# The Effect Of Competency On Employee Performance at PT. Steelforce Indonesia In Jakarta

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**Abstract:** This research aims to determine the effect of competence on employee performance at PT. Steelforce Indonesia in Jakarta. The method used is explanatory research with a sample of 54 respondents. The analysis technique uses statistical analysis with regression testing, correlation, determination and hypothesis testing. The results of this research of the competency variable obtained an average score of 3,761 with good criteria. Employee performance variables obtained an average score of 3.783 with good criteria. Competence has a positive and significant effect on employee performance with a regression equation value of Y = 10.976 + 0.714X, and a correlation coefficient value of 0.787 or has a strong level of relationship with a determination value of 61.9%. Hypothesis testing obtained a significance of 0.000 <0.05.

**Keywords**: Competence; Competency; Employee Performance.

## INTRODUCTION

1. Background

Human resources in an organization are very valuable assets in an organization / company. In line with the current rapid development of technological advances, it requires the skills of strong employees. A company that is conducive will grow and develop with an emphasis on its human resources in the hope that it can perform the functions of its human resources optimally. Management must also pay attention to employee competency issues in the organization / company. Competence is a basic character possessed by a person or employee that can distinguish it from others. Where the competencies possessed between one person and another are not the same. An employee's competence will have an impact on his work results.

In carrying out their work, each employee certainly has reliable competence. Competence is the provision and capital for employees to work professionally. This competency must continue to be honed and improved for employees so that employees' contributions to the company in the future will be even better.

According to Spencer and Spencer in (Moeheriono, 2012) competence is a characteristic that underlies a person related to the effectiveness of individual performance in their work or the basic characteristics of individuals who have a causal relationship or as a cause-and-effect with criteria that are used as references, are effective or perform at prime or superior in place. work or in certain situations. Competence is the basis for how the work performed by employees can be carried out in accordance with the demands of the work for which they are responsible. In this case, employees must continue to be able to adjust to be able to have the will so that they meet competency standards in accordance with their field of work.

In facing business competition and today's fast technological developments, companies are also required to have superior human resources and have competencies according to their era. Companies must prepare an even bigger role in human resource management, especially in terms of how the competency standards that human resources must have can be met. The existence of this, of course, in the future can support the smooth running of various operational functions of the company.

Employee performance is a measure of how human resources in a company have played a role or not in the progress of the organization. The potential of well-performing human resources determines the success of the company. To achieve the best performance, directed human resource management is necessary through various policies that can adjust the mutual interests of employees and the company. In addition, employee performance will be good with the awareness and seriousness of employees as individuals in carrying out their duties and responsibilities.

According to (Mangkunegara, 2009) argues that "Performance is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities assigned to him". One of the factors that can encourage employee performance is the potential in the employees in the form of competencies possessed by each employee.

Increasingly tighter product competition in the era of globalization, the development of increasingly sophisticated information technology, and changing consumer tastes make CV Inaura Anugerah and other similar companies certainly continue to strive to increase production realization targets and other operational targets. One effort that can be done is the empowerment of human resources through attention to the competencies of existing employees. Competence can be one way to improve employee performance so that company performance also increases.

The results of previous research conducted by (Winanti, 2011) entitled "The Effect of Competence on Employee Performance (Survey at PT Frisian Flag Indonesia West Java Region)" shows that competence has a positive and significant influence on employee performance at PT. Frisian Flag Indonesia West Java Region. (Rosanti & Budiyanto, 2014) conducted a study entitled "The Effect of Education, Competence and Compensation on Employee Performance of PT Lati Prayogi". The results of the study partially show that education, competence, and compensation have a significant effect on the performance of the employees of PT Lati Prayogi.

According to (Ataunur & Ariyanto, 2015) conducted a study entitled "The Effect of Competence and Training on Employee Performance of PT Adaro Energy Tbk". Based on the research, it can be seen that simultaneously and partially competence and training have a positive and significant effect on the performance of employees of PT Adaro Energy Tbk.

Based on the above background, the researchers conducted a study that aims to determine the effect of competence on the performance of employees of PT. Steelforce Indonesia in Jakarta

2. Formulation of The Problem

   a. Bagaimana kompetensi pada PT. Steelforce Indonesia di Jakarta ?.

   b. Bagaimana kinerja karyawan pada PT. Steelforce Indonesia di Jakarta ?.

   c. Adakah pengaruh antara kompetensi terhadap kinerja karyawan pada PT. Steelforce Indonesia di Jakarta ?.

3. Research Purposes

   a. To find out the condition of competence at PT. Steelforce Indonesia in Jakarta.

   b. To find out the performance conditions of employees at PT. Steelforce Indonesia in Jakarta.

   c. To determine the effect of competence on employee performance at PT. Steelforce Indonesia in Jakarta.

## METHODS

1. Population

   The population in this study amounted to 54 respondents PT. Steelforce Indonesia in Jakarta

2. Sample

   The sampling technique in this study was saturated samples, where all members of the population were used as samples. Thus the sample in this study the sample used amounted to 54 respondents.

3. Type of Research

   The type of research used is associative, where the goal is to find out or find the relationship between the independent variable and the dependent variable

4. Data Analysis Method

   In analyzing the data used validity test, reliability test, simple linear regression analysis, correlation coefficient analysis, determination coefficient analysis and hypothesis testing.

