The Influence of Employee Competency towards Employee Performance on Finance and Regional Asset Management Agency in Bandung City, Indonesia

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Abstract: The main problem of this research is the low performance of employee in Finance and Regional Asset Management Agency of Bandung area. This condition is predicted because employee competency dimension in Finance and Regional Asset Management Agency of Bandung area has not implemented yet. The approach of this research is employee competency and employee performance in the context of public policy and public administration, and it is also used as the ground theory in the research as a mean to develop research in public administration field. This research employs explanatory survey descriptive method. This research, moreover, uses quantitative analysis. It is used to know the value of employee competency variable influence towards employee performance both simultaneously and partially. Doing the research, it is concluded that employee competency influences in positive and significant way towards employee performance in Finance and Regional Asset Management Agency of Bandung Area.

Keywords: Employee Competency, Employee Performance, Public Administration.

1. INTRODUCTION

The vision and mission of each organization in implementing the work, both government organization and private organization, cannot be separated from human factor as an important factor to determine organization success. Human is the most important resources in manipulating organization to achieve the goals, therefore competency enhancement will solve each problem occurs based on talent and interest to motivate other people.

A sophisticated technology and a strong economy do ease everything, but it is difficult to achieve organization goals without human as the main factor. Employee competency is one of the important factors, among various other factors, to be managed in such a way as to create a synergy of organizational

success to produce high-quality work products to provide benefits for life (Boyatzis, 2009; Setyaningdyah et al, 2013; Vathanophas and Thai-ngam, 2007).

Competency represents the knowledge, skills, and abilities that exists among and across employees and group employees (Ulrich, 1998). It can be said in other words that competency is shown through knowledge, skills, and ability; if employees have the characteristics then the employees are considered to have a good competency. Having a good competency, the employees are then expected to achieve a good performance which is charged to them.

Performance is a work result which is shown by employees based on the works they have as employees of an organization or workplace (Mangkunegara, 2004). A performance appraisal can be measured through treatment, proficiency, means and specific skill which are related to organization goals that raise discipline and service quality of the employee. The focus of the research is on the work result of employees in Finance and Regional Asset Agency of Bandung area which are not following the performance standard yet, thus it does not achieve the goals.

2. LITERATURE REVIEW

2.1. Employee Competency

The justification about competency concept is declared by Mc. Cllelland (1973) which says that there is basic characteristics that are more important in predicting a success job. Something that is more valuable than academic intelligence, something that can be determined with accuracy, can be the deciding point (critical factor) the difference between a star performer and a dead wood, that is what came to be known by the term 'competency'.

Competency is a main factor for an employee in implementing the jobs well (Vanthanophas and Thai-ngam, 2007). Furthermore, competency is a basic characteristic of humans which is related to individual performance effectivity in their jobs which have a causal relationship with reference criteria which is effective or has a good performance (superior) in a workplace in a specified situation (Moeheriono, 2009). Competency, in other words, is human ability which is shown by the creation, knowledge, skill, attitude, behavior, motive and or the talent, which is found in a real situation to differentiate between the success one and not in a workplace (Haryanto, 2009).

To explain more about competency, Harist (2002) states that competency is general abilities which is needed or is prosecuted to support employee work effectivity in a specified work that covers some important behaviors, and it is a main requirement of employee performance in implementing works. Meanwhile, Dharma (2008) utters that employee competency covers flexibility, searches the information, has motivation and ability to study, has motivation to be success, and has work motivation.

Prayitno and Suprapto (2002), in addition, declare that the standard of competency covers three things such as skill, knowledge, and attitude. Skill is an ability which is being the criteria to be accepted continuously in a very minimal activity. Knowledge, in addition, is a technical thing. Furthermore, attitude is an impression which is shown to the customers and other people in a working environment.

Spencer and Spencer (1993) affirm that there are five characteristics of competency, they are motive, trait, self-concept, knowledge, and skills. Motive is a specified thing that someone thinks consistently to do

an action. Trait, moreover, is a character that makes someone behaves or how someone responds something in a specified way, for instance, self- confidence, self-control, self-resistance or hardiness. Self-concept is someone's attitude and values, it can be measured by the test which is given to the respondents to figure out the values of someone, to know what makes something interesting to them. Meanwhile, Knowledge is information owned by someone for a specific field. Skill, furthermore, is an ability to perform a specified job both physically or mentally.

Rivai (2009) confirms the ways to measure competency which is explained in five techniques such as, behavior even interview, test, assessment center, identity, and rating. The technique of measuring competency is used to know how far the employee's ability in understanding jobs that is charged to them, including to see the personality, academic achievement and an ability which relates to other people to create a teamwork.

An employee needs competency dimension to implement the jobs that appropriate to the responsibility. In line with this, Moeheriono (2009) asserts that:

(a) Task skills is a skill to perform daily jobs based on the standard in a workplace.

(b) Task management skills is a skill to manage some different tasks in a job.

(c) Contingency management skill is a skill to decide the behavior in a quick and precise way to solve the problem occurs in a job.

