



E-HRM as a Mediator of the Relationship Between Work Competence and Work Motivation on Employee Performance

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Abstract. *Employee performance has a very important role in determining the success of a company. When employee performance is at an optimal level, it can increase overall productivity, operational efficiency, and also the quality of goods and services offered by the company. This research aims to determine the role of e-HRM as a mediator in the relationship between competence and work motivation on employee performance in the garment industry in Central Java. The method applied in this research adopts a quantitative method with a qualitative approach to understand the behavioral and psychological aspects that influence employee performance. This research is cross-sectional. Data is collected through surveys via questionnaires which will be distributed to employees and literature studies. Samples were taken using the Accidental Sampling technique to obtain 50 samples. The data that has been collected is then analyzed using a regression test. The research results show that in the garment industry in Central Java, competency and work motivation have a positive and significant effect on employee performance. E-HRM is able to encourage employee performance through work competency and work motivation. E-HRM can help companies improve employee work competency by providing training and development that is relevant to job needs. E-HRM can also help companies increase employee motivation by providing programs that can meet employee needs.*

Keywords: *E-HRM, Work Competence, Work Motivation, Employee Performance*

Introduction

Each organization has its own goals, such as maximizing profits, providing jobs, and improving the welfare of interested parties. To achieve this goal, the company needs to maintain its existence in the midst of its competitors. The business competition climate in Indonesia has increased in 2021, as documented in the annual report of the Business Competition Supervisory Commission (KPPU) for the 2021 period which was released on its official website in April 2022. This assessment is based on the Business Competition Index

(IPU), which uses the score scale is from 1 to 7. A score of 1 indicates a low level of competition, while a score of 7 indicates a high level of competition. According to the report, Indonesia's IPU for 2021 reached 4.81, reflecting a significant increase and the highest point in the last four years (Ahdiat, 2022).

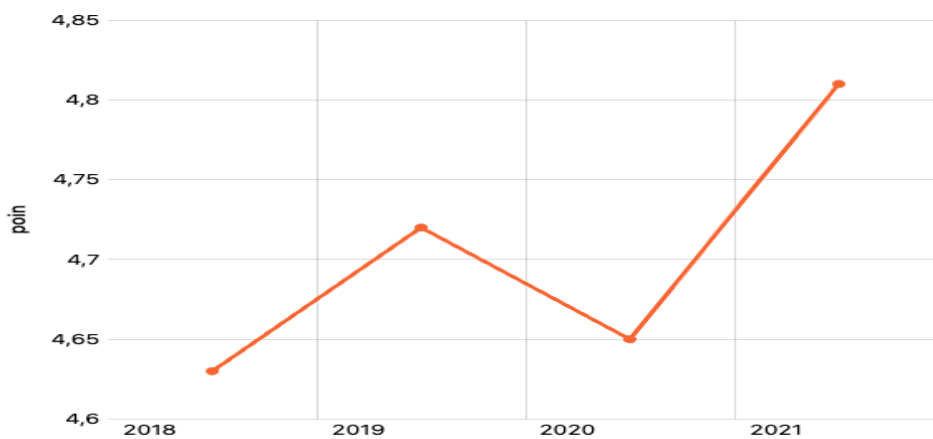


Figure 1. Indonesian Business Competition Index (2018-2021)

In competitive competition, companies are always required to innovate, improve, and improve their performance in order to maintain their position at the forefront. The company's ability to compete is highly dependent on the performance and quality of its employees (Darmayanti, 2020). Human resources (HR) are the main foundation for strengthening the contribution made by employees to achieve organizational goals. Although the success of an organization depends heavily on its human resources, without the support of employees who show optimal performance, the potential of these human resources will not be fully realized. Overall, performance includes qualitative and quantitative results of work that has been completed by employees (Dwiyanti et al., 2019).

