The Influence of Labor Competence, and Innovation Behavior on the Motivation for Achievement and Performance of Wooden Furniture Smes Employees in Pasuruan City

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ABSTRACT

**Purpose:** The phenomenon that occurs in the midst of wooden furniture SMEs in Pasuruan City shows that labor competence is still low, innovation behavior is less creative, motivation for low achievement and employee performance fluctuates. This study aims to determine the influence of labor competence and innovation behavior on the motivation for achievement and performance of employees of the Wooden Furniture Medium Keil Industry (IKM) in Pasuruan City.

**Design/Methodology/Approach:** Research models with hypothesis development are derived based on literature. To provide empirical evidence, researchers conducted a survey, primary data were collected using a list of questionnaires, and saturated sampling of 50 employees.

**Findings:** The results showed that the variable of Labor Competence had a positive effect on Achievement Motivation, while Innovation Behavior had a positive and significant effect on Achievement Motivation. However, the three variables of Manpower Competence, Innovation Behavior and Motivation for achievement have a direct effect on the Performance of Wooden Furniture IKM Employees in Pasuruan City.

**Practical Implications:** The implications of this study are to test the perception of 50 employees of IKM Wooden Furniture in Pasuruan City. The analysis technique used is Partial Least Square (PLS).

**Originality/value:**

**Type of paper:** Research Paper.

**Keywords:** Achievement Motivation, Employee Performance, Workforce Competence

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I. INTRODUCTION

To achieve its goals, an organization is influenced by the behavior and attitudes of the human resources contained in it. Sedarmayanti, (2017) states that every employee who works in an organization must have the competence to support the person concerned in completing each job entrusted to him in accordance with the work characteristics as stipulated by the company. Likewise, a low-performing workforce indicates that the workforce concerned has low competence (Sedarmayanti, 2017). Sedarmayanti, (2017); Wibowo, (2014) agree that employees with high competence in an organization will certainly describe the quality of the workforce concerned which will ultimately determine the ability of the organization itself to win the competition because it is able to work efficiently and effectively. According to Spencer, (1993) that competence is closely related to performance. This means that the more competent an employee is, the more efficient and effective it will be in carrying out its work and have the motivation to excel as shown by superior performance.

The results of the Guo et al., (2021) study explains that this study, for the first time, used a moderated mediation model to reveal the relationship between the motivation of achievement and work achievement among Chinese doctors. It explained that employee performance and physician gender were not strongly correlated. The nature of agreeableness and conscientiousness moderates the strength of the relationship...
between the motivation of achievement and work achievement. The results of Mudhofar, (2021) explained that work achievement supported by the motivation to achieve is the key to improving employee and organizational performance.

The problems found in wooden furniture companies in Pasuruan City indicate that some employees who work as small wooden furniture industry companies do not have competence in accordance with the demands of work in the field of wood furniture processing. In addition, it was found that the performance of employees both in quantity and quality was not fully in accordance with company standards. This can be seen from the still finding customer orders that often go back from the time as previously determined. (Furniture Customer from Surabaya)

A. Review The Literature
1. Workforce Competence
   Competence is the ability to apply or use a set of knowledge, skills, that a workforce needs to complete its work on time and on target. Wibowo, (2007) states that competence is based on skills and knowledge and is supported by the work attitude (behavior) demanded by the work as an effort to improve performance. Sedarmayanti, (2017) Competence is the work ability of every individual and every workforce in the organization must have competence because in every carrying out of their work must be based on competence if they do not want to obtain low performance.

2. Innovation Behavior
   Innovation is the ability of the workforce to generate innovation through continuous learning, knowledge transformation, creativity, and exploitation of internal and external resources available in the company, (Assink, 2006; Hogan et al., 2011; Lawson & Samson, 2001; Saunila & Ukko, 2013; Wang & Ahmed, 2004).

3. Motivation to Achieve
   Motivation to achieve is a psychological process that has a direction and goal to succeed as the best measure. Mc Clelland in Sukadji, (2001) Motivation has an important role in a person to get the most out of a job he does Awan & Bukhari, (2011); Christine w.s, megawati oktarani, (2010). Cloud, emphasizes that Motivation preempts as an internal condition that stimulates, moves, and maintains behavior, while Apurva Anand & M.D.Singh, (2011) mentions motivation as a driver to achieve targets and processes to maintain such drivers. (Slavin, 2015).

