THE EFFECT OF COMPETENCE ON EMPLOYEES' PERFORMANCE WITH PHYSICAL AND LEADERSHIP WORK ENVIRONMENT AS MODERATING VARIABLES ON CV. BALI BUHANA GARMENT DENPASAR

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ABSTRACT

The aim of this study was to determine and examine the influence of competency on employee performance on the CV. Bali Bhuana Garment Denpasar. To find out and test whether the physical work environment can moderate the relationship between competence on employee performance on the CV. Bali Bhuana Garment Denpasar, To find out and test whether leadership can moderate the relationship between competence on employee performance on CV. Bali Bhuana Garment Denpasar. This research is a quantitative research using primary data obtained from questionnaires and measured using a Likert scale. Based on data taken from CV. Bali Bhuana Garment Denpasar where employees number 52 people, which is less than 100, then taken entirely so that the research is a saturated sample population research. Data analysis techniques used in this study are Moderated Regression Analysis (MRA). Based on the results of research and discussion related to the influence of competence on employee performance with the physical and leadership work environment as a moderating variable on CV. Bali Bhuana Garment Denpasar, the conclusion can be drawn as follows: (1) competence has a positive and significant effect on employee performance. (2) the physical work environment can moderate the relationship between competencies and employee performance. (3) leadership can moderate the relationship of competence with employee performance.

Keywords: Competence, physical work environment, leadership and employee performance

I. INTRODUCTION

Performance is a function of the ability of workers to accept work goals. The level of achievement of goals and the interaction between goals and abilities of workers according to Gorden in Nawawi (2010: 63). With this definition, it can be said that employees play an important role in carrying out all activities of the organization or company in order to grow and develop to maintain the survival of the organization or company.

Human resources as a function of the company must have good performance. Resources owned by companies such as capital, methods and machines cannot provide optimum results if they are not supported by human resources that have optimum performance that are interrelated and connected to one another (Abdul, 2011: 22). One step to maintaining or improving employee performance can be done by evaluating

Companies that are ready to compete must have effective management, to improve employee performance in effective management requires the support of competent and competent employees in their fields. Employee performance sometimes increases and there are times when it deteriorates, even the decline can reach a point that can cause institutions or companies to lose their prestige in the eyes of the public. This needs to be considered and studied together what must be done to anticipate this (Obasan, 2012: 57).

Performance is the result of work achieved by a person based on job requirements (Bangun, 2012: 230). Performance is the quality of work and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities assigned to him (Mangkunegara, 2011: 67). Performance is the real behavior displayed by each person as work performance produced by employees is in accordance with the importance of the company’s efforts to achieve its goals (Rivai, 2008: 212).

Several indicators are used to measure employee performance, namely: Quality, quality of work measured by employees towards the quality of work produced and the perfection of tasks towards the skills and abilities of employees (Robbins 208: 260). Quantity, the amount produced is expressed in terms such as number of units, number of cycles of activity completed. Employee performance can be influenced by several factors, namely work competence and physical work environment. Performance appraisal is based on an understanding of the knowledge, skills, expertise and behavior needed to carry out tasks well. In this case, the performance is influenced by the competence of each individual determined by training and human resource development to reach the desired level Achmad (2009: 27).

Competence is the capacity that exists in someone who can make the person able to fulfill what is required by work in an organization so that the organization is able to achieve the expected results (Hutapea & Thoha, 2008: 28). Competence refers to the characteristics that underlie behavior that describes motives, personal characteristics (characteristics), self-concept, values, knowledge or expertise brought by someone who is superior performer in the workplace (Rivai, 2011: 64).

Competence is the character of attitudes and behavior, or the individual's willingness and abilities that are relatively stable when facing situations and workplaces that are formed from the synergy between character, self-concept, internal motivation, and the capacity of conceptual knowledge (Narimawati, 2007: 75). There are several indicators in the formation of competencies consisting of: Knowledge, knowledge is information that is owned by someone. Whereas knowledge is the main component of competence that is easily obtained and easily identified. Skills, skills are the capacity needed to carry out a series of tasks that develop from the results of training and experience (Hutapea & Thoha, 2008: 28).