## RESULT AND DISCUSSION

1. Descriptive Analysis

   In this test, it is used to determine the highest minimum and maximum score, the ratting score and the standard deviation of each variable. The results are as follows:

Table 1. Results of Descriptive Statistics Analysis

**Descriptive Statistics**

| | N | Minimum | Maximum | Mean | Std. Deviation |
|---|---|---|---|---|---|
| Competency (X1) | 54 | 30 | 49 | 37.61 | 4.732 |
| Employee Performance (Y) | 54 | 29 | 48 | 37.83 | 4.295 |
| Valid N (listwise) | 54 | | | | |

For competence, the minimum variance was 30 and the maximum variance was 49 with a ratting score of 3.761 with a standard deviation of 4.732. This score is included in the scale range from 3.40 to 4.19 with good or agree criteria.

Employee performance obtained a minimum variance of 29 and a maximum variance of 48 with a ratting score of 3.783 with a standard deviation of 4.295. This score is included in the scale range from 3.40 to 4.19 with good or agree criteria.

2. Verification Analysis

This analysis aims to determine the effect of the independent variable on the dependent variable. The test results are as follows:

a. Simlple Linear Regression Analysis

This regression analysis is intended to determine changes in the dependent variable if the independent variable changes. The results are as follows:

Table 2. Simple Linear Regression Analysis Results

**Coefficients[a]**

| Model | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|
| | B | Std. Error | Beta | | |
| 1 (Constant) | 10.976 | 2.944 | | 3.728 | .000 |
| Competency (X) | .714 | .078 | .787 | 9.194 | .000 |

Based on the test results in the table above, the regression equation Y = 10.976 + 0.714X is obtained. From this equation it is explained as follows:

a.A constant of 10.976 means that if the competency is not there, then there is an employee performance value of 10.976 points.

b.The competency regression coefficient is 0.714, this number is positive, meaning that every time there is an increase in competence of 0.714 points, the employee's performance will also increase by 0.714 points.

b. Correlation Coefficient Analysis

Correlation coefficient analysis is intended to determine the level of strength of the relationship between the independent variable and the dependent variable. The test results are as follows:

Table 3. Correlation Coefficient Analysis Results of Competency on Employee Performance.

**Correlations[b]**

| | | Competency (X1) | Employee Performance (Y) |
|---|---|---|---|
| Competency (X1) | Pearson Correlation | 1 | .787[**] |
| | Sig. (2-tailed) | | .000 |
| Employee Performance (Y) | Pearson Correlation | .787[**] | 1 |
| | Sig. (2-tailed) | .000 | |

Based on the test results obtained a correlation value of 0.787 means that competence has a strong relationship with employee performance.

c. Coefficient of Determination Analysis

Coefficient of determination analysis is intended to determine the percentage of influence of the independent variable on the dependent variable. The analysis results are as follows:

Table 4. Coefficient of Determination Analysis Results of Competency on Employee Performance.

**Model Summary**

| Model | R | R Square | Adjusted R Square | Std. Error of the Estimate |
|---|---|---|---|---|
| 1 | .787[a] | .619 | .612 | 2.676 |

Based on the test results, it was found that the determination value was 0.619, meaning that competence had an influence contribution of 61.9% on employee performance, while the remaining 38.1% was influenced by other factors that were not carried out by the research.

d. Hypothesis Testing

Hypothesis testing with the t test is used to determine which hypothesis is accepted.

Hypothesis formulation: There is a significant effect between competence on employee performance.

Table 5. Hypothesis Test Results of Competency on Employee Performance.

**Coefficients[a]**

| Model | | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|---|---|---|---|---|---|---|
| | | B | Std. Error | Beta | | |
| 1 | (Constant) | 10.976 | 2.944 | | 3.728 | .000 |
| | Competency (X) | .714 | .078 | .787 | 9.194 | .000 |

Based on the test results in the table above, the value of t arithmetic> t table or (9.194> 2.007) is obtained, thus the hypothesis that there is a significant effect between competence on employee performance is accepted.

## DISCUSSION OF RESEARCH RESULTS

1. Conditions of Respondents' Answers to Competency Variables

   Based on the respondents' answers, the competency variable obtained a rating score of 3,761 in the scale range from 3.40 to 4.19 with good or agree criteria.

2. Conditions of Respondents' Answers to Employee Performance Variables

   Based on the respondent's answer, the employee performance variable obtained a rating score of 3.783 in the scale range from 3.40 to 4.19 with good or agree criteria.

3. The Effect of Competency on Employee Performance

   Competence has a significant effect on employee performance with the regression equation Y = 10.976 + 0.714X, the correlation value is 0.787 or has a strong relationship with the influence contribution of 61.9%. Hypothesis testing obtained t value> t table or (9.194> 2.007). Thus the hypothesis proposed that there is a significant effect between competence on employee performance is accepted.

## CONCLUSIONS

1. Conclusions

    a. The competency variable obtained a rating score of 3,761 in the scale range from 3.40 to 4.19 with good or agree criteria.

    b. The employee performance variable obtained a rating score of 3.783 in the scale range from 3.40 to 4.19 with good or agree criteria.

    c. Competence has a significant effect on employee performance with the regression equation Y = 10.976 + 0.714X, the correlation value is 0.787 or strong and the influence contribution is 61.9% while the remaining 38.1% is influenced by other factors. Hypothesis test obtained t value> t table or (9.194> 2.007).

2. Suggestions

    a. Companies must increase education and training activities periodically so that employees have better work abilities

    b. Companies must create career development programs to assist employees in achieving the expected desires related to their field of work.

    c. Company performance can be improved by empowering employees by enforcing good regulations and providing more intense career development..

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