4. Employee Performance
   Employee performance is defined as the achievements achieved by an employee who works in a certain period. Hasibuan, (2012); Hoque et al., (2014), says performance is "a result of the work that a person achieves in carrying out the tasks charged to him based on skills, experience, and earnestness and time".

5. Conceptual Framework of Research
   The Conceptual Framework in this study can be seen in Figure 3.2

![Conceptual Framework of Research](source: Literature Review Chapter two, compiled)

Figure 1. Conceptual Framework of Research
II. METHODS

A. Research Design

This research is an explanatory research, namely research to obtain an explanation of the causal relationship between several variables studied, namely exogenous variables consisting of: Labor Competence, Innovation Behavior, and their effect on Achievement Motivation, and Employee Performance of Wooden Furniture SMEs in Pasuruan City through hypothesis testing. The method used is the survey method because the information collected from respondents using questionnaires as a data collection instrument (Sofian Effendi & Masri Singarimbun, 1995).

B. Population and Sample

The population in this study was all employees of wooden furniture IKM in Pasuruan City amounting to 50 people. To conduct research on all members of the population or respondents of 50 employees. Saturated sample according to Sugiyono, (2016).

C. Operational Definition of Variables

1. Manpower Competence (X1): is the ability of employees to complete their work within a certain period of time both in quantity and quality in accordance with work standards as determined by the Wooden Furniture IKM Company in Pasuruan. Indicators Refer to Gordon in Sutrisno. E., (2011) which consists of: 1) Knowledge Level (X1.1), 2) Comprehension Level (X1.2), 3) Skills (X1.3), 4) Value (X1.4), 5) Attitude (X1.5), 6) Interest (X1.6)

2. Innovation Behavior (X2). is the discovery of new products and ways of service that are different from the previous ones in the form of thoughts and ideas that can be developed and implemented in an effort to improve the existence of IKM Wooden Furniture. Indictator refers to George and Zhou in Purba, (2009) which includes: 1) Figuring out new technologies, processes, techniques and new ideas (X2.1), 2) Generate creative ideas (X2.2), 3) Fight for ideas to others (X2.3), 4) Determine a mature schedule to bring new ideas to life (X2.4).

3. Motivational Parties (Y1). is the encouragement that exists in the Employees of IKM Wooden Furniture in Pasuruan City to achieve a goal that is the expectation of himself so as to enable optimal performance to be achieved. Indictator refers to Hinson et al., (2001) which includes; 1) Able to set tasks that can be done well (Y1.1), 2) Likes work that is of moderate difficulty (Y1.2), 3) Likes specific help/concrete directions (Y1.3), 4) Able to reduce the fear of failure (Y1.4)

4. Employee Performance (Y2). is the result achieved by the Employees of IKM Wooden Furniture in Pasuruan City in the form of goods or services that are used as the basis for assessing the employee concerned in terms of quality, quantity and time of completion in a period. The indicator refers to Edwin B. Flippo, (1984) in accordance with the object of study, namely; 1) Quantity of work (Y2.1), 2) Quality of work (Y2.2), 3) Punctuality (Y2.3), 4) Cooperation (Y2.4), 5) Personal qualities (Y2.5).

III. RESEARCH AND DISCUSSION

A. Inferential Analysis

1. Evaluate the outer Model

Outer reflective model testing is carried out by looking at the value of the outer loading factor (outer loading) of each indicator..

