
Improving Employee Performance in Business Process Outsourcing: The Role of Motivation and Competence in a Bandung Property Company

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ABSTRACT

With technological advancement, companies must adhere to digital progress in business rivalry. Enhancing human resources is a method to augment competitiveness. This study seeks to assess the impact of motivation and competence on employee performance inside a property company in Bandung.

The employed methodology is descriptive and verification analysis involving 62 respondents, all employees. The analysis utilized correlation, path analysis, and the coefficient of determination (Kd) employing SPSS version 24, Microsoft Excel 2019, and Microsoft Word 2019.

The study indicated that employee motivation, competence, and performance yielded favorable outcomes. A positive correlation exists between motivation and competence, with a coefficient of 0.400 and a % of determination of 82%. The direct influence of motivation on employee performance is 18%, but the influence of competence is 50%. The cumulative impact of motivation and competence is 68%, whereas 32% is affected by other variables.

Keywords: Motivation, Competence, Employee Performance

INTRODUCTION

With technological advancement, companies must adhere to digital progress in business rivalry. Enhancing human resources is a method to augment competitiveness. This study seeks to assess the impact of motivation and competence on employee performance inside a property company in Bandung. (Sidharta, 2024; Destiana, Rinawati, Resawati & Danasasmita, 2022)

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Work motivation is a critical determinant of employees' performance in executing the tasks assigned by the organization. Employees will be more motivated if their work results receive adequate rewards from the organization as a token of appreciation. To guarantee the execution of assigned tasks, which correlates with

satisfactory staff performance, proficient Human Resources (HR) and robust motivation from superiors and subordinates are essential, particularly concerning Customers or Tenants requiring services. (Geopani, Suherman, Adang, Jannah & Suswanto, 2024; Hersona & Sidharta, 2017; Syawal, Hardiyana, Rinawati & Tansar, 2023)

Recent research, interviews, and observations within the HR department indicate that there have been complaints from customers or tenants regarding public facilities and building services over the past few years. The annual volume of complaints has risen. The allegations suggest an issue with the performance of BPO staff at a property company in Bandung. This condition may result from deficiencies in employees' ability, skills, and knowledge. This condition may result in incompetence and thus diminish the company's performance. (Sidharta, & Affandi, 2016; Hadian, Manik, Hardiyana, Yusup, Sidharta & Coenraad, 2022)

The BPO Employee Individual Performance Target Assessment Criteria Guidelines indicate that employee performance at a property company in Bandung has not achieved the target value of 100%.

The performance of BPO personnel at a private company in Bandung is commendable but not yet exceptional, indicating potential for further enhancement. Furthermore, suboptimal employee performance is attributable to

inadequate employee motivation. Elevated motivation correlates with enhanced employee performance. The decrease in employee enthusiasm and productivity is seen in the lax adherence of certain employees to corporate norms and policies and the limited engagement of each employee in promoting organizational advancement.

Motivation is influenced by two variables: internal influences and external forces. Internal forces encompass the aspiration for a good livelihood, the pursuit of acquisition, the quest for appreciation, the need for recognition, and the ambition to attain power. External elements encompass workplace conditions, appropriate remuneration, adequate supervision, job security, position and responsibility, and flexible legislation. (Lestari, Sukmalana, Suherman & Titi, 2023; Rahman, Nurdiansyah, Sidharta, Purana & Hendiky, 2024; Kesumah & Pringgabayu, 2018)

A favorable correlation exists between work motivation and job performance; managers or leaders with elevated work motivation typically exhibit superior performance outcomes. However, if motivation is deficient, achievement or performance will also be inadequate; thus, introducing appropriate motivation will enhance employee performance. (Hadian, Senen Machmud & Sidharta, 2015; Pandia & Zulfikar, 2023; Machmud & Sidharta, 2016)

In addition to motivation, optimal performance necessitates competence. To attain

organizational objectives effectively, sufficient human resource competence is essential to enhance work performance among BPO employees at the property company located in Bandung Unit GMP Buah Batu 33. Competence is a fundamental attribute that directly influences performance and can predict an individual's potential performance capabilities.

The impact of competence on performance is seen through the degree of competence, which has practical ramifications for human resource planning. The term indicates that knowledge and expertise competency are more apparent and superficial attributes exhibited by employees.

Competence influences employee performance. A highly competent individual with relevant knowledge, skills, abilities, and attitudes aligned with their job description is consistently motivated to perform successfully, efficiently, and productively. This condition occurs because the employee's skill enables him to do the responsibilities assigned to him increasingly. Work motivation fosters passion and enhances happiness and enthusiasm, enabling optimal performance. Employees with robust work motivation will possess substantial energy to engage in activities. This study aims to assess the impact of motivation and competence on employee performance at a company in Bandung based on the background of the aforementioned problem.

METHOD

This study employs a quantitative methodology utilizing descriptive and verification techniques to investigate the impact of motivation and competence on employee performance at a property firm in Bandung that uses the Business Process Outsourcing (BPO) system. The descriptive method systematically delineates the conditions of employee motivation, competence, and performance derived from observations and questionnaires. Simultaneously, the verification approach evaluates the causal relationship between these variables by evaluating the previously established hypothesis.

