The Effect of Competence and Workload On Employee Performance At Xyz Distributor Company: The Mediating Role of Work Motivation

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Abstract.
The dynamic development of the distribution sector demands human resource management to continuously improve organizational productivity. This study aims to empirically analyze the effect of competence and workload on employee performance at Distribution Company XYZ in Medan, positioning work motivation as a mediating variable. Based on Herzberg's Two-Factor Theory, competence is identified as part of the motivator factors, while workload is positioned as part of the hygiene factors. This study uses a descriptive quantitative approach. Research data were collected by distributing questionnaires via Google Form to all respondents. Using simple random sampling technique and Slovin formula calculation, a sample of 100 employees was obtained. The data analysis technique used in this study is Structural Equation Modeling with the Partial Least Squares approach (PLS-SEM), operated through SmartPLS version 3.29 software. The results of this study are expected to provide theoretical and practical contributions for company management in designing strategic policies related to human resource management. Through hypothesis testing (t-value and p-value tests), this study examines seven main hypotheses including the direct effect of competence, workload, and work motivation on performance, as well as the indirect effect through mediation pathways (no mediation, full mediation, or partial mediation). The findings of this study are intended to serve as a baseline for distribution company XYZ to restructure workload distribution, optimize knowledge capacity, and increase employee achievement drive to attain maximum operational efficiency
Keywords: *Competence, Workload, Work Motivation, Employee Performance and Distribution Company.*

I. INTRODUCTION

The current development of the distribution industry requires companies to become more adaptive in responding to dynamic market competition. Employee performance is one of the key factors determining the success and sustainability of a distribution company, influenced by various internal factors such as employee competence, workload, and work motivation. Strong employee competencies are believed to enhance organizational effectiveness and productivity. According to Damayanti [1] adequate employee competence has a direct positive impact on improving workplace performance, including in distribution companies. Therefore, understanding the factors that can enhance employee performance has become a strategic priority for human resource management in any organization

However, in addition to competence, workload is another equally important aspect. Excessive workloads can trigger stress, reduce employee morale, and even increase the risk of employee burnout. According to Andriani [2] companies must be able to manage task allocation and workloads proportionally to prevent negative consequences, as an unbalanced workload has been shown to reduce work performance effectiveness. Work motivation serves as a variable that can strengthen the positive impact of employee competence while mitigating the negative effects of excessive workloads [3].

XYZ Distributor Company was selected as the research object because it faces challenges related to human resource efficiency within the paint distribution supply chain. As a distributor, the timely delivery of materials to contractors and end users serves as a key indicator of the company's performance. However, XYZ experienced a decline in operational performance during the 2025–2026 period, as the percentage of on-time paint deliveries to customer locations decreased from 88% to 75%, accompanied by a 10% decline in sales volume. This situation is indicated by suboptimal employee initiative, levels of discipline, and the consistency of daily work performance in the field, which collectively affect the company's overall operational efficiency.

This study is designed to address the limitations and inconsistencies in previous research findings. A study by Indrajaya [4] found that high workloads are negatively correlated with employee performance, whereas research by Putra & Suryani [5] concluded that workloads can actually improve employee performance when supported by strong work motivation. These contrasting findings suggest that the effects

of competence and workload on employee performance may not be entirely direct but may involve work motivation as a mediating variable. Therefore, conducting this study at XYZ Distributor Company is important to provide both theoretical insights and practical solutions to support the company's management in improving employee performance.

This study focuses on examining the effects of employee competence and workload on employee performance, with work motivation serving as a mediating variable at XYZ Distributor Company. The research subjects comprise all permanent employees working at the company's head office. Data collection is conducted through an online questionnaire distributed using Google Forms, employing a simple random sampling technique to ensure that eligible employees have an equal opportunity to participate in the study.