<table>
<thead>
<tr>
<th>Variables</th>
<th>Indicators</th>
<th>Outer Loading</th>
<th>t-Statistics</th>
<th>Probability (p-value)</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor Competence (X1)</td>
<td>The Level of Knowledge I have supports me in completing my work (X1.1)</td>
<td>0.705</td>
<td>6.788</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td></td>
<td>I was able to complete all my work because I understood it well (X1.2)</td>
<td>0.847</td>
<td>7.744</td>
<td>0.000</td>
<td>Significant</td>
</tr>
</tbody>
</table>
The skills I have support me in getting my work done $(X_{1.3})$ 0.724 5.856 0.000 Significant

My work culture conforms to company values $(X_{1.4})$ 0.703 8.029 0.000 Significant

I don’t feel burdened to complete the work charged to me $(X_{1.5})$ 0.847 7.744 0.000 Significant

The work charged to me according to my interests $(X_{1.6})$ 0.634 4.288 0.000 Significant

### Table 2. Evaluation Results of Outer Model Variables of Innovation Behavior

<table>
<thead>
<tr>
<th>Variables</th>
<th>Indicators</th>
<th>Outer Loading</th>
<th>T-Statistics</th>
<th>Probability (p-value)</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Behavioral Innovation $(X2)$</td>
<td>I am always trying to find out new technologies, processes, techniques and new ideas in getting my work done $(X2.1)$</td>
<td>0.859</td>
<td>5.929</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td></td>
<td>To complete my work, I always come up with innovative ideas. $(X2.2)$</td>
<td>0.873</td>
<td>6.311</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td></td>
<td>I always Fight for my new ideas to others. $(X2.3)$</td>
<td>0.834</td>
<td>7.539</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td></td>
<td>Company leaders provide facilities and infrastructure for each employee in realizing new ideas $(X2.4)$</td>
<td>0.662</td>
<td>3.224</td>
<td>0.001</td>
<td>Significant</td>
</tr>
<tr>
<td></td>
<td>I always Set a careful schedule to bring new ideas to life $(X2.5)$</td>
<td>0.873</td>
<td>6.311</td>
<td>0.000</td>
<td>Significant</td>
</tr>
</tbody>
</table>

### Table 3. Evaluation Results of the Outer Model of Achievement Motivation Variables

<table>
<thead>
<tr>
<th>Variables</th>
<th>Indicators</th>
<th>Outer Loading</th>
<th>t-Statistics</th>
<th>Probability (p-value)</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motivation to Excel $(Y1)$</td>
<td>I was able to set a task that could be done well</td>
<td>0.660</td>
<td>3.973</td>
<td>0.000</td>
<td>Significant</td>
</tr>
<tr>
<td></td>
<td>I like jobs that are of moderate difficulty.</td>
<td>0.785</td>
<td>3.329</td>
<td>0.001</td>
<td>Significant</td>
</tr>
</tbody>
</table>
2. Inner Model Evaluation

Through the evaluation of the inner model, the relationship between latent constructs that have been hypothesized can be known.

<table>
<thead>
<tr>
<th>Relationships between variables</th>
<th>Original Sample</th>
<th>T-statistics</th>
<th>Probability (p-value)</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Workforce Competence (X1) Motivation to Excel (Y1→1)</td>
<td>0.004</td>
<td>0.014</td>
<td>0.494</td>
<td>Insignificant</td>
</tr>
<tr>
<td>Innovation behavior (X2) Motivation to Excel (Y1→1)</td>
<td>0.119</td>
<td>2.591</td>
<td>0.005</td>
<td>Significant</td>
</tr>
<tr>
<td>Workforce Competence (X1) Employee Performance (Y2→1)</td>
<td>0.097</td>
<td>1.705</td>
<td>0.045</td>
<td>Significant</td>
</tr>
<tr>
<td>Behavioral Innovation (X2) Employee Performance (Y2→1)</td>
<td>0.112</td>
<td>2.791</td>
<td>0.003</td>
<td>Significant</td>
</tr>
<tr>
<td>Motivation to Achieve (Y1) Employee Performance (Y2→1)</td>
<td>0.168</td>
<td>3.957</td>
<td>0.000</td>
<td>Significant</td>
</tr>
</tbody>
</table>

Source: Appendix 6 data processed.