Based on the results of observations conducted by researchers in August 2017 on the CV Bali Bhuana Garment Denpasar where this company as a business entity that produces apparel products, the low performance of employees is due to the level of competence that employees have not been in accordance with the work faced by this matter shown by the ability of employees to develop a strategic plan (Renstra) as a company is not optimal thus creating an atmosphere that is less attractive, the ability to manage work is still lacking, where employees have not been maximized in utilizing existing media so that the results in providing services to the public are not optimal.

Ensuring that employees can work comfortably which will affect employee performance, attention is needed to the physical work environment where employees work. According to Martoyo, (2014: 108), in creating a physical work environment in order to increase organizational activities, it is necessary to arrange (physical work environment such as air, sound, light and color).

The physical work environment is all physical conditions that exist around the workplace that can affect employees both directly and indirectly (Sedarmayanti, 2012: 21). The physical work environment is everything that is around the workers that can affect him in carrying out the tasks that are charged (Nitesemito, 2006: 109). The indicators of the physical work environment are as follows: Information, lighting is very beneficial for employees in order to obtain safety and smooth work (Sedarmayanti, 2011: 28). Air temperature, is a measure that states the heat or cold of air. Noise, which is a sound that is not desired by the ear, because especially in the long run the noise can disturb the peace of work, damage the hearing, and cause communication errors, even according to research, serious noise can cause death.

The creation of a pleasant work environment and can meet the needs of employees will provide a sense of satisfaction and encourage their work spirit. On the contrary the work environment that gets less
attention will have a negative impact and reduce morale (Suprayitno, 2007: 25).

Based on research or observations made on the CV. Bali Bhuana Garment Denpasar where this company is an industrial service that produces apparel where the work environment of employees where to produce apparel is less conducive. Problems that arise, among others, are narrow office space so that the ratio between the number of employees is not balanced by the area of the room. A narrow spatial layout will create a high room temperature condition, which will lead to ineffective service activities. In addition to spatial layout and temperature, the cleanliness of the office environment is still lacking, which can be seen from the low awareness of employees in maintaining cleanliness. Inadequate facilities and infrastructure. Based on observations there is still an office that has less than optimal facilities and infrastructure. Among them is an office that has a narrow parking lot, so that the area for parking and other activities is lacking and besides that the production space is too narrow and enough engine noise makes workers experience fatigue.

In addition to physical work environment factors that can affect employee performance, such as leadership. Leader behavior has a significant impact on employee performance. The effectiveness of a leader will be greatly influenced by the characteristics of his subordinates. Leader behavior is basically related to the exchange process that occurs between leaders and subordinates. A leader is said to be a failure, if it cannot motivate, move and satisfy employees in a particular work and environment. In addition the task of leadership is to encourage subordinates to have competence through training and support and to condition subordinates have the opportunity to grow and develop in anticipation of every challenge and the opportunity to work under independent conditions. Leadership is a business / activity that is directed through the process of communication with the aim that other people want to do something in an effort to achieve what is desired by people who influence / by all of them (Ruky, 2009: 109). The effectiveness of a leader is determined by his skills in influencing and directing its members. Leadership is the process of inspiring all employees to work their best to achieve the expected results (Sunarto, 2009: 33). Findings and observations of researchers at CV. Bali Bhuana Garment Denpasar where there is no fair nature, namely a lack of sense of community among fellow employees. In the activities of an organization, a sense of togetherness among members is absolute because the sense of togetherness is essentially a reflection of the agreement of subordinates, and between leaders and subordinates in achieving organizational goals. In addition, the ability of the leader to motivate and not be a catalyst, if the leader can always improve all available human resources. Trying to give a reaction that causes enthusiasm and fast working power to the maximum extent possible.