The study's population comprised 62 permanent employees, who also served as the sample, thus employing a saturation sampling technique (census). Data collection involved the distribution of closed questionnaires utilizing a five-point Likert scale to assess staff motivation, competence, and performance levels. This questionnaire was developed using proven indicators derived from pertinent ideas and prior research, ensuring content validity.

The data analysis was conducted in multiple phases. A validity and reliability assessment of the research instrument was conducted utilizing SPSS software version 24 to confirm the instrument's reliability and validity. The data were subjected to descriptive analysis to ascertain each variable's mean, percentage, and

distribution of responses. Subsequently, correlation analysis was employed to assess the degree of association between variables. Path analysis approaches were employed to ascertain motivation and competence's direct and indirect effects on employee performance.

Furthermore, the coefficient of determination (Kd) was computed to assess the extent to which the independent variable elucidated the variance in the dependent variable. This technique aims to yield an accurate empirical representation of the influence of motivation and competence on enhancing employee performance in the property sector, particularly with outsourcing. Consequently, organizations can devise more focused and data-driven human resource development programs.

RESULTS and DISCUSSION

This respondent profile will show data derived from the performed research results. The data collection involved administering questionnaires to 62 employees of a property company in Bandung. The respondent profile will be categorized according to gender, age, and educational attainment.

Table 1. Characteristics of Respondents

No.	Characteristics	Frequency	Presentation
1.	Gender		
	- Female	15	24%
	- Male	47	15%

2.	Age		
	- 20 – 30 years	22	35%
	- 31 – 40 years	15	24%
	- 41 – 50 years	20	32%
	- > 50 years	5	8%
3.	Level of education	34	34%
	- SLP	4	4%
	- SMA	30	30%
	- D3	19	19%
	- S1		

Data analysis indicates that among the 62 respondents, the majority are male (75%), compared to female respondents (24%). The age group of 20-30 years constitutes 35%, followed by 31-40 years at 24% and 41-50 years at 32%, with merely 8% of responders over 50. The majority of respondents own a high school education (34%), followed by a D3 degree (30%), an S1 degree (19%), and merely 4% hold an SLP education. The statistics indicate that the respondents predominantly consist of young men with a comparatively high degree of education, which may influence performance dynamics and motivation within the workplace.

Table 2. Assessment of Validity and Reliability

Motivation		Competence		Employee Performance	
Ite m	Correlati on	Ite m	Correlati on	Ite m	Correlati on
1	0.421	1	0.566	1	0.614
2	0.564	2	0.812	2	0.497
3	0.429	3	0.438	3	0.467
4	0.505	4	0.595	4	0.495
5	0.493	5	0.679	5	0.379

6	0.456	6	0.448	6	0.571
7	0.399	7	0.310	7	0.376
8	0.389	8	0.588	8	0.642
9	0.481	9	0.649	9	0.499
10	0.535	10	0.499	10	0.627
11	0.309	11	0.598	11	0.712
12	0.454	12	0.639	12	0.532
13	0.525	13	0.359	13	0.444
14	0.356	14	0.589	14	0.491
15	0.445	15	0.581	15	0.507
Cronbach Alhpa					
X1	0,719				
X2	0,841				
Y	0,811				

Motivation The instruments for motivation, competence, and performance each have 15 items. The validity test results for these variables satisfy the requisite standards, exceeding 0.300. Consequently, it can be determined that statement items 1 to 15 are deemed valid and suitable for processing as research data. The outcomes of the aforementioned validity test indicate that all items utilized satisfy the validity criterion of 0.300 and can be deemed valid. The reliability test results indicate that all variables fall inside the dependable group since the score exceeds 0.700. The reliability assessment of the research variable questionnaire indicates that it is dependable, so the data obtained from the questionnaire is suitable for analysis in this study.

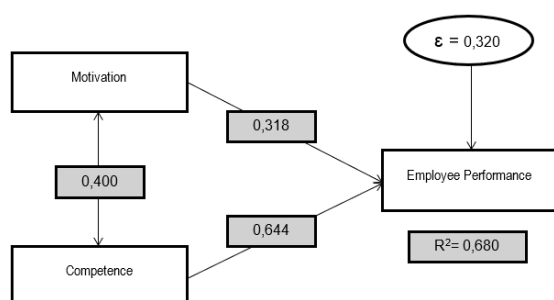


Figure 1. Path Equation

By analysing the image above, the subsequent route equation is derived:

$$Y = 0,318 X_1 + 0,644 X_2 + 0,320py\epsilon$$

The equation indicates that motivation and competence positively affect employee performance, with competence exerting a more significant influence than motivation. The coefficient of 0.318 for motivation variable signifies that a one-unit increase in motivation will result in a 0.318-unit increase in employee performance, provided the competence variable remains constant. The competence coefficient of 0.644 signifies that a one-unit increase in competence will result in a 0.644-unit increase in employee performance, assuming the motivation variable remains constant. The results demonstrate that competence significantly influences employee performance. This condition aligns with the attributes of the property sector, which necessitates technical expertise, comprehension of operational protocols, and extensive knowledge of project and construction management. Employees possessing high competence will be more adept at executing tasks efficiently, minimizing errors, and offering solutions to technical issues that emerge in property projects. Competence in BPO is essential as outsourced tasks are typically technical and require specialized experience.