The results of the Partial Least Square (PLS) inner model test in this study can be described through a path diagram as shown in Figure 5.1.
Table 5. The Loading and Mean Value of Each Indicator

<table>
<thead>
<tr>
<th>Variables</th>
<th>Indicators</th>
<th>Loading</th>
<th>Mean</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor Competence (X1)</td>
<td>The Level of Knowledge I have supports me in completing my work</td>
<td>0.740</td>
<td>4.32</td>
</tr>
<tr>
<td></td>
<td>I was able to complete all my work because I understood well</td>
<td>0.651</td>
<td>3.98</td>
</tr>
<tr>
<td></td>
<td>The skills I have support me in getting my work done</td>
<td>0.784*</td>
<td>4.16</td>
</tr>
<tr>
<td></td>
<td>My work culture is in line with company values</td>
<td>0.717</td>
<td>4.11</td>
</tr>
<tr>
<td></td>
<td>I don’t feel burdened to complete the work that is charged to me</td>
<td>0.689</td>
<td>4.41*</td>
</tr>
<tr>
<td></td>
<td>The work charged to me according to my interests</td>
<td>0.597</td>
<td>3.93</td>
</tr>
<tr>
<td>Behavioral Innovation (X2)</td>
<td>I am always trying to find out new technologies, processes, techniques and new ideas in getting my work done</td>
<td>0.859</td>
<td>3.49</td>
</tr>
<tr>
<td></td>
<td>To complete my work, I always come up with innovative ideas.</td>
<td>0.873*</td>
<td>3.68</td>
</tr>
<tr>
<td></td>
<td>I always Fight for my new ideas to others</td>
<td>0.834</td>
<td>3.76</td>
</tr>
<tr>
<td></td>
<td>Company leaders provide facilities and infrastructure for every employee in realizing new ideas</td>
<td>0.783</td>
<td>4.17</td>
</tr>
<tr>
<td></td>
<td>I always Set a mature schedule to bring new ideas to life</td>
<td>0.662</td>
<td>3.99*</td>
</tr>
<tr>
<td>Motivation to Excel (Y1)</td>
<td>I was able to set a task that could be done well</td>
<td>0.859</td>
<td>3.49</td>
</tr>
<tr>
<td></td>
<td>I like jobs that are of moderate difficulty.</td>
<td>0.873*</td>
<td>3.68</td>
</tr>
<tr>
<td></td>
<td>I like the specific/concrete direction help</td>
<td>0.834</td>
<td>3.76</td>
</tr>
<tr>
<td></td>
<td>I was able to reduce the fear of failure</td>
<td>0.745</td>
<td>4.23</td>
</tr>
</tbody>
</table>

Description: The * sign represents the highest value for the indicator in each variable
Source : Appendix 6 data processed.

B. Discussion

1. The Effect of Labor Competence on the Motivation of Wooden Furniture IKM Employees in Pasuruan City

Based on the test results, it can be seen that Labor Competence has an insignificant effect and has a positive sign on Achievement Motivation, as shown in Table 5.1. This means that employees also have competence, but in limited competence, causing no change in the level of work motivation from low to medium and from medium to high level of motivation. In addition, employees at work often work on ordered wooden furniture with new motifs or designs, which if the number of orders exceeds the production capability of the IKM, the excess will be transferred to other furniture IKEM entrepreneurs. Employees at IKM Wooden Furniture are also still less able to operate various machines – production machines for wooden furniture so that they require training related to increasing labor competence.
The results of this study support the results of the research of Yanti et al., (2020) who explained his findings that 1) Competency variables have an insignificant positive influence on the work performance of PT employees. Batam Branch of the Indonesian Classification Bureau, 2) Motivational variables have a significant influence on the work performance of PT. Indonesian Classification Bureau Batam Branch, 3) Training variables have a significant influence on the work performance of PT. Indonesian Classification Bureau Batam Branch.

2. The Influence of Innovation Behavior on the Motivation to Achieve Wooden Furniture SMEs in Pasuruan City

Innovation Behavior has a positive and significant effect on Achievement Motivation, as shown in Table 5.2 meaning that To complete his work, always produce innovative ideas. ideas that come from himself or from outside, greatly affect the Motivation to Excel, because these ideas are applied to improving employee performance. Henderson & Cockburn, (1994); Peter F Drucker & Djordjevic, (1985) explain that Innovation Behavior is a type of ability that employees have to integrate knowledge across parts within a company to create a source of competitive advantage The significance of the influence of the relationship between Innovation Behavior and Achievement Motivation can be explained by the fact that shows that changes in the Behavior of Wood Furniture IKM Innovation in Pasuruan City have an impact on the Motivation for Achievement.