Based on the research background and identified problems, this study aims to investigate the effects of competence and workload on employee performance at XYZ Distributor Company, both directly and indirectly through work motivation. Specifically, the study examines whether employee competence and workload significantly influence employee performance, as well as whether these two factors affect employees' work motivation. Furthermore, this study investigates the extent to which work motivation contributes to employee performance and whether it mediates the relationships between competence and employee performance, as well as between workload and employee performance. Through this integrated research framework, the study seeks to provide a comprehensive understanding of how employee competence, workload, and work motivation interact in influencing employee performance at XYZ Distributor Company

II. METHODS

The approach employed in this study is descriptive quantitative research, which aims to describe the relationships among variables in a measurable manner. The entire research process was conducted over the period from 2025 to 2026. The data were obtained directly from respondents, namely employees of XYZ Distributor Company in Medan. Data were collected through questionnaires distributed using Google Forms. The instrument consisted of a series of questions developed based on indicators of competence, workload, work motivation, and employee performance, allowing respondents to provide assessments based on their individual work experiences.

The population in this study consisted of all employees of XYZ Distributor Company in Medan. Respondents were selected using the simple random sampling technique, a probability sampling method that provides every member of the population with an equal opportunity to be selected as a respondent. Hair [6] explain that the minimum sample size for Structural Equation Modeling (SEM) ranges from 100 to 200 respondents, or can be determined based on the number of variables in the model. For models involving 3 to 10 variables, a sample-to-observation ratio of 1:5 to 1:10 can be applied using the Maximum Likelihood Estimation (MLE) approach. Accordingly, this study involved 100 respondents.

The variables examined in this study consist of independent, dependent, and mediating variables. The independent variables include competence and workload, while the dependent variable is employee performance. Work motivation serves as the mediating variable. Each variable is operationalized through specific indicators measured using a Likert scale. The scale is designed to assess respondents' levels of agreement with the statements provided. Six response options are available, allowing respondents to indicate their degree of agreement or disagreement with each statement [7].

The measurement method using a Likert scale enables the quantitative assessment of respondents' attitudes toward each research variable, allowing the resulting data to be statistically analyzed. The five-point Likert scale (ranging from 1 to 5) is ordinal in nature but can be treated as interval data for analytical purposes. This study examines the effects of training (X1), motivation (X2), and compensation (X3) on employee performance (Y), with job satisfaction (Z) serving as a mediating variable. The data are analyzed using the Partial Least Squares Structural Equation Modeling (PLS-SEM) approach

Table 1. Operational Variables.

Variable	Indicator/Statement	Code	Scale	Source
Competence (X1)	I have a good understanding of my job duties and responsibilities	KMP1	Likert Scale 1–6	Septiadi & Ramdani [8]
	I have mastered the work procedures and systems implemented by the company	KMP2		
	I am able to understand new information relevant to my job	KMP3		
	I am able to complete tasks efficiently and on time	KMP4		
	I can properly operate work tools and technologies	KMP5		
	I can apply work techniques in accordance with company standards	KMP6		
	I consistently demonstrate a positive attitude at work	KMP7		
	I maintain ethics and professionalism throughout my work	KMP8		
	I have a strong sense of responsibility toward my work	KMP9		
	I have a high level of enthusiasm when completing tasks	KMP10		
	I am confident in facing work-related challenges	KMP11		
	I am motivated to consistently achieve the best possible work results	KMP12		
Workload (X2)	I feel tired because of the large number of tasks that need to be completed.	BBK1	Likert Scale 1–6	Robbins & Judge [9]
	My job requires considerable physical effort.	BBK2		
	My working conditions often cause physical exhaustion.	BBK3		
	I have to maintain a high level of concentration to complete my work	BBK4		
	I feel stressed because of high work pressure	BBK5		
	I often feel anxious because of my heavy work responsibilities	BBK6		
	The deadlines assigned for my work are often too short	BBK7		
	I often receive additional tasks unexpectedly from my supervisor	BBK8		
	I frequently work beyond the prescribed working hours	BBK9		
Work Motivation (Z)	I feel proud when my work achievements are recognized by my supervisor	MOT1	Likert Scale 1–6	Robbins & Judge [9]
	I am motivated to perform better because my job is challenging	MOT2		
	I have a personal responsibility to complete my work to the best of my ability	MOT3		
	A comfortable working environment increases my enthusiasm for work	MOT4		
	I am satisfied with the reward and compensation system provided by the company	MOT5		
	Good relationships with my colleagues motivate me to perform better	MOT6		
	I believe that the effort I put into my work will result in better performance	MOT7		
	I believe that good performance will be followed by recognition from the company	MOT8		
	I believe that good work performance will improve my career advancement opportunities within the company	MOT9		