Previous research was conducted by Santoso et al (2012) Effect of Competence on employee performance at PT. KA (Daop) IV Semarang with the variables of physical work environment and leadership as moderating. From the results of the study showed competency has a negative and insignificant effect on the performance of employees at PT. KA (Daop) IV Semarang through direct variables of physical work and leadership environment as moderating variables. Syahman's research (2015) on the influence of competence on employee performance through emotional intelligence and leadership as moderating (case studies on CV. Nutrisia Fam Semarang). The results of his study concluded that directly the variables of emotional intelligence and leadership directly as a moderator on the relationship of competence to employee performance on the CV. Nutrition Fam Semarang. Syarifudin Research (2013) Effect of organizational competency and culture on employee performance through work environment variables as intervening variables at PT. Prosperity is eternal. The results of his research found that the competence and organizational culture have a positive and significant effect on employee performance with the variable physical work environment as moderating. Nugraha's Research (2015) Effect of competence on employee performance with leadership and organizational commitment as moderating variables. The results of the study found that competency has a positive and significant effect on employee performance with the variables of the physical work environment and organizational culture directly not as moderating.

Based on the description above, the researcher will conduct research, namely "The influence of competence on employee performance with the physical and leadership work environment as a moderating variable on CV. Bali Bhuana Garment Denpasar".

II. LITERATURE REVIEW

According to Nurhayati (2008: 7), stating employee performance is the level at which employees achieve job requirements. Performance management is the entire activity carried out to improve the performance of a company or
organization, including the performance of each individual and work group in the company. According to Swasto (2011: 26), suggests that performance is the actions or implementation of tasks that have been completed by a person or group of people within a certain period of time and can be measured. According to Robbins (2008: 56), employee performance is the amount of effort that is spent by individuals in devoting a certain amount of energy to the work. Performance is influenced by commitment and also leadership, competence and physical work environment (Robbins, 2008)

As an introduction to the flow of thinking in discussing the following competency questions will be the opinions of experts regarding the definition or definition of competence. Understanding the competencies put forward by experts, according to Wibowo (2007: 86), suggests that competence is an ability to carry out or carry out a job or task based on skills and knowledge and supported by the work attitude demanded by the job.

According to Hutaapea and Thoha (2008: 28), competence is the capacity that exists in someone who can make the person able to meet what is required by work in an organization so that the organization is able to achieve the expected results. Sedarmayanti (2008: 126), argues that competence is a fundamental characteristic possessed by someone who has a direct influence on, can predict very good performance.

From some of these definitions it can be concluded that competence is a characteristic of an employee's ability that can be proven so that it creates a high performance.

In addition to competence, the physical work environment also affects performance. According to Sedarmayanti (2011: 21), the physical work environment is all physical forms that exist around the workplace that can affect employees, both directly and indirectly. According to Nitisemito (2008: 109), the physical work environment is everything that is around the workers that can affect him in carrying out the tasks that are charged, for example lighting, air temperature, noise, use of color, space needed, security work, employee relations and others.

Manullang (2007: 12), states that the physical work environment is a pleasant or unpleasant job that affects employee performance. Supporting tools and levels of security, ventilation space, lighting levels, not only increase morale also encourage employee performance. Based on the explanation above, it can be concluded that the physical work environment is that everything around the employee's workplace focuses more on objects and workplace situations so that they can influence employees in carrying out their duties.

Leadership is a very complex phenomenon, not only in understanding its operation but also in its definition. Leadership is an effort to influence the activities of followers (subordinates) through the communication process to achieve certain goals Soemarsono (2011; 274). This definition recognizes that leadership is a relationship between individuals who are focused on factors of power and influence. Although power and influence certainly dominate leaders now, this type of leadership is considered to be no longer effective. Even relationships that are not directed towards the influence of superiors and subordinates without thinking about the desires and needs of subordinates in the current bureaucratic environment are not appropriate.

"The rejection of leadership which places more emphasis on power and influence has led to a direction that focuses on the pattern of leader behavior and an analysis of differences in behavior between effective leaders and ineffective leaders" Yukl, (1999: 221). In this era leadership is defined as a subset of human behavior. This definition is an improvement in leadership theory because it is not only caused by strong empirical support, but also because it is easily implemented by practitioners' managers to improve the effectiveness of their leadership. But, in its development there is a realization that the leader directly does not create subordinate behavior. Therefore, effective leadership depends largely on one or more factors of personality behavior, influence and situation. Situation factors will determine the type of leader's nature, effective skills. This provides clarity that an effective leader is very dependent on the placement of leaders in certain subordinate situations and groups.