3. The Effect of Achievement Motivation on the Performance of Wooden Furniture IKM Employees in Pasuruan City

Based on the results of hypothesis testing as shown in Table 5.12, it can be seen that Achievement Motivation has a positive and significant effect on Employee Performance. This indicates that the change in Motivation to Achieve in Wooden Furniture IKM will also increase Employee Performance at Wooden Furniture IKM in Pasuruan City. The results of the hypothesis test stated that it was accepted, meaning that the Motivation to Excel in the IKM Wooden Furniture environment, especially as indicated by employees likes work that with a mode level of difficulty is able to improve Employee Performance. The results of this study support the results of the research of Nurcahyani & Adnyani, (2016) which states that Motivation has a positive and significant effect on employee performance, job satisfaction has a positive and significant effect on employee performance and job satisfaction mediates the effect of compensation and motivation on employee performance.

4. The Effect of Labor Competence on Employee Performance

From the results of hypothesis testing as shown in Table 5.1, it can be seen that Labor Competence has a positive and significant effect on the Performance of Wooden Furniture IKM Employees in Pasuruan City. This indicates that the Manpower Competence represented by the ability of employers to the efficiency of the production process can improve Employee Performance at the Wooden Furniture IKM in Pasuruan City. Labor Competence in this study refers to the definition that has been outlined by (Dubois et al., 2004) states that labor competence is the ability of employees to apply or use a set of knowledge, skills, that employees need to complete their work on time and on target. According to Spenser, competence is closely related to performance. In this study the concept of Labor Competence indicators is indicated by six Indicators Referring to Gordon in Sutrino, E, (2011) which have been shown to be valid and reliable and significant in reflecting the characteristics of his variables consisting of: 1) Level of Knowledge (X1), 2) Level of Understanding (X2), 3) Skills (X3), 4) Value (X4), 5) Attitude (X5), 6) Interests (X6).

From the explanation above, the value of direct influence is smaller than the value of indirect influence which means that the ability variable is able to mediate competence to employee performance. Indirect influence on employee performance through proven and acceptable capabilities.

5. The Effect of Innovation Behavior on Employee Performance

As shown in the hypothesis testing results as presented in Table 5.5, it can be seen that Innovation Behavior has a positive and significant effect on the Performance of Wooden Furniture IKM Employees in Pasuruan City. This means that the Innovation Behavior of Wooden Furniture IKM Employees in the creation of new wooden furniture products will help improve the Performance of Wooden Furniture IKM Employees in Pasuruan City.

Innovative behavior generally occurs due to intentionality or invention and innovation occurs due to accidental or discovery (Joe Tidd et al., 2005). Invention is the process of the emergence of a new thing consisting of a combination of old things that have existed. Meanwhile, discovery is the discovery of new things, whether in the form of tools or ideas, this discovery can turn into invention if the community has recognized, accepted, and utilized the results of these innovations. The results of hypothesis testing state that it
is accepted, meaning that the Innovation Behavior owned by employees, especially those indicated in the form of a commitment to development, is able to improve employee performance.

The empirical study further strengthens how much influence Innovation Behavior has on improving Employee Performance at Mmebel Kayu IKM in Pasuruan City.

C. Research Findings
The findings in this study are divided into theoretical and empirical findings which are described as follows:

D. Theoretical Findings
1. This research confirms the implementation of Economic Theory according to Schumpeter. It is proven by the tendency of Innovation Behavior, especially in terms of commitment to develop which is felt by employees who are members of the Wooden Furniture IKM in Pasuruan City.
2. Confirming the implementation of the Neo-classical Theory through activities carried out by employees who are members of the Wooden Furniture IKM in Pasuruan city. It is proven to show the beginning of economic growth that comes from humans, capital accumulation, the use of modern technology and results or outputs. As for population growth, it can have a positive impact and can have a negative impact. Therefore, according to Robert Solow, population growth must be used as a positive resource.