Employee Performance (Y)	My work results consistently meet the standards established by the company	KIN1	Likert Scale 1–6	Robbins & Judge [9]
	I strive to produce high-quality work	KIN2		
	I am able to complete my work within the specified time targets	KIN3		
	I can complete a large volume of work without compromising quality	KIN4		
	I perform my duties in accordance with the responsibilities assigned by the company	KIN5		
	I strive to complete my work independently without waiting for instructions	KIN6		
	I always arrive on time and comply with company regulations.	KIN7		
	I maintain orderliness and discipline in carrying out my work	KIN8		
	I maintain good cooperation with my colleagues to achieve the company's targets	KIM9		
	I actively participate in team activities to improve work outcomes	KIN10		

Data analysis in this study employs the Partial Least Squares Structural Equation Modeling (PLS-SEM) approach. PLS-SEM is a variance-based structural equation modeling technique that estimates relationships among constructs by maximizing the explained variance of endogenous constructs. PLS-SEM was selected for several reasons. First, the research model comprises five latent constructs, seven direct relationships, and three mediation pathways. Second, PLS-SEM does not require multivariate normally distributed data, making it suitable for Likert-scale data, which are generally characterized by skewed distributions. Third, the analysis of indirect effects is conducted using the bootstrapping procedure, which does not rely on distributional assumptions. The data analysis is conducted through the following stages: (1) data screening and preparation, (2) descriptive statistical analysis, (3) measurement model evaluation (outer model), (4) structural model evaluation (inner model) and hypothesis testing, and (5) sensitivity analysis [15]

III. RESULT AND DISCUSSION

The discussion begins with a description of the respondents' profiles and descriptive statistics of their perceptions, followed by the results of the measurement model evaluation (outer model), structural model evaluation (inner model), hypothesis testing, and sensitivity analysis. The section concludes with a comprehensive discussion of the research findings.

Table 2. Descriptive Respondent.

No.	Demographic Characteristics	Frequency	Percentage (%)
1	Gender		
	Male	53	53
	Female	47	47
2	Age		
	17–20 years	7	7
	21–30 years	35	35
	31–40 years	27	27
	41–50 years	27	27
	Over 50 years	4	4
	Total	100	100

Based on the information presented in Table 2, male respondents outnumbered female respondents, accounting for 53% (53 individuals) and 47% (47 individuals), respectively. In terms of age distribution, respondents aged 21–30 years constituted the largest group, with 35 respondents (35%), whereas those aged over 50 years represented the smallest group, comprising only 4 respondents (4%).

The measurement model evaluation was conducted to assess the extent to which each indicator reflects its respective latent construct. An indicator is considered valid if its outer loading value is ≥ 0.70, while a

construct is considered to satisfy convergent validity if its Average Variance Extracted (AVE) value is ≥ 0.50.

Table 3. Convergent Validity

Variable	Indicator Code	Outer Loading	Indicator Validity	AVE	Convergent Validity
Competence	KMP1	0.904	Valid	0.784	Valid
	KMP2	0.905	Valid		
	KMP3	0.886	Valid		
	KMP4	0.859	Valid		
	KMP5	0.902	Valid		
	KMP6	0.872	Valid		
	KMP7	0.924	Valid		
	KMP8	0.912	Valid		
	KMP9	0.905	Valid		
	KMP10	0.864	Valid		
	KMP11	0.832	Valid		
	KMP12	0.858	Valid		
Workload	BBK1	0.842	Valid	0.689	Valid
	BBK2	0.815	Valid		
	BBK3	0.875	Valid		
	BBK4	0.728	Valid		
	BBK5	0.858	Valid		
	BBK6	0.904	Valid		
	BBK7	0.857	Valid		
	BBK8	0.781	Valid		
	BBK9	0.794	Valid		
Work Motivation	MOT1	0.711	Valid	0.741	Valid
	MOT2	0.878	Valid		
	MOT3	0.900	Valid		
	MOT4	0.893	Valid		
	MOT5	0.786	Valid		
	MOT6	0.915	Valid		
	MOT7	0.925	Valid		
	MOT8	0.857	Valid		
	MOT9	0.858	Valid		
Employee Performance	KIN1	0.799	Valid	0.805	Valid
	KIN2	0.924	Valid		
	KIN3	0.893	Valid		
	KIN4	0.848	Valid		
	KIN5	0.928	Valid		
	KIN6	0.949	Valid		
	KIN7	0.884	Valid		
	KIN8	0.902	Valid		
	KIN9	0.936	Valid		
	KIN10	0.901	Valid		