Improving employee performance is a major focus for company leaders because it directly affects the overall performance of the organization. Previous research has found various strategies that company leaders can use to encourage performance, one of which is



through increasing work competence (Anjani, 2019). Work competence is the ability of employees to work, including their knowledge, skills, and work attitudes. In accordance with Law No. 13 of 2003 concerning Manpower, work competence includes aspects of skills, work attitudes, and knowledge in accordance with criteria determined by the company (Salmawati et al., 2017). Previous research by Prayogi et al., (2019) showed that work competence and discipline have a significant effect on employee performance. This is supported by research (Krisnawati & Bagia, 2021) indicating that work competence positively and significantly affects employee performance. Companies have a responsibility to strengthen the work competencies of employees so that they can work optimally. In addition, work motivation also plays a role in encouraging employee performance. Work motivation includes internal and external factors that motivate individuals to work with high enthusiasm, commitment, and involvement in carrying out their duties (Widyastuti & Erlangga, 2021). Other studies by Setiawan (2015) and Rozalina (2015) confirmed that work motivation significantly affects employee performance.

The problem of suboptimal employee performance in garment companies in Central Java is an important issue, considering that employee performance has a direct effect on the company's productivity and competitiveness. However, it is not clear whether E-HRM plays a role as an intermediary in improving employee performance through increasing competence and work motivation. Now, the application of E-HRM is increasingly widespread in various organizations, so it is important to understand the contribution that E-HRM can make in improving employee performance. In addition, the low level of competency and work motivation of employees in garment companies in Central Java is a focus that needs attention, considering its potential impact on overall organizational performance. Therefore, the right approach is needed to increase the competence and work motivation of employees in garment companies so that their performance can increase significantly.

The novelty of this study is to add e-HRM variables as a mediator in the relationship between competence and work motivation in employee performance. E-HRM (Electronic Human Resource Management) refers to the use of information and communication technology



in human resource management in an organization. It involves the use of electronic means to manage various aspects of HR, such as employee records, time and attendance management, training and development, and benefits management. E-HRM enables decentralization of HR functions and leverages technology to optimize its full potential (Widyastuti & Erlangga, 2021). An example of using E-HRM is an information system used by the Ministry of Public Works and Public Housing (PUPR) in Indonesia to monitor and manage their employment data.

There is a lack of research regarding the factors that influence employee performance in the garment industry in Indonesia, especially Central Java. The garment and textile industry in Central Java has not shown significant signs of improvement. Even though Bank Indonesia recently released the Central Java Consumer Confidence Index (IKK) which shows an increase, the market for garment and textile products remains stagnant. Even though the performance of the textile and garment industry is still weak, Frans revealed that there is investment realization from new players who are starting to enter the sector. This is confirmed by the realization of Foreign Direct Investment (PMA) in Central Java during Semester I/2023, as revealed by data from the Central Java Province Investment and One Stop Integrated Services Service (DPMPTSP). This PMA is mostly aimed at Kendal Regency, Pemalang Regency, Jepara Regency and Kudus Regency (Ikhsan, 2023). This research aims to investigate the role of e-HRM as a mediator in the relationship between work competency and work motivation on employee performance in the garment industry in Central Java.

Research Methods

The method applied in this research adopts a quantitative method with a qualitative approach to understand the behavioral and psychological aspects that influence employee performance. This research is cross-sectional. This research uses measurement methods and mathematical analysis of data collected through questions, opinions, tests, or other measuring tools, which is referred to as a quantitative approach. The goal is to test hypotheses or conjectures while investigating relationships between variables. The data used is usually in the

form of numbers which can be analyzed using statistical methods (Darmawan, 2013). The object of this research is a Garment Company in Central Java. Data collection was carried out through surveys using questionnaires to be distributed to employees of garment companies in Central Java, as well as through literature reviews. Data is collected through surveys via questionnaires which will be distributed to employees and literature studies. The population of this research is employees of garment companies in Central Java whose exact number is unknown. The sampling method in this research is accidental sampling or convenience sampling, namely the researcher recruits participants based on the ease of obtaining samples. Respondents were selected based on availability and willingness to participate in research (Gravetter & Forzano, 2016), resulting in 50 samples. For data analysis, this research will use regression testing with SPSS software.