Conversely, motivation has been demonstrated to exert a notable influence on performance, but to a lesser extent than competence. Employees exhibiting strong intrinsic and extrinsic motivation will display elevated job excitement, discipline, and dedication to attaining organizational objectives. Intrinsic motivation may manifest as personal fulfillment, pride in one's job, and aspiration for self-improvement. Extrinsic motivation encompasses money, bonuses, benefits, and acknowledgment from superiors. In a BPO work environment, where employees frequently encounter pressure and stringent targets, motivation is crucial in sustaining consistent performance.

Moreover, the error coefficient of 0.320 (32%) signifies the existence of additional elements beyond motivation and competence that influence employee performance. Factors may encompass leadership style, organizational culture, performance evaluation system, work environment, internal communication, and work-life balance. This condition indicates that while motivation and competence significantly enhance performance, firm management must also account for several additional supporting factors to cultivate a comprehensive and productive work environment.

Data from the questionnaire indicates that most employees assess their motivation as high. This condition indicates that the organization has effectively established a work environment that promotes optimal employee performance. The factors that garnered the highest scores were recognition of work accomplishments, possibilities for advancement, and clarity of work objectives. Other respondents expressed diminished motivation due to career-level ambiguity and an inadequate reward structure.

Consequently, the organization must regularly assess the incentive and punishment system to enhance job motivation uniformly.

Respondents rated their technical capabilities well; however, deficiencies were noted in managerial competencies, including decision-making, leadership, and inter-team communication. This condition indicates that competency training and development must prioritize not only technical skills but also soft skills. Employees in the real estate business engaged in BPO activities must possess coordination skills, time management abilities, and adaptability to evolving systems or technology.

In the context of Business Process Outsourcing, the leading challenge companies face is maintaining the quality and consistency of team performance that is not entirely under the direct control of the parent company. Therefore, improving competence and motivation is a strategic solution to ensure employees remain focused, efficient, and high-performing despite working in an outsourcing scheme. In addition, strengthening supervision, performance evaluation based on quantitative indicators, and regular training can be used as sustainable HR management strategies.

However, the difference in contribution between the two variables also provides new insights, especially in the context of property companies in Bandung that implement BPO. The dominance of the influence of competence shows that the property sector greatly emphasizes practical, applicable skills. This condition is important input for companies in designing training programs that are more focused and relevant to operational needs in the field.

The practical implication of this study is the need for companies to develop a comprehensive employee development strategy. First, companies can conduct competency mapping through individual assessments to determine the gap between current capabilities and expected work standards. Second, companies can design training and capacity-building programs based on real needs, such as technical training, professional certification, or leadership training. Third, companies need to implement a fair, transparent, and sustainable reward system for the motivational aspect and provide a two-way feedback mechanism between management and employees.

In addition, companies need to increase employee engagement through activities that build team cohesion, strengthen corporate culture, and promote open and supportive communication. This approach will strengthen employee loyalty and engagement, thus improving overall performance.

Overall, this study's findings indicate that to improve employee performance in a BPO environment, companies should not only focus on motivation but also prioritize competency strengthening as the main strategy. In the long term, HR management that is oriented towards skills development and motivation empowerment, will be an important foundation in maintaining the company's competitiveness amidst increasingly complex property industry competition.

CONCLUSION

The research findings indicate that motivation and competence positively affect employee performance in property companies in Bandung utilizing the

Business Process Outsourcing technology. The two variables mutually enhance work performance, with competence exerting a more significant influence than motivation. This condition indicates that individuals possessing pertinent technical talents, knowledge, and skills will more effectively and efficiently accomplish tasks, hence directly influencing the attainment of company objectives. Elevated competency enhances work quality, punctuality, and adaptability to the dynamics and challenges of an outsourcing work environment.

Concurrently, motivation remains a crucial factor in fostering employee passion, commitment, and allegiance to the organization. Motivation derived from intrinsic and extrinsic elements has been demonstrated to foster a positive work attitude, enhance employee engagement in the work process, and reinforce the commitment to attaining organizational objectives. A just compensation system, opportunity for career advancement, and a supportive workplace are elements that help foster enduring job motivation.

These findings offer significant implications for corporate management in devising human resource development strategies. Organizations must prioritize enhancing competency via training programs, certification, and developing technical and managerial abilities. Furthermore, organizations must establish a comprehensive and lasting motivation system through suitable incentive schemes, constructive feedback, and cultivating a good and productive work environment. By enhancing these two facets in a balanced manner, organizations will optimize employee performance and sustain a competitive edge in the increasingly intricate property sector.

Consequently, a strategic approach to employee performance management centered on motivation and competency is imperative that organizations must persistently seek in the contemporary landscape of global competition.

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