Based on the results presented in Table 3, all indicators measuring competence, workload, work motivation, and employee performance have outer loading values exceeding the recommended threshold of 0.70. Therefore, all indicators meet the requirements for indicator validity and are considered valid for further analysis. Furthermore, the convergent validity assessment shows that the Average Variance Extracted (AVE) values for all constructs exceed the minimum recommended threshold of 0.50. Specifically, competence has an AVE value of 0.784, workload 0.689, work motivation 0.741, and employee performance 0.805. These findings indicate that each construct is able to explain more than 50% of the variance in its respective indicators. Thus, all constructs satisfy the requirements for convergent validity

Discriminant validity is based on the principle that measures (manifest variables) of different constructs should not be highly correlated. In this study, discriminant validity was assessed using the Heterotrait-Monotrait Ratio (HTMT) approach

Table 4. Discriminant Validity

Construct	Workload	Employee Performance	Employee Competence	Work Motivation
Workload	—			
Employee Performance	0.700	—		
Employee Competence	0.691	0.888	—	
Work Motivation	0.769	0.895	0.889	—

The results of the discriminant validity assessment using the Heterotrait-Monotrait Ratio (HTMT) approach are presented in Table 4. The HTMT value should be below 0.90 to indicate that each construct has adequate discriminant validity. Based on these results, it can be concluded that all constructs meet the discriminant validity requirements, indicating that there are no issues with discriminant validity in this study. The structural model evaluation (inner model) was conducted to examine the relationships among the latent constructs and assess the extent to which the independent variables explain the variance in the endogenous constructs.

Table 5. R Square

Construct	R-Square	Adjusted R-Square
Work Motivation	0.800	0.796
Employee Performance	0.804	0.798

Based on the R-Square (R^2) test results presented in Table 4.19, the Work Motivation construct has an R^2 value of 0.800. This indicates that 80% of the variance in Work Motivation can be explained or predicted by the Competence and Workload constructs, while the remaining 20% (100% − 80%) is attributable to other factors outside the research model. The R^2 value of 0.800 indicates strong predictive power. Furthermore, the R^2 test results show that the Employee Performance construct has an R^2 value of 0.804. This indicates that 80.4% of the variance in Employee Performance can be explained or predicted by the Competence, Workload, and Work Motivation constructs. The remaining 19.6% (100% − 80.4%) can be explained by other factors outside the research model. Therefore, the R^2 value of 0.804 also indicates strong predictive power.

Hypothesis testing was conducted using the bootstrapping procedure with 10,000 subsamples (two-tailed test, 95% bias-corrected and accelerated (BCa) confidence intervals, and random seed 20261010). In the table, β (O) represents the original sample coefficient, SD represents the bootstrap standard deviation, T represents the T-statistic, and p represents the p-value. A hypothesis is considered supported if the path coefficient is positive, the T-statistic is greater than 1.96, the p-value is below 0.05, and the confidence interval does not include zero

