

The Synergy of Competence and Work Motivation in Driving Employee Performance at Bank Riau Kepri Syariah

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ABSTRACT

This study aims to examine the magnitude of the effect of the synergy between competence and work motivation in driving employee performance at Bank Riau Kepri Syariah. The study consists of two independent variables, namely competence and work motivation, and one dependent variable, namely employee performance. The analytical method used is Structural Equation Modeling (SEM) using SmartPLS version 4.1.1.6. Data were collected through a questionnaire completed by respondents, namely 58 employees of Bank Riau Kepri Syariah. The partial results obtained are as follows: 1) there is a positive and significant effect of competence in driving employee performance at Bank Riau Kepri Syariah; 2) there is a positive and significant effect of work motivation in driving employee performance at Bank Riau Kepri Syariah. Meanwhile, the simultaneous results show that 3) competence and work motivation together have a positive and significant effect in driving employee performance at Bank Riau Kepri Syariah.

Keywords: Competence, Work Motivation, Employee Performance.

1 Introduction

Islamic banking, as part of the global financial system, continues to experience significant growth, particularly in countries with large Muslim populations such as Malaysia, Saudi Arabia, and Southeast Asian nations. Islamic banks apply the principles of profit and loss sharing, the avoidance of usury (riba), and Islamic ethics in their operations, which distinguishes their business model from conventional banking worldwide. However, an international study [1] shows that although asset growth and market share have increased, internal performance, particularly human resource performance in the Islamic banking sector, still faces multidimensional challenges such as low technical skills and low work motivation amid high service demands. Phenomena across countries, including Indonesia, reveal a gap in the implementation of human resource management in the Islamic banking sector, particularly in optimizing employee performance. This condition is highly relevant to the case study of Bank Riau Kepri Syariah, a financial institution that has

undergone a full conversion to Sharia-based operations. This organizational transformation brings not only structural change but also the need to enhance human resource capabilities so that service delivery, risk management, and financing target achievement can be optimal.

Bank Riau Kepri Syariah is a financial institution whose operational activities are conducted based on Islamic Sharia principles. Unlike conventional banks that use an interest-based system, Islamic banks apply a profit-sharing system, in which the determination of costs and profits is carried out fairly and in accordance with Islamic law. Every contract (akad) executed at an Islamic bank has consequences not only in worldly life but also in the hereafter, as all transactions are based on Islamic law. The conversion toward Sharia principles has triggered consequences for strengthening employee capabilities grounded in Islamic values, forming a work ethic in accordance with Sharia principles, and enhancing employee morale in order to synergize the organization's new vision. Nevertheless, this process is often accompanied by obstacles such as an increased workload due to system adjustments, the need for retraining, and resistance to transformation. This condition risks disrupting individual employee performance as well as loyalty to the institution if not managed optimally [2].

As a regional development bank that has converted from a conventional to a Sharia-based system, Bank Riau Kepri Syariah faces transformation challenges that are not only structural but also cultural and spiritual in nature. The conversion process requires a comprehensive adjustment of the work system, mindset, and employee capabilities to align with Sharia principles. In practice, this adaptation process has the potential to increase workload, the need for retraining, and the risk of decreased motivation if not managed effectively. This condition can affect fluctuations in financing target achievement, the management of non-performing financing, and the quality of customer service [3].

In such an environment, technical competence and work motivation become strategic keys to mitigating resistance to change, improving human resource skills in Sharia principles, and maintaining high performance dynamics amid regulatory challenges and market competition. Employee competence at Bank Riau Kepri Syariah includes an in-depth understanding of Islamic banking products, Islamic transactional jurisprudence (fiqh muamalah), Islamic financial management, as well as practical skills such as risk analysis, Sharia product marketing, and customer service based on Islamic ethics. In addition, a high level of integrity, leadership ability, and digital competence are required to support branch operations such as those at Arifin Ahmad Pekanbaru, which are frequently enhanced through internal training such as competency tests for new temporary staff (PTT) and deposit-ratio (nisbah) workshops.

The type of income provided to employees plays an important role as a motivating factor at work. Basic salary serves as the main monthly payment given according to the employee's position, providing a stable financial foundation. Meal allowances are given daily as an addition to support daily needs. Position allowances are a fixed addition given specifically for certain positions, as recognition of greater responsibility. Overtime pay is given as compensation for working more than 7 hours a day, and already includes meal and transportation allowances, thereby motivating employees to work longer hours with clear appreciation.