E. Empirical Findings
1. Reviewed based on the value of the weight (loading) of the variable relationship between Labor Competence and Employee Performance who are members of the Wooden Furniture IKM in the City of Surabaya in Figure 5.1, it is known that the t-statistic of Innovation Behavior (X2) with Achievement Motivation (Y1) of 2,591, and Employee Performance (Y2) of 3,957 where the value is more than the t-Table value of 1,705. This means that there is a significant influence of the indirect relationship of Innovation Behavior (X2) on Employee Performance (Y2) through Achievement Motivation (Y1).
2. Likewise with Labor Competence (X1), based on the value of the weight (loading) of the variable relationship between Labor Competence and Achievement Motivation who are members of the Wooden Furniture IKM company, it is known that the t-statistic of Labor Competence (X1) with Achievement Motivation (Y1) of 2,461, and Achievement Motivation (Y1) to Employee Performance (Y2) of 3,957 where the value is more than the t-Table value of 1,705. This means that there is a significant influence of the indirect relationship of Labor Competence (X1) to Employee Performance (Y2) through Achievement Motivation (Y1).

F. Research Contributions
Evaluation of testing and development of Manpower Competency indicators based on employee perceptions has proven significant in explaining the condition of Wooden Furniture IKM Manpower Competencies in Pasuruan City, but has no role in increasing Achievement Motivation. So that these indicators are not suitable to be used as a measuring tool to find out the Motivation for Achievement in the Wooden Furniture IKM environment in Pasuruan City. The contribution of this research to research in the field of Human Resources and employment is an assessment based on the perception of employees should use variables other than Labor Competence to measure their effect on Achievement Motivation.

G. Research Limitations
The limitation in this study is to use the concept of self-rating, which allows subjective assessment (individual assessment) which is only based on employee perceptions without involving judgments from related agencies that maintain wooden furniture SMEs in Pasuruan City.

IV. CONCLUSIONS
1. Labor Competence has an insignificant positive effect on the Motivation for Outstanding Employees of IKM Wooden Furniture in Pasuruan City. Labor Competence, which is reflected mainly by the work charged to employees according to the interests of employees, is not able to increase the Motivation for Achievement which is reflected by the addition of an increased ability to do work that is of moderate difficulty. Thus, high labor competence does not necessarily guarantee an increase in the Motivation for Outstanding Employees of IKM Wooden Furniture in Pasuruan City.
2. Innovation behavior has a positive and significant effect on the Motivation for Outstanding Employees of IKM Wooden Furniture in Pasuruan City. Behavior I innovation which is reflected mainly by the commitment in carrying out development is able to improve the Kineja of Employees which is reflected by the increase in the number of customers served. Thus, Behavior Innovation of employees and employers that is conceptually based on a commitment to development guarantees an improvement in employee performance.

3. Motivation to Achieve has a positive and significant effect on the Performance of Wooden Furniture IKM Employees in Pasuruan City. Achievement Motivation which is reflected mainly by improving employee performance, thus, the increasing number of automatic customers requires more manpower to serve customer demand for wooden furniture products there will be an increase in business performance.

4. Labor Competency has a positive and significant effect on the Performance of Wooden Furniture IKM Employees in Pasuruan City. Labor Competence, which is reflected by work productivity, is able to improve Employee Performance. This indicates that the Competence of Manpower represented by the ability of employees to efficiency of the production process can improve Employee Performance at the Wooden Furniture IKM in Pasuruan City.

5. Behavior Innovation has a positive and significant effect on Employee Performance at the Wooden Furniture IKM in Pasuruan City. Behavior Innovation which is reflected mainly by the commitment in developing is able to improve employee performance. Thus, Behavior Innovation karyawan based on a commitment to always want to develop, strongly guarantees the improvement of employee performance. This is due to the development carried out in various aspects, especially the aspects of quality and quantity including labor.

6. An overview of the results of the study shows a relationship between Labor Competence, Innovation Behavior, and Employee Performance through Achievement Motivation.

REFERENCES


