrity on employee performance [13]. These results prove that the fulfillment of employee motivation related to the award will increase an employee's integrity principle [19].

The result of the highest score on respondents' answers to the motivation variable in this study was 4.13 on the statement "because I want to succeed in this job; otherwise, I will be very ashamed of myself," and the lowest score of 2.22 on the statement "I asking myself this question, I cannot seem to manage the important tasks related to this job." Obtaining the lowest score on the motivational variable in mediating integrity allows employees to deviate from the company regulations that have been determined in carrying out the job discipline of each section.

### **5. CONCLUSIONS AND RECOMMENDATIONS**

Based on the results of the discussion described previously, several conclusions will be presented, competence has a positive and significant effect on employee performance, so it can be interpreted that the competence of executive officers affects employee performance at BPRS in Lampung Province. Integrity has a positive and significant effect on employee performance, so it can be interpreted that the competence of executive officers affects employee performance at BPRS in Lampung Province.

The results of the third hypothesis indicate that motivation has a role in mediating the indirect effect of competence on performance. Based on the results obtained that the role of motivation in mediating the indirect effect of competence on

employee performance to prove the existence of a positive and significant influence, so this hypothesis is supported.

### 5.1 Recommendations

1. To improve the competence of executive officers, the board of directors must pay attention to the performance of executive officers, both in problem solving and in developing innovations on strategies to improve company performance, providing leadership certification training education to all executive officers
2. In the evaluation of positions as officials, officials, achievements are more than performance factors, leadership, competence and integrity possessed by executive candidates starting with self-assessment as stated in the POJK Executive officers on governance and Executive POJK.
3. It is hoped that starting from the Management of Sharia Rural Banks (BPRS), starting from the Board of Commissioners, Board of Directors, and Sharia Supervisory Board, are required to implement Good Corporate Governance (GCG) or good governance in managing BPRS in order to produce executive officers and employees who have high integrity, to minimize fraudulent actions in bank financial management.

### COMPETING INTERESTS

Authors have declared that no competing interests exist.

### REFERENCES

1. OJK. Buku Cetak Biru, in Pengembangan Sumber Daya Manusia Sektor Jasa Keuangan; 2021.
2. Alsafadi Y, Altahat S. Human Resource Management Practices and Employee Performance: The Role of Job Satisfaction, *J. Asian Financ. Econ. Bus.* 2021; 8(1):519–529., DOI: 10.13106/jafeb.2021.vol8.no1.519.
3. Ihtiyar A, Ahmad FS. The Role of intercultural communication competence on service reliability and customer satisfaction., *Journal of Economic & Social Studies (JECOSS).* core.ac.uk, [Online]; 2015. Available: <https://core.ac.uk/download/pdf/153450093.pdf#page=145>.
4. Ekhsan M, Badrianto Y, Fahlevi M. Analysis of the Effect of Learning Orientation, Role of Leaders and Competence to Employee Performance Front Office the Sultan Hotel Jakarta. *Economics and Business* .... academia.edu; 2020. [Online]. Available: [https://www.academia.edu/download/62164024/icmeb\\_202020200221-50535-1dkza1j.pdf](https://www.academia.edu/download/62164024/icmeb_202020200221-50535-1dkza1j.pdf).
5. Ong'ango SA. The Influence of Employee Competence on Employee Performance in Commercial Banks In Kenya. *erepository.uonbi.ac.ke*; 2019.
6. Yukl GA. *Leadership in organizations (Global ed.)*; 2013.
7. Elsetouhi AM, Hammad AA, Nagm AEA, Elbaz AM. Perceived leader behavioral integrity and employee voice in SMEs travel agents: The mediating role of empowering leader behaviors, *Tour. Manag.* 2018;65:100–115. DOI: 10.1016/j.tourman.2017.09.022.
8. Rahim NA, Awanis, Khatijah, SN. AA. et al. Integrity and employee job performance, *J. Crit. Rev.* 2020;7(16):517–521. DOI: 10.31838/jcr.07.16.62
9. Matriadi F, Dalimunthe RF. Analyzing the Compensation and Competence on Senior High Schools Teacher's Performance through the Mediating Role of Job Motivation, *Advantaces in Economics, Businessatlantis-press.com*; 2017. [Online]. Available: <https://www.atlantis-press.com/article/25891549.pdf>.
10. Bukit, Benjamin, Rahmat M, A et Al, *Human Resources development. Theory, Dimensions of Measurement*; 2017.
11. Mao JY, Chiang JTJ, Chen L, Wu Y, Wang J. Feeling safe? A conservation of resources perspective examining the interactive effect of leader competence and leader self-serving behaviour on team performance, *J. Occup. Organ. Psychol.* 2019;92(1):52–73. DOI: 10.1111/joop.12233.
12. Satriyo AR Tri, Setyanti SWL Hana, H et al. The Effect of Work Competence and Integrity on Employee Performance at Mandiri Sharia Bank : The Mediating Role of Motivation *Digital Repository Universitas Jember, IOSR J. Bussiness Manag.* 2020;22(6):1–4. DOI: 10.9790/487X-2206070104.