Bonuses or production incentives are given as part of the annual net profit or performance-based incentives, encouraging employees to achieve better results. Religious holiday allowances (THR), valued at approximately three times the basic salary, significantly add to employee welfare on certain occasions. Health and social security allowances such as insurance, health BPJS, and employment BPJS provide a sense of security and protection for employees and their families. In addition, paid leave and education allowances provide employees with room for rest and self-development without losing income. Finally, incentives in the form of target-based quarterly bonuses encourage employees to consistently achieve short-term targets. All of these components, when provided optimally, not only strengthen welfare but also enhance the morale and loyalty of employees toward Bank Riau Kepri Syariah.

Research Framework

Based on the problem formulation and theoretical foundation above, this study consists of independent variables, namely competence and work motivation, and employee performance as the dependent variable. The research framework is as follows:

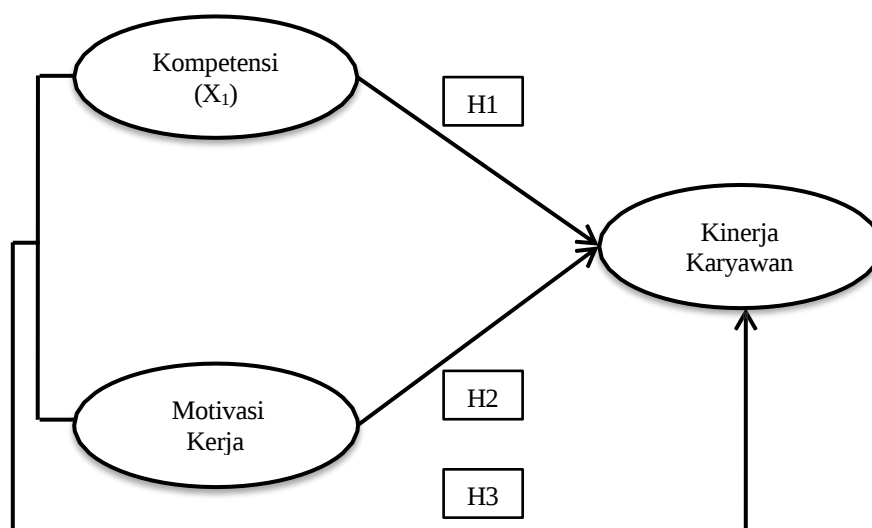


Figure 1. Research Framework

Hypotheses

The hypotheses of this study are as follows:

H1: Competence is presumed to have a positive and significant partial effect on employee performance at Bank Riau Kepri Syariah.

H2: Work motivation is presumed to have a positive and significant partial effect on employee performance at Bank Riau Kepri Syariah.

H3: Competence and work motivation are presumed to have a positive and significant simultaneous effect on employee performance at Bank Riau Kepri Syariah.

2 Research Methodology

This study uses a quantitative approach with an associative or causal research design, aiming to analyze the effect of competence and work motivation in driving employee performance at Bank Riau Kepri Syariah. The quantitative approach was chosen because this study examines the relationships between variables objectively through numerical measurement and statistical analysis, so that the research results can represent the population studied. The research was conducted at Bank Riau Kepri Syariah, Arifin Ahmad Branch, Pekanbaru City, with employees of Bank Riau Kepri Syariah as the research subjects. The population in this study is all employees at Bank Riau Kepri Syariah, Arifin Ahmad Branch, Pekanbaru City.

The sampling technique used is the census method, namely all 58 employees of Bank Riau Kepri Syariah, Arifin Ahmad Branch, Pekanbaru City. The sample for this study consists of 58 respondents. In this study, the endogenous construct of employee performance is influenced by two exogenous constructs, namely competence and work motivation, with more than five indicators for each construct. Therefore, based on the rule proposed [4], which states that the minimum sample size ranges from 30-60 respondents, using 58 respondents means this study has exceeded the recommended minimum threshold, thereby increasing the reliability of the model.