(d) Job role environment skills is a skill to make a teamwork and to keep work environment comfortable.

(e) Transfer skills is a skill to adapt with a new work environment.

2.2. Employee Performance

Essentially, employees in implementing the jobs that are charged to them are expected to show a good performance for the organization development. Bernardin and Russel (1993) affirm that performance is defined as the record of outcome produced a specified job function or activity during a specified time period. Moeheriono (2009), in line with Bernardin and Russel, explains that performance is a description about activity achievement degree or a policy to establish the goals, purpose and mission of organization which is applied through a strategic plan of an organization.

Furthermore, Mangkunegara (2004) explains the definition of employee performance that is a work result which is shown by each employee of a job that becomes the duties of an employee in an organization or workplace. Mahmudi (2007), in addition, says the purpose of employee performance appraisal such as:

(a) To know the degree of organizational purpose achievement

(b) To provide the means as employee learning process.

(c) To revise the next period performance.

(d) To provide a systematic consideration in decision making in giving reward or punishment.

(e) To motivate the employees.

(f) To create public accountability.

The formulation of performance measurement is a benchmark of performance measurement in public sector to decide organizational achievement degree in reaching the goals. Mahmudi (2007), in addition, affirms the important factors that influence a performance such as personal/ individual, leadership, team, system and contextual (situational). Personal/ individual factor involves knowledge, skill, confidence desire, motivation and commitment of each individual. Leadership factor involves quality in giving the motivation, passion, instruction and support which are given by the manager and team leader. Team factor involves support quality and passion that is given by co-workers in a team, a belief towards peer team member, solidarity and adjacency between team member. System factor involves work system, work facility or infrastructure which is given by the organization, organizational process and cultural performance in an organization. Contextual (situational) factor involves pressure and shift of external and internal environment.

Schuler and Dowling, in Tangkilisan (2005), assert performance measurement into 9 points, for instance (1) work quantity, (2) work quality, (3) teamwork, (4) knowledge about work, (5) work independency, (6) presence and time accuracy, (7) knowledge about policy and organizational purpose, (8) initiative and deliver good ideas, and (9) supervision and technique ability.

Meanwhile, Bastian (2001: 33) states that there are four indicators to appraise a performance, for instance, inputs, outputs, outcomes, benefit and impact. Inputs indicator is everything that an organization needs in producing the products, both good and service, which involves human resource, information, policy and others. Outputs indicator is something that is expected directly from physical and non-physical activity. Outcomes indicator is everything that reflects activity outcome function in medium range (direct influence). Benefit indicator is something that relates to the final purpose of activity implementation. Impacts indicator is an influence, both positive or negative, on each level of indicator based on the assumption sets.

Furthermore, Mangkunegara (2004) says four factors of employee performance which is being the standard of work appraisal, such as:

a. Work quality that involves accuracy, precision, skill, and hygiene.

b. Work quantity that involves routine output and non-routine or extra output.

c. Reliability, whether it is reliable or not, is whether employee can follow the instructions, ability, initiative, carefulness and diligence or not.

d. Attitude that involves an attitude to the other employee, work and teamwork towards the company.

2.3. Research Framework

Competency is closely related to persistence, verity, and hospitality of an employee to implement the jobs and the responsibility in an organization. The implementation of this competency in public administration is an implementation of a public policy. Moreover, performance is work performance or work result of individual or group in implementing the jobs or optimal work method that is achieved as expected. Boyatzis and Sudarmanto (2009) explain that competency is characteristics which relate to good performance in implementing the jobs. Mathis and Jackson (2002: 45), in line with Boyatzis and Sudarmanto, say that competency is a base characteristic that correlates individual and team performance achievement. Based on that opinion, it can be said that individual needed recently is an individual that has a good work

characteristic, able to adapt with a situation that needs self-ability and expected work quality. Figure 1 describes the linkages relationship of employee competency variable and employee performance.

Figure 1 describes some research hypotheses:

1. Employee competency significantly influences to employee performance on secretariat of Finance and Regional Asset Agency of Bandung area.

2. Employee competency which is determined by task skills, task management skills, contingency management skill, job role environment skills and transfer skills significantly influences to employee performance on secretariat of Finance and Regional Asset Agency of Bandung area.
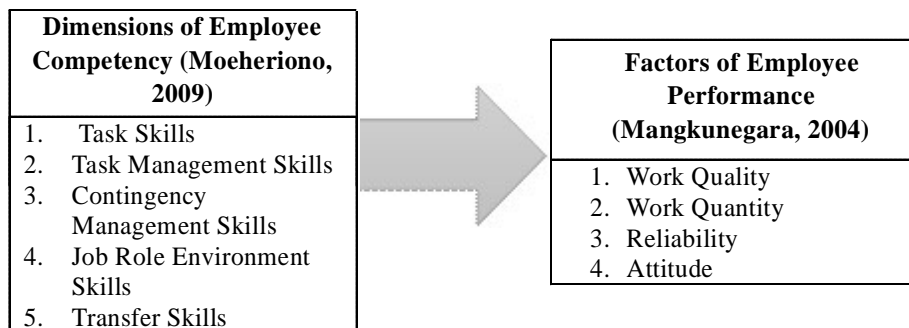
Dimensions of Employee Competency (Moeheriono, 2009)	**Factors of Employee Performance (Mangkunegara, 2004)**
1. Task Skills 2. Task Management Skills 3. Contingency Management Skills 4. Job Role Environment Skills 5. Transfer Skills	1. Work Quality 2. Work Quantity 3. Reliability 4. Attitude