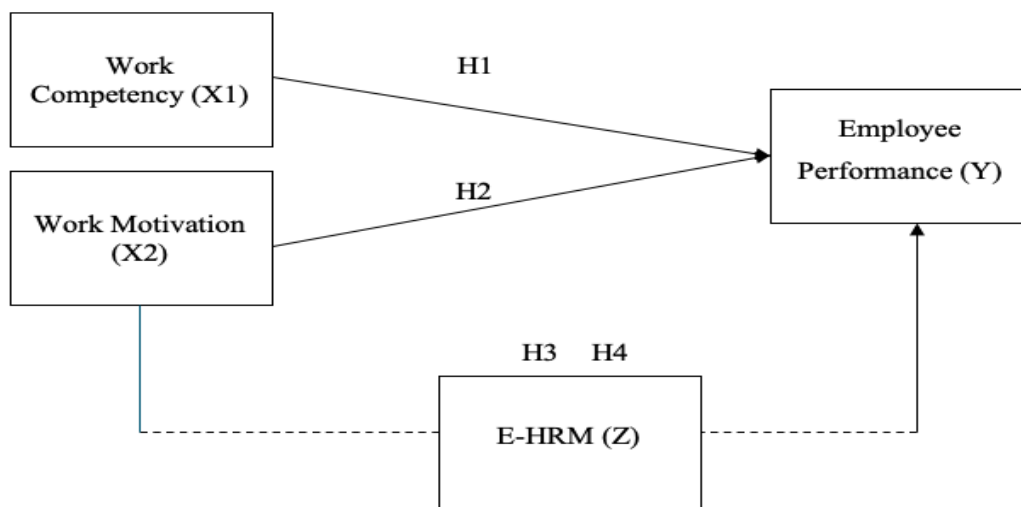


Figure 2. Conceptual Framework

Hypothesis:

H1: Work Competence Effects Employee Performance

H2: Work Motivation Effect Employee Performance

H3: E-HRM mediates the Effect of Work Competency on Employee Performance

H4: E-HRM mediates the Effect of Work Motivation on Employee Performance

Result and Discussion

Validity Test

A validity test is an evaluation that examines the extent to which a measurement instrument precisely measures the concept or variable in question. This testing involves a number of techniques, including correlation testing, factor analysis, and construct examination to ensure the accuracy of measurements of the variables involved (Novikasari, 2016).

Table 1. Validity Test

		Competence	Work motivation	Performance	E-HRM	Total
Competence	Pearson	1	.477**	.484**	.389**	.744**
	Correlation					
	Sig. (2- Tailed)		<.001	<.001	.005	<.001
	N	50	50	50	50	50
Work motivation	Pearson	.477**	1	.597**	.564**	.853**
	Correlation					
	Sig. (2- Tailed)	<.001		<.001	<.001	<.001
	N	50	50	50	50	50
Performance	Pearson	.484**	.597**	1	.591**	.838**
	Correlation					
	Sig. (2- Tailed)	<.001	<.001		<.001	<.001
	N	50	50	50	50	50
E-HRM	Pearson	.389**	.564**	.591**	1	.748**
	Correlation					
	Sig. (2- Tailed)	.005	<.001	<.001		<.001
	N	50	50	50	50	50
Total	Pearson	.744**	.853**	.838**	.748**	1
	Correlation					

Sig. (2- Tailed)	<.001	<.001	<.001	<.001	<.001
N	50	50	50	50	50

Source: Primary Data, processed 2024

In Table 1, it can be seen that each instrument has a Pearson correlation value that exceeds $r_{Table} = 0.230$ ($N = 50$). Additionally, the significance value (2-tailed) for all correlation items is .000, which is less than 0.05. Based on these two findings, we can conclude that all questions are valid. Therefore, the questionnaire can be considered valid and ready for use.

Reliability Test

A reliability test is an evaluation of the extent to which a measuring instrument can be considered consistent and reliable when measuring similar concepts or variables. Reliability tests include various techniques such as internal consistency tests, stability tests, and inter-rater reliability tests (Darma, 2021).