III. RESEARCH METHODS

This research was conducted at CV. Bali Bhuana Garment Denpasaryang is located in Kerobokan Village, North Kuta, Badung. The population in this study is all permanent employees on the CV. Bali Bhuana Garment Denpasaryang is 52 people. Based on the data obtained on the CV. Bali Bhuana Garment Denpasar where there are 52 employees, less than 100, so the research is taken as a population research (saturated sample). The analysis technique used in this study is Moderated Regression Analysis (MRA). Interaction Test or referred to as MRA is an application specifically for multiple linear regression, in which the

regression equation contains elements of interaction (multiplication of two or more independent variables).

IV. RESULTS AND DISCUSSIONS

Moderated Regression Analysis (MRA).

The analysis technique used in this study is Moderated Regression Analysis (MRA). Interaction Test or referred to as MRA is a special application of multiple linear regression, in which the regression equation contains elements of interaction (multiplication of two or more independent variables). This interaction test is used to test the relationship between Competence and Work performance where the physical work environment and Leadership are used as moderating variables can be seen in Table 1 as follows:

<table>
<thead>
<tr>
<th>Table 1</th>
<th>Moderated Regression Analysis (MRA).</th>
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<tbody>
<tr>
<td></td>
<td>Coefficients</td>
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<td></td>
<td>Unstandardized Coefficients</td>
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<td></td>
<td>Standardized Coefficients</td>
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<td></td>
<td>t</td>
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<tr>
<td>(Constant)</td>
<td>15.635</td>
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<tr>
<td>X1</td>
<td>0.525</td>
</tr>
<tr>
<td>X2</td>
<td>0.329</td>
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<tr>
<td>X3</td>
<td>1.419</td>
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<tr>
<td>X1X2</td>
<td>0.014</td>
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<tr>
<td>X1X3</td>
<td>0.016</td>
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</table>

Based on Table 1 above the moderation equation is as follows:

\[ Y = 15.635 + 0.525X1 + 0.329X2 + 1.419X3 + 0.014 (X1X2) + 0.016 (X1X3) \]

Based on the results, the Moderated Regression Analysis (MRA) can be interpreted as follows:

1) Competence (X1) has a regression coefficient of 0.525 means. If competency increases, employee performance (Y) increases with the assumption that other factors remain.

2) The physical work environment (X2) has a regression coefficient of 0.329 meaning that if the physical work environment is getting better then the performance of employees (Y) will increase.

3) Leadership (X3) has a regression coefficient of 1.419 meaning that if leadership is better then the performance of employees (Y) will increase.

4) The interaction between competency and physical work environment (X1 X2) has a regression coefficient of 0.014 which means that if the competence and physical work environment increases then the performance of employees (Y) will increase.

5) Interaction between Competence and leadership (X1 X3) has a regression coefficient of 0.016 meaning that if competence and leadership increase then the performance of employees (Y) will increase.

Model Feasibility Test

The goodness of fit of a model is done to prove the accuracy of the regression function until in estimating the actual value by measuring the coefficient of determination, the statistical value of F, and the statistical value t. To test hypotheses that are carried out by testing as follows.

The coefficient of determination (R-Square) is used to measure how far the ability of the model in explaining variations in independent variables. The results of the coefficient of determination can be seen in Table 2 as follows:

<table>
<thead>
<tr>
<th>Table 2</th>
<th>Determination Coefficient</th>
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<tr>
<td></td>
<td>Model Summary</td>
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<tr>
<td></td>
<td>R</td>
</tr>
<tr>
<td>1</td>
<td>.913</td>
</tr>
</tbody>
</table>

a. Predictors: (Constant), X1, X3, X2, X1, X3, X1X2
b. Dependent Variable: Y

Individual Parameter Significance Test (t test)