Furthermore, it is stated [4] that although SEM-PLS can be run with a small sample, a sample size of around 58 respondents is highly recommended for research models of moderate complexity involving several latent constructs and reflective indicators. This sample size is considered capable of increasing statistical power, reducing potential estimation bias, and producing more stable path coefficient and loading factor values. With this sample size, the bootstrapping analysis in SEM-PLS can run optimally, making the

significance testing of structural paths more accurate and reliable. Thus, the use of 58 respondents in this study is considered adequate, relevant, and methodologically sound, as it meets the minimum SEM-PLS recommendation, strengthens the statistical power of the model, and provides more representative analytical results in explaining the synergy between competence and work motivation in driving employee performance at Bank Riau Kepri Syariah.

The types of data used in this study consist of primary and secondary data. Primary data were obtained through the distribution of questionnaires to respondents, while secondary data were obtained from literature studies including textbooks, national and international scientific journals, and academic documents relevant to the research topic. Data collection was carried out using a questionnaire developed based on the indicators of each variable, measured using a five-point Likert scale, ranging from strongly disagree to strongly agree.

This study uses Structural Equation Modeling-Partial Least Squares (SEM-PLS) as the analytical method, using SmartPLS software version 4.1.1.6. The use of SEM-PLS aims to analyze the causal relationships between the latent variables of competence and work motivation in driving employee performance at Bank Riau Kepri Syariah, both partially and simultaneously. The SEM-PLS method was chosen because it is capable of analyzing complex models involving several latent variables and indicators, and does not strictly require the assumption of normal data distribution.

Before testing the relationships between latent variables (inner model), an evaluation of the measurement model (outer model) was conducted to ensure the validity and reliability of the research instrument. Convergent validity testing was carried out by examining the loading factor and Average Variance Extracted (AVE) values, where an indicator is declared valid if it has a loading factor value ≥ 0.70 and an AVE value ≥ 0.50 . Furthermore, discriminant validity was tested using the Fornell-Larcker criterion and cross loading, with the requirement that each construct must have a square root of AVE value higher than its correlation with other constructs. Construct reliability testing was carried out using Composite Reliability and Cronbach's Alpha values, with a criterion value ≥ 0.70 indicating that the indicators have good internal consistency in measuring the latent construct. This outer model evaluation aims to ensure that each indicator accurately and consistently represents the latent variable being studied.

After the measurement model was declared valid and reliable, the next stage was the evaluation of the structural model (inner model). This evaluation was carried out by examining the R-Square (R^2) value to determine the ability of the independent variables to

explain the dependent variable, as well as the Path Coefficient value to determine the direction and strength of the influence between variables. Hypothesis testing was carried out using the bootstrapping technique in SEM-PLS by examining the t-statistics and p-values, where a hypothesis is declared significant if the t-statistics value > 1.96 and the p-value < 0.05 at a 5% significance level. By using SEM-PLS, this study is expected to provide a comprehensive picture of the synergy between competence and work motivation in driving employee performance at Bank Riau Kepri Syariah, as well as to produce strong and relevant empirical findings as a basis for recommendations for human resource development in the Islamic banking sector.

3 Results and Discussion

Outer Model Testing (Measurement Model)

The Partial Least Square (PLS) method, assisted by SmartPLS Version 4.1.1.6 software, was used to analyze the research model. PLS is one of the alternative methods of Structural Equation Modeling (SEM) and can be used to solve problems related to highly complex relationships between variables. The output of the validity test processing using SmartPLS Version 4.1.1.6, in the form of loading factors on the path algorithm diagram, produced the following results:

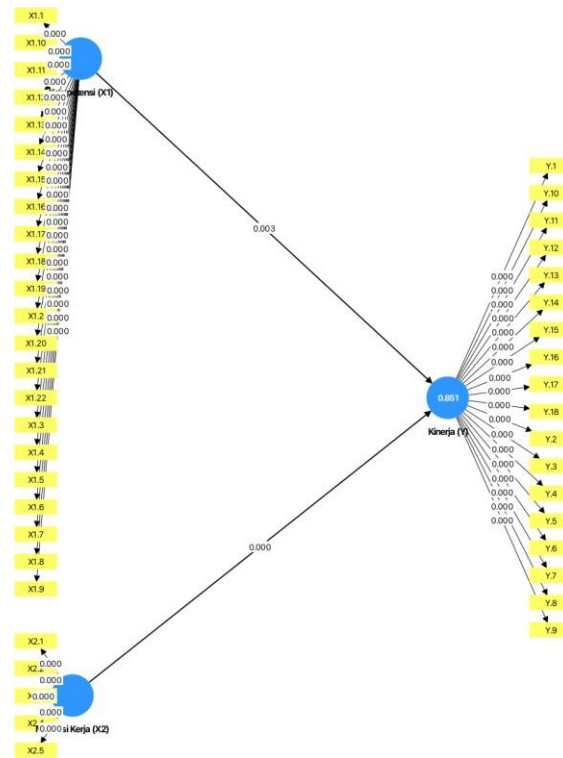


Figure 2. Path Algorithm Diagram

Source: Processed Data from SmartPLS 4.1.1.6, 2026

Convergent Validity Test Results

In general, an outer loading value ≥ 0.70 indicates that the indicator has good validity, while a value between 0.50-0.70 is still acceptable in exploratory research as long as the Average Variance Extracted (AVE) value meets the criteria. Therefore, the convergent validity test in this study was conducted by examining the outer loading value of each indicator on the variables of competence, work motivation, and employee performance. The results of the convergent validity test can be seen in Table 1.

Table 1. Loading Factor

Indicator	Employee Performance (Y)	Competence (X1)	Work Motivation (X2)
X1.1	-	0.697	-
X1.2	-	0.801	-
X1.3	-	0.698	-
X1.4	-	0.692	-
X1.5	-	0.651	-
X1.6	-	0.828	-
X1.7	-	0.842	-
X1.8	-	0.813	-
X1.9	-	0.744	-
X1.10	-	0.808	-
X1.11	-	0.842	-
X1.12	-	0.713	-
X1.13	-	0.811	-
X1.14	-	0.802	-
X1.15	-	0.820	-
X1.16	-	0.782	-
X1.17	-	0.804	-
X1.18	-	0.739	-
X1.19	-	0.783	-
X1.20	-	0.795	-
X1.21	-	0.854	-
X1.22	-	0.845	-
X2.1	-	-	0.753
X2.2	-	-	0.876
X2.3	-	-	0.828
X2.4	-	-	0.905
X2.5	-	-	0.901
Y.1	0.802	-	-
Y.2	0.706	-	-
Y.3	0.773	-	-
Y.4	0.802	-	-
Y.5	0.841	-	-
Y.6	0.874	-	-
Y.7	0.844	-	-
Y.8	0.838	-	-
Y.9	0.881	-	-
Y.10	0.774	-	-
Y.11	0.805	-	-
Y.12	0.808	-	-

Indicator	Employee Performance (Y)	Competence (X1)	Work Motivation (X2)
Y.13	0.888	-	-
Y.14	0.812	-	-
Y.15	0.838	-	-
Y.16	0.831	-	-
Y.17	0.845	-	-
Y.18	0.856	-	-

Source: Primary Data Processed with SmartPLS Version 4.1.1.6, 2026

The table above shows that all indicators of the research variables have an outer loading value above 0.60, so the indicators are considered appropriate for the study and can be used for further analysis.

Average Variance Extracted (AVE) Test Results

Table 2. Average Variance Extracted (AVE) Test Results

Variable	Average Variance Extracted (AVE)
Employee Performance (Y)	0.680
Competence (X1)	0.612
Work Motivation (X2)	0.730

Source: Primary Data Processed with SmartPLS Version 4.1.1.6, 2026

Referring to Table 2, all constructs or variables above meet the criteria of good validity. The Average Variance Extracted (AVE) values exceed 0.50, which meets the recommended criteria. Thus, each variable has good discriminant validity.

Reliability Test Results (Reliability Construct)

Table 3. Composite Reliability Results

Variable	Cronbach's Alpha	Composite Reliability (rho_a)	Composite Reliability (rho_c)	Decision
Employee Performance (Y)	0.972	0.973	0.974	Reliable
Competence (X1)	0.969	0.971	0.972	Reliable
Work Motivation (X2)	0.906	0.912	0.931	Reliable

Source: Primary Data from SEM-PLS Version 4.1.1.6, 2026

Referring to Table 3, the combined reliability and Cronbach's Alpha values are above 0.75, so it can be concluded that the constructs have good and high reliability, meeting the minimum required value. Furthermore, the composite reliability value is close to one (1), indicating that the questionnaire used is reliable, with a reliability coefficient ranging between 0.9 and 1.0. In addition, the rho_A value is greater than 0.7, indicating that all three latent variables meet the established criteria and therefore possess good reliability as measurement instruments.