Figure 1: Research Structure

3. RESEARCH METHOD

This research employs explanatory survey as the method of the research. The population of the research is all employees on Finance and Regional Asset Agency of Bandung area. The sample of the research, moreover, is 79 employees. There is validity test and reliability test towards measurement instrument (questioner) before the questioner distributed. The validity test performs by correlating the score for each item with total score through person correlation formulation, meanwhile the reliability test uses Alfa Cronbach coefficient formulation. The data analysis technique which is used to test the model and hypotheses is Path Analysis.

4. RESULT AND DISCUSSION

The result of validity and reliability test show that each questioner has shown a good validity and reliability. It is shown by the value of r or correlation value between item score and its total that shows a significant coefficient and has reliable score of reliability value.

Figure 2 shows direct determination of *X* variable towards Y variable and indirect influence of *X1* until *X5* variable towards Y variable based on Path Analysis, and its correlation with research hypothesis.

Figure 2 above shows that direct influence of *X* variable towards *Y* variable is 76,17%, meanwhile direct influence of the other variable (ε) towards Y variable is 23,83%. It used F-Snedechor statistic to test the statistic. The result showed that the value of F calculate is bigger than the value of F table, thus zero hypothesis refused (significant) which means that there is, at least, one-line coefficient that influences significantly. Figure 3 shows direct influence and indirect influence of *X1* until *X5* variable towards *Y* variable:
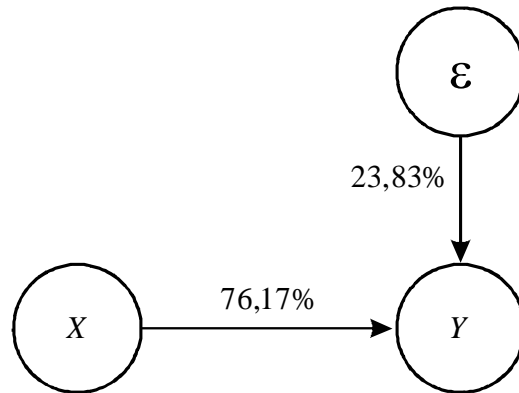
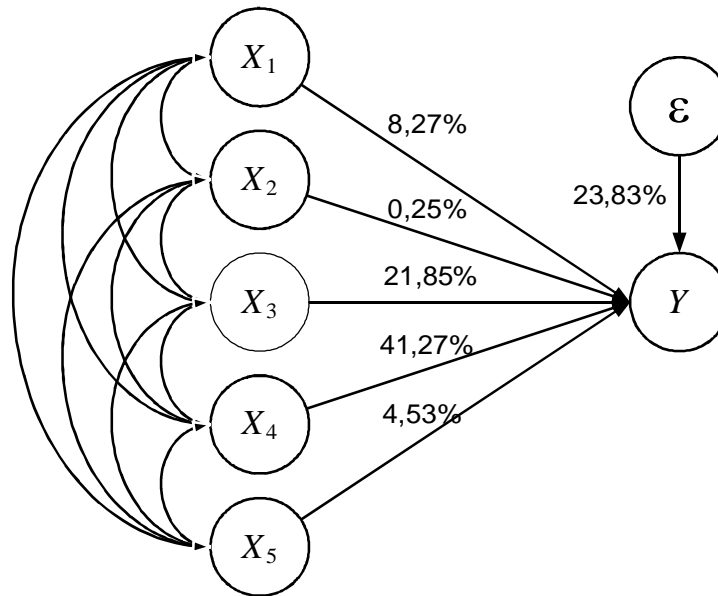**Figure 2: Direct influence of *X* variable towards *Y* variable**

Figure 3. Indirect influence of *X*1 until *X*5 variable towards *Y* variable

The conclusion of direct and indirect influence of *X*1 until *X*5 variable as employee competency dimension towards Y variable, employee performance, can be shown in the following table:

Table 1
The conclusion of statistical analysis of employee competency variable towards employee performance

Xi	*t calculate*	*t table*	*Conclusion*	*Note*
X_1	2,365	1,671	HO Refused	Significant
X_2	–0,529	1,671	HO Accepted	Insignificant
X_3	2,977	1,671	HO Refused	Significant
X_4	4,487	1,671	HO Refused	Significant
X_5	1,720	1,671	HO Refused	Significant

5. CONCLUSION

Knowing the research result of Path Analysis, the next step is to do the analysis of elaboration. The influence of Simultaneous Employee Competency (*X*) towards Employee Performance is 76,17% which means that the influence of simultaneous employee competency towards employee