The t test is carried out to prove whether the first and second hypotheses are accepted or rejected. The purpose of the t test is to see the effect of independent variables on the dependent variable separately or partially. An independent variable is considered partial effect if the significance value is less than or = α (0.05) and vice versa, the independent variable is considered not partial if the significance value is greater than α (0.05). Based on Table 1 above can be seen the results of the t test as follows:

a) Regression coefficient value of 0.485 with a significance value of 0.030 smaller than 0.05, which means that competence has a positive effect on employee performance so that H1 is accepted. This means that if competency increases, employee performance will increase.
b) The regression coefficient value of the variable Competency and physical work environment is 0.316 significance level of Competency variable and physical work environment is 0.453 greater than 0.05, which means that the physical work environment is not able to moderate Competitiveness on employee performance so H2 is rejected. of course, employee performance will increase.

c) Regression coefficient value of Competency and Leadership variables of 0.291 significance level of Competency and Leadership variables of 0.033 less than 0.05, which means that Leadership is able to moderate Competence on employee performance so that H3 is accepted. That is, if competence and leadership increase then employee performance will increase.

Discussion of Research Results

1). Effect of Competence on Employee Performance

The results of testing the hypothesis of the influence of competence on employee performance states that competence has a positive and significant effect on employee performance, meaning that if the competency increases, the work of employees will increase. this research was supported by Nurudin (2016), who stated that competence had a positive and significant effect on employee performance. This research is also in line with Hardini (2015), in his research that competence and organizational culture have a positive and significant effect on employee performance. Dina (2006) with the title of the research Effect of Competence on Employee Performance in the Department of Transportation, Communication and Information of North Mamuju Regency. The results of this hypothesis state that competence has a positive and significant effect on employee performance variables. Yulia (2007) with the title of the research Effect of Competence on Employee Performance in the Office of Communication and Information in Bandung City. The conclusion in this study is that the influence of competence on employee performance at the Bandung City Communication and Information Service both simultaneously and partially is measured through the components of motives, traits, self-concept, knowledge and skills. Marliana (2011) with the title of his research The Effect of Competence on Employee Performance (Survey on Frisian Flag Indonesia Pt in West Java Region). The results of the study show that (1) employee competencies which include intellectual competence, emotional competence and social competency for employees of PT. Frisian Flag Indonesia in West Java, the average score is included in the high category. (2) Employee performance of PT. Frisian Flag Indonesia in West Java is categorized as high enough. Timeliness of completing the work gets a higher score than the quality of the work of the employee. (3) The results of testing the second hypothesis indicate a positive and significant influence of competence on the performance of employees of PT. Frisian Flag Indonesia in West Java. This means that employee competence stimulates the optimization of employee performance in working at PT. Frisian Flag Indonesia in West Java. Julietta (2005) with the research title Analysis of the influence of competence and motivation on employee performance (case studies on supervisors and staff at the Ros-in Hotel Yogyakarta). The results of the analysis show that competence and motivation affect employees' performance both partially and simultaneously.

2). The influence of the physical work environment on the relationship between competencies on employee performance.

The results of testing the hypothesis that the physical work environment cannot moderate the competency relationship to employee performance, this means that with the physical work environment in a company being improved, it is not necessarily affecting employee performance. The results of this study are in line with the previous research conducted by Arif (2014), which states that competence does not have a positive and significant effect on performance through the physical work environment as a moderating variable. The results of this study are also supported by research conducted by Amarta Dewi (2013), that transactional leadership and physical work environment are not able to moderate the relationship of competence to employee performance. Widodo (2010) with the title of the research Effect of the Moderation of Physical Work Environment on the Effect of Competence, Reward, Motivation on Employee Performance. the conclusion of this study states that competency has a significant and positive effect on employee performance, reward has a positive and significant effect on employee performance, motivation has a positive and significant effect on employee performance, besides that the physical work environment variable is found to be not a moderating variable between the influence of competence, reward, and motivation for employee performance. Nurhayati (2003) with the research title Physical Work Environment Ability to Moderate the Effect of Competence, Leadership and Motivation on the Performance of Village Treasurer Employees in Tabanan Regency. The results of this study indicate (1) the Physical Work Environment is not able to...
moderate the influence of competence on the performance of the Village Treasurer in Tabanan Regency; (2) Physical Work Environment is able to strengthen the influence of leadership on the performance of Village Treasurer employees in Tabanan Regency and (3) Physical Work Environment is not able to moderate the influence of Motivation on the performance of Village Treasurer employees in Tabanan Regency. Brendi (2008) with the title of the research Effect of Motivation and Competence on Performance with Physical Work Environment as a Moderation Variable in the Marketing Division of PT. State Savings Bank (Persero) TbK in North Jakarta. The results of this study state that the Physical Work Environment is not able to moderate the relationship between the influence of motivation and competence on employee performance. This means that if the motivation, competence and physical work environment increases, the employee’s performance will not necessarily improve.