Inner Model Testing (Structural Model)

R-Square (R²) Analysis Results

The R-Square (R²) analysis is used to determine the magnitude of the effect of the independent variables on the dependent variable used in this study. The coefficient of determination values are shown in Table 4.

Table 4. R-Square Test Results

Variable	R-square	R-square adjusted
Employee Performance (Y)	0.851	0.845

Source: Primary Data from SEM-PLS Version 4.1.1.6, 2026

Referring to Table 4, the R-square value for the employee performance variable of 0.851 indicates that 85.1% of the variation in employee performance is explained by the independent variables in this study, while the remaining 14.9% is explained by other variables outside this study. Thus, the effect of competence and work motivation in driving employee performance at Bank Riau Kepri Syariah falls within a substantial or strong level of influence.

Hypothesis Test Results

Table 5. Partial Hypothesis Test Results

Path	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Competence (X1) -> Employee Performance (Y)	0.379	0.388	0.129	2.930	0.003
Work Motivation (X2) -> Employee Performance (Y)	0.567	0.559	0.126	4.488	0.000

Source: Primary Data from SmartPLS Version 4.1.1.6, 2026

Based on Table 5, the following hypothesis conclusions can be drawn:

Effect of Competence (X1) in Driving Employee Performance (Y)

From Table 5, the original sample value of 0.379, with a t-statistic value greater than the t-table value ($2.930 > 1.673$) and a p-value smaller than alpha ($0.003 < 0.05$), leads to the rejection of H₀ and acceptance of H_a. The research results show that there is a positive and significant effect of competence in driving employee performance at Bank Riau Kepri Syariah.

Effect of Work Motivation (X2) in Driving Employee Performance (Y)

From Table 5, the original sample value of 0.567, with a t-statistic value greater than the t-table value ($4.488 > 1.673$) and a p-value smaller than alpha ($0.000 < 0.05$), leads to the rejection of H₀ and acceptance of H_a. The research results show that work motivation

has a positive and significant effect in driving employee performance at Bank Riau Kepri Syariah.

Table 6. Simultaneous Hypothesis Test Results

Variable	R-square	R-square adjusted
Employee Performance (Y)	0.851	0.845

Source: Primary Data from SmartPLS Version 4.1.1.6, 2026

Synergy of Competence (X1) and Motivation (X2) in Driving Employee Performance (Y)

From Table 6, the R-square value of 0.851 indicates that 85.1% of the variation in driving employee performance at Bank Riau Kepri Syariah is explained by competence (X1) and work motivation (X2), while the remaining 14.9% is explained by other variables not included in this study. This means that competence and work motivation in driving employee performance at Bank Riau Kepri Syariah fall within a strong level of influence.

The following is a further interpretation of the hypothesis test results obtained from the SEM-PLS Version 4.1.1.6 data processing output, presented in Table 7.

Table 7. Hypothesis Testing Results

Hypothesis	Statement	Probability Value	Significance Level	Result
H1	Competence is presumed to have a positive and significant partial effect in driving employee performance at Bank Riau Kepri Syariah	0.003	0.05	Accepted
H2	Work motivation is presumed to have a positive and significant partial effect in driving employee performance at Bank Riau Kepri Syariah	0.000	0.05	Accepted
H3	Competence and work motivation are presumed to have a positive and significant simultaneous effect in driving employee performance at Bank Riau Kepri Syariah	0.851	0.05	Accepted

Source: Processed data, 2026

Discussion

Based on the research results that have been carried out, the researchers present the following discussion:

1) There is a Partial Effect of Competence in Driving Employee Performance at Bank Riau Kepri Syariah

The results of the first hypothesis test show that the relationship between the competence variable has a positive and significant partial effect in driving employee performance at Bank Riau Kepri Syariah. This indicates that the higher the level of competence possessed by employees, the higher the performance they produce. The competence referred to includes a combination of knowledge, skills, and professional attitudes that enable employees to carry out their duties and responsibilities optimally. In the context of an Islamic financial institution such as Bank Riau Kepri Syariah, competence also includes an understanding of Islamic banking principles that form the operational foundation of the bank, as well as sensitivity to Islamic work ethics.

The correlation between competence and employee performance is positive and strong, meaning that an increase in competence aligns with an improvement in the quality of work results, efficiency, and productivity. Competent employees tend to be more able to complete work on time, make appropriate decisions, and provide the best service to customers. They are also more adaptive to change, able to work in teams, and show initiative in solving work problems. This directly impacts the achievement of individual and organizational targets as a whole.