Table 6. Results of Direct and Indirect Hypothesis Testing

Hypothesis	**Relationship (Path)**	**Beta**	**T-Statistics**	**P-Values**	**Conclusion**
H1	Competence → Employee Performance	0.464	4.419	0.000	Supported
H2	Workload → Employee Performance	0.056	0.992	0.322	Not Supported
H3	Competence → Work Motivation	0.684	7.829	0.000	Supported
H4	Workload → Work Motivation	0.277	3.844	0.000	Supported
H5	Work Motivation → Employee Performance	0.421	2.866	0.004	Supported
H6	Competence → Work Motivation → Employee Performance	0.288	2.737	0.006	Supported
H7	Workload → Work Motivation →	0.116	2.182	0.030	Supported

	Employee Performance				

The results indicate that competence has a positive and significant direct effect on employee performance (β = 0.464; T-statistic = 4.419; p = 0.000). Therefore, H1 is supported. Employees who understand their duties and responsibilities and demonstrate a strong sense of accountability tend to achieve higher work quality and collaborate more effectively to accomplish organizational targets. The results show that workload has a positive but insignificant direct effect on employee performance (β = 0.056; T-statistic = 0.992; p = 0.322). Therefore, H2 is not supported. Thus, a higher workload does not necessarily lead to improved employee performance.

Competence has a positive and significant direct effect on work motivation (β = 0.684; T-statistic = 7.829; p = 0.000). Therefore, H3 is supported. Employees with stronger competencies and a clear understanding of their responsibilities tend to demonstrate greater work motivation, particularly when supported by a comfortable working environment and positive relationships with colleagues. The results indicate that workload has a positive and significant effect on work motivation (β = 0.277; T-statistic = 3.844; p = 0.000). Therefore, H4 is supported. It suggests that employees may remain motivated when they can manage work demands effectively and receive support from a comfortable working environment and good relationships with colleagues.

Work motivation has a positive and significant direct effect on employee performance (β = 0.421; T-statistic = 2.866; p = 0.004). Therefore, H5 is supported. Employees with higher motivation tend to demonstrate better collaboration, produce higher-quality work, and contribute more effectively to achieving company targets. The indirect effect of competence on employee performance through work motivation is positive and significant (β = 0.288; T-statistic = 2.737; p = 0.006). Therefore, H6 is supported. Employees with strong competencies are more likely to demonstrate improved performance when their motivation is also high. The indirect effect of workload on employee performance through work motivation is positive and significant (β = 0.116; T-statistic = 2.182; p = 0.030). Therefore, H7 is supported. Although workload does not directly influence employee performance, it can contribute to better performance when accompanied by adequate work motivation.

IV. CONCLUSION

This study concludes that competence and workload influence employee performance through work motivation. Of the seven proposed hypotheses, six are supported, while one is not supported. Work motivation plays an important mediating role in strengthening the effects of competence and workload on employee performance.

The findings demonstrate that competence has a positive and significant effect on employee performance and work motivation. Workload also has a positive and significant effect on work motivation, although its direct effect on employee performance is not statistically significant. Furthermore, work motivation positively and significantly influences employee performance and mediates the relationships between competence and employee performance, as well as workload and employee performance. These findings highlight the importance of developing employee competencies and maintaining work motivation to improve organizational performance

Management should strengthen employee competencies through improved understanding of job responsibilities, accountability, work efficiency, and compliance with company standards. Workload allocation should also be managed effectively by minimizing unexpected additional tasks and considering employees' physical demands. Furthermore, work motivation can be enhanced by providing a comfortable working environment, fostering positive relationships among colleagues, improving compensation and reward systems, and assigning challenging but manageable tasks. Employee performance can be improved by maintaining teamwork and work quality while strengthening employees' ability to complete larger workloads without compromising established standards.

The findings contribute to the understanding of the relationships among competence, workload, work motivation, and employee performance. Competence and workload significantly influence work motivation,

while work motivation contributes positively to employee performance. The study also confirms the mediating role of work motivation in the relationships between competence and employee performance and between workload and employee performance. These findings provide empirical support for the importance of motivational mechanisms in explaining employee performance.

Future studies are encouraged to examine additional mediating variables beyond work motivation to provide a broader understanding of employee performance. Researchers should also expand the geographical scope and respondent coverage to improve the generalizability of the findings. In addition, incorporating qualitative methods may provide deeper insights into respondents' experiences and enrich the interpretation of the research results

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