3). The Effect of Leadership on the relationship of competence to employee performance.

The results of hypothesis testing show that leadership is able to moderate competencies on employee performance which means that if leadership in a company increases it will affect employee performance. The results of this study are supported by Ayanthi (2016), concluding that competence has a positive and significant effect on employee performance which is directly moderated by the leadership style. The results of the study indicate that leadership has a positive impact on the competencies that employees have. The results of this study are in line with research from Sumarno (2005), in his research stated that the effectiveness of competencies of employees towards employee performance is strongly influenced by leadership. Wahyuni (2005) with the title of the study Analysis of the Effect of Work Discipline and Competence on Employee Performance with Leadership as Moderation Variables (Case Study of Aba Teachers in Semarang City). The results showed that; (1) discipline has a positive and significant effect on employee performance (2) competency has a positive and significant effect on employee performance (3) leadership has a positive and significant effect on employee performance (4) leadership can moderate the influence of discipline on employee performance (5) leadership can moderate the effect of competency on employee performance. Wibowo (2010) with the title of the study The Effect of Job Stress and Competence on Employee Performance with Leadership as Moderating Variables (Case Studies in Pls of Semarang, Salatiga, and Ambarawa Branches). the results of the study can be summarized as follows: work stress has a positive and significant influence on employee performance, competence has a positive and significant influence on employee performance, leadership has a positive and significant effect on employee performance. Leadership is able to moderate the influence of the relationship between work stress and competence on employee performance. Hasnawati (2001) with the title of the research The Role of Leadership Moderating the Effect of Competence and Emotional Intelligence on Employee Performance (Case Study in High Schools in Pati District). Based on the results of the study it can be concluded that competence influences employee performance, emotional intelligence influences employee performance, leadership is able to moderate the intrinsic influence of motivation for employee performance, and leadership is able to moderate and strengthen the influence of competence on employee performance. Anis (2006) with the research title Effect of Competence and Motivation on Employee Performance Moderated by Leadership (Studies in Private MTs in Winong District, Pati Regency). Based on the results of the study can be summarized as follows: (i) competence has a positive and significant effect on employee performance, (ii) motivation has a positive and significant effect on employee performance, (iii) leadership has a positive and significant effect on employee performance, (iv) leadership can moderate the influence of Competence and Motivation on Employee Performance.

V. CONCLUSIONS

Based on the results of research and discussion related to the influence of competence on employee performance with the physical and leadership work environment as a moderating variable on CV. Bali Bhuana Garment Denpasar can be concluded as follows.

a) Competence regression coefficient value with a significance value less than the alpha value which means that competence has a positive effect on employee performance so H1 is accepted. This means that if competency increases, employee performance will increase.

b) The regression coefficient value of the Competency variable and physical work environment with the level of significance of the variable Competency and physical work environment is greater than the alpha value which means that the physical work environment is not capable of moderating Competence on Employee Performance so H2 is rejected. This means that if the competency and physical work...
environment increases, the employee's performance will not necessarily improve.

c) Regression coefficient value of the Competency and Leadership variables with a significance level of Competency and Leadership variables smaller than the alpha value which means that Leadership is able to moderate Competency towards employee performance so that H3 is accepted. This means that if competence and leadership increase then the employee's performance will increase

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