This finding is consistent with a previous study [5], which states that employee competence significantly improves their performance, as high competence enables workers to complete tasks effectively and efficiently while adapting to dynamic work situations. This is in line with the results of a descriptive study [6], which also found a positive relationship between competence and employee performance.

This finding underscores the importance of competence development through continuous training, education, and coaching. Bank Riau Kepri Syariah needs to strategically manage the improvement of employee competence as one of the keys to boosting employee performance and maintaining the company's competitiveness. Thus, the relationship between competence and performance is not merely theoretical but also has a real impact in supporting the operational success and service of the Islamic financial institution.

2) There is a Partial Effect of Work Motivation in Driving Employee Performance at Bank Riau Kepri Syariah

The results of the second hypothesis test show that the relationship between the motivation variable has a positive and significant partial effect in driving employee performance at Bank Riau Kepri Syariah. This finding indicates that the higher the work motivation possessed by employees, whether intrinsic or extrinsic, the more their performance tends to increase, meaning that an increase in employee work motivation is

followed by a real and measurable improvement in employee performance. This positive relationship indicates that the higher the internal drive (such as the desire for achievement, responsibility, and job satisfaction) or external drive (such as rewards, recognition, and career development opportunities) possessed by employees, the better the work results shown in terms of work quality, output quantity, timeliness, and the ability to achieve work targets.

The significance of this effect indicates that motivation is not merely a supporting factor but an important determinant in explaining the variation in employee performance at Bank Riau Kepri Syariah. Practically, this finding implies that management efforts to improve performance cannot focus solely on technical or procedural aspects but must be accompanied by strategies to increase motivation, such as providing fair incentives, a transparent performance appraisal system, promotion opportunities, and creating a work environment that fosters enthusiasm and commitment. Thus, motivation acts as the driving energy that mobilizes employees' competence and abilities to be truly realized in optimal performance in accordance with organizational goals.

This finding is consistent with research results in the banking sector and other organizations. For example, a study in the Islamic banking sector in Pekanbaru [7] shows that work motivation significantly affects employee performance, where well-motivated employees tend to achieve work targets and demonstrate better performance.

3) There is a Simultaneous Effect of Competence and Work Motivation in Driving Employee Performance at Bank Riau Kepri Syariah

The results of the third hypothesis test show that competence and motivation together have a positive and significant effect in driving employee performance at Bank Riau Kepri Syariah. This finding reinforces the evidence that these two variables not only work individually but also mutually reinforce one another in creating optimal work performance. This means that employee performance at Bank Riau Kepri Syariah is not determined by a single factor alone, but by a combination of the ability to work (competence) and the drive to work (motivation). This relationship indicates that high competence, such as task mastery, technical skills, and understanding of work procedures, will produce optimal performance when accompanied by strong motivation, such as the spirit of achievement, responsibility, and the desire to reach work targets.

Conversely, high motivation without adequate competence will also fail to produce maximum performance, as employees would lack the ability to realize that drive in the form of quality work outcomes. Therefore, this simultaneous effect indicates a complementary

relationship between competence and motivation in shaping employee performance. Practically, this finding means that improving employee performance at Bank Riau Kepri Syariah will be more effective if management focuses not only on training and competence development but also on efforts to increase work motivation, such as reward systems, recognition of achievements, and clear career paths. Thus, competence provides the ability to work correctly, while motivation provides the drive to work optimally, and together they become key factors in driving better employee performance achievement.

This research result is consistent with a study [5] that supports the finding that competence and motivation have a strong simultaneous effect on performance, indicating that improving the quality of human resources will be more effective when accompanied by strong work motivation. A review study [8] also concludes that the combination of competence and motivation is an important factor explaining most of the variation in employee performance, particularly in organizational environments similar to Islamic banking.

4 Conclusions

Based on the review, research results, and discussion presented above, the following conclusions can be drawn:

- 1) There is a positive and significant partial effect of competence in driving employee performance at Bank Riau Kepri Syariah.
- 2) There is a positive and significant partial effect of work motivation in driving employee performance at Bank Riau Kepri Syariah.
- 3) There is a positive and significant simultaneous effect of competence and work motivation in driving employee performance at Bank Riau Kepri Syariah.

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