13. Pristiningsih S. The Effect of Leadership And Competency On Employee Performance With Motivation As A Moderating Variable. 2016;1–23,.
14. The Financial Services Authority, OJK Nomor 3/POJK.03/2016 Sharia Rural Bank (Bank Pembiayaan Rakyat Syariah); 2016.
15. Gea A. Personal Integrity and Leadership, *Humaniora*. 2016;7(3):359. DOI: 10.21512/humaniora.v7i3.3590.
16. Choi Y, Yoon DJ, Kim D, Al E. Leader behavioral integrity and employee in-role performance: The roles of coworker support and job autonomy, *Int. J. Environ. Res. Public Health*. 2020;17(12):1–14. DOI: 10.3390/ijerph17124303.
17. Setiono S, Sudjadi A, Anggraeni AI, Al E. The influence of competence and integrity on performance with work climate as a moderating variable. *ICORE*; 2021. [Online]. Available:<http://www.jp.feb.unsoed.ac.id/index.php/ICore/article/view/1465>.
18. Noe RA, Wright PM, Hollenbeck JR, BG et Al. Human Resource Management, Gaining a Competitive Advantage. 2017;5(1).
19. Sari AM. The Effect Of The Work Environment on Employee Performance With Motivation As A Mediation Variable at Dprd City of Bandar Lampung. 2016;4(1):1–23.
20. Amar AD. Motivating knowledge workers to innovate: A model integrating motivation dynamics and antecedents, *Eur. J. Innov. Manag.* 2004;7(2):89–101. DOI: 10.1108/14601060410534366.
21. Ferina Nadya Pratama. Digital Digital Repository Repository Universitas Universitas Jember Jember Staphylococcus aureus Digital Digital Repository Repository Universitas Universitas Jember Jember; 2020.
22. Uma Sekaran RB. International Standard Classification of Occupations (ISCO); 2014.
23. Tremblay MA, Blanchard CM, Taylor S, Pelletier LG, Villeneuve M. Work Extrinsic and Intrinsic Motivation scale: its value for organizational psychology research, *Can. J. Behav. Sci.* 2009;41(4):213–226. DOI: 10.1037/a0015167.
24. Koopmans, Body @ Work Measuring Individual Work Performance Measuring Individual Work Performance Related papers Measuring Individual Work Performance; 2014.
25. Koopmans L, Bernaards CM, Hildebrandt VH, de Vet HCW, van der Beek AJ. Construct validity of the individual work performance questionnaire, *J. Occup. Environ. Med.* 2014;56(3):331–337.
26. Fauziah DA, Titisari P. Analysis of Information Technology Utilization, Competence and Organizational Culture With Work Motivation as an Intervening Variable on Lecturer Performance at the Mandala College of Economics. 2020; 17384–17397.
27. Hair JF, Hult GTM, Ringle C, Sarstedt M, Danks N, Ray S. Partial least squares structural equation modeling (PLS-SEM) using R: A workbook; 2021.
28. Hair Jr. JF, Matthews LM, Matthews RL, Sarstedt M. PLS-SEM or CB-SEM: updated guidelines on which method to use, *Int. J. Multivar. Data Anal.* 2017; 1(2):107. DOI: 10.1504/ijmda.2017.10008574.
29. Karapinar O, Integrity as it relates to job performance, organizational citizenship behavior and withdrawal behavior: moderating effect of organizational justice, *Psychology*. 2015;1(2) [Online]. Available:<http://etd.lib.metu.edu.tr/upload/12618328/index.pdf>.

© 2022 Suryanti et al.; This is an Open Access article distributed under the terms of the Creative Commons Attribution License (<http://creativecommons.org/licenses/by/4.0>), which permits unrestricted use, distribution, and reproduction in any medium, provided the original work is properly cited.

*Peer-review history:*  
The peer review history for this paper can be accessed here:  
<https://www.sdiarticle5.com/review-history/92249>