Table 2. Reliability Test

No.	Variabel	Cronbach Alpha	Keterangan
1	Work Competency (X1)	0.796	Reliable
2	Work Motivation (X2)		Reliable
3	Employee Performance (Y)		Reliable
4	E-HRM (Z)		Reliable

Source: Primary Data, processed 2024

Based on Table 2, researchers obtained a Cronbach Alpha value of 0.796. This value exceeds the threshold of 0.600, which indicates that the questionnaire shows a high level of consistency and reliability. Thus, the questionnaire was considered suitable for use in subsequent studies.

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Hypothesis Test

Hypothesis testing is a statistical procedure used to test the truth of an assumption or statement about a population based on samples taken from that population. The purpose of hypothesis testing is to make a decision regarding whether a proposed assumption can be accepted or rejected based on statistical evidence collected from the sample.

Table 3. Competency Linear Regression Test

Model		Unstandardized B	Coefficients Std. Error	Standardized Coefficient Beta	t	Sig.
1	(Constant)	2.841	3.575		.795	.431
	Competence	.497	.130	.484	3.832	.000
	(Constant)	4.034	2.433		1.658	.104
	Work motivation	.508	.099	.597	5.151	.000

Source: Primary Data, processed 2024

Based on Table 3, the significance value is $0.000 < 0.05$ which indicates that work competence significantly affects employee performance in Garment Companies in Central Java. Apart from that, a significance value of $0.000 < 0.05$ was obtained, this shows that work motivation has a significant effect on employee performance at Garment Companies in Central Java.

Mediation Test

The mediation test is a statistical method that assesses the extent to which the mediator variable affects the relationship between the independent variable and the dependent variable (Dudley et al., 2004).

Table 5. Work Competency Mediation Test

Model Summary						
R	R-sq	MSE	F	df1	df2	p
.38888	.1511	1.7982	8.5469	1.000	48.000	.0053

Source: Primary Data, processed 2024

Based on table 5, p values of $0.0053 < 0.05$ which means that E-HRM mediates the effect of Work Competence on Employee Performance.

Table 6. Work Motivation Mediation Test

Model Summary						
R	R-sq	MSE	F	df1	df2	p
.5966	.3560	3.1999	26.5328	1.000	48.000	.0000

Source: Primary Data, processed 2024

Based on table 6, p values of $0.00 < 0.05$ are obtained which means that E-HRM mediates the effect of Work Motivation on Employee Performance.

Coefficient of Determination (R^2) Test

The coefficient of determination test is a statistical method that evaluates the extent to which variations of the dependent variable can be described by one or more independent variables (Darma, 2021).

Table 7. Coefficient of Determination Test

Model	R	R Square	Adjusted Square	RStd Error of the Estimate
1	.638 ^a	.408	.382	1.73385

Source: Primary Data, processed 2024

Based on Table 7, R^2 has a value of 0.408 which is equivalent to 40.8%. This means that work competence and motivation affect 40.8% of employee performance. While 59.2% of other factors that affect work productivity were not explained in this study.

Discussion

Work Competence Effect Employee Performance

The results showed that Work Competency Affects Employee Performance which is supported by findings (Krisnawati & Bagia, 2021) which indicate that work competence positively and significantly affects employee performance. Another study by (Triastuti, 2019)



shows that the work environment, increased competence, and organizational conditions are improving, it is expected that employee performance will also increase. Similar research by (Elizar & Tanjung, 2018) found that partially training, competence, and work environment affect employee performance; And simultaneously, there is a positive and significant influence of training variables, competencies, and work environment on employee performance.

Work competence is a crucial factor that significantly affects employee performance in garment companies in Central Java. In an industry that demands a high level of skill and speed of response, employees with strong competence in managing various stages of production, a deep understanding of the creative process, and up-to-date knowledge of technology in the garment industry, tend to perform superiorly. The ability to understand and adapt to evolving fashion trends, understand materials and production techniques, and proficiency in dealing with quality and innovation challenges are all aspects of work competencies that contribute to better performance. These skills also support production efficiency, product quality improvement, and a company's ability to increase competitiveness more efficiently in a competitive market. Thus, it is important for garment companies in Central Java to continue to develop and improve employee competencies in order to maintain competitiveness and excellence in the growing garment industry.

Work Motivation Effect Employee Performance

The results indicate that Work Motivation Affects Employee Performance which is supported by findings (Susanto, 2019) which indicate that work motivation, job satisfaction, and work discipline affect employee performance. Other studies by (Lusri, 2017) and (Asmawiyah et al., 2020) found that work motivation and job satisfaction positively and significantly affect employee performance. Work motivation plays a role in determining employee performance in garment companies in Central Java. In an industry that requires creativity, perseverance, and focus, employee motivation levels play a key factor in achieving the best results. High motivation often results in better performance, increased productivity, and a strong commitment to work (Meithiana, 2017). In the garment sector, where timeliness,

quality, and innovation are key factors, motivated employees have a tendency to be more passionate about completing tasks well, creating creative ideas, and contributing positively to the company's success (Afsar & Umrani, 2020). Support from companies in building a motivating work environment, recognizing employee contributions, and providing career development opportunities all contribute to increased employee motivation (Girdwichai & Sriviboon, 2020). Therefore, understanding and effective management of employee motivation is important for garment companies in Central Java to ensure optimal employee performance and the sustainability of their business success.

E-HRM mediates the Effect of Work Competency on Employee Performance

The research results show that E-HRM mediates the stronger influence of Job Competency on Employee Performance. The implementation of Electronic Human Resource Management (E-HRM) is an important element that mediates the influence between work competency and employee performance. E-HRM acts as a means that enables efficient management of human resources through information technology (Wibowo & Tjahjono, 2023). By implementing E-HRM, companies can provide a platform for more effective employee competency development, including training, performance assessment, and access to work-related information. The use of an E-HRM system can facilitate a training process tailored to employee needs, allowing easier access to training content relevant to the garment sector, such as the latest fashion trends, the latest production processes and required technology (Al Nasgrafum 2020). Thus, E-HRM functions as an intermediary that allows employees to increase their work competency, which ultimately improves their performance in carrying out certain tasks at garment companies in Central Java. E-HRM also encourages employee engagement and the creation of a motivating work environment through easy access to information, efficient communication, and self-development opportunities, which ultimately contributes to improving their performance. Therefore, the role of E-HRM in mediating the relationship between work competency and employee performance is very important in the context of the garment industry in Central Java.



E-HRM mediates the effect of Work Motivation on Employee Performance

The research results show that E-HRM mediates the stronger influence of work motivation on employee performance. E-HRM facilitates various human resource management activities through technology, including strengthening employee motivation (Zurnali & Sujanto, 2021). With E-HRM, companies can provide recognition, reward and incentive programs that are measurable and easily accessible to employees. This includes a reward system that can be accessed in real-time, transparent performance appraisals, and career development opportunities tailored to employee desires and goals. E-HRM also allows easier access to information regarding company goals, work processes, as well as more effective communication between management and employees (Hijrasil et al., 2023). With this, E-HRM helps maintain and increase employee motivation, as it provides recognition for their achievements, provides structured opportunities for career development, and creates a supportive work environment. As a result, employees who are positively motivated with E-HRM show greater performance improvements in carrying out work at garment companies in Central Java, thus making E-HRM a key element in encouraging a healthy relationship between work motivation and employee performance.

Conclusion

The results of the study confirmed that work competence and work motivation positively and significantly affect employee performance in the garment industry in Central Java. In addition, the findings show that e-HRM plays a role in improving employee performance through two main channels, namely work competence and work motivation. E-HRM is proven to contribute to improving employees' work competencies by providing easier access to training and development that suits their job demands. In addition, e-HRM is also able to increase employee motivation by providing programs that can meet the individual needs of employees, increase their engagement, and provide support for personal growth and achievement. These findings provide strong evidence that effective implementation of e-HRM



can be a solution for companies in optimizing employee performance with a focus on developing better competencies and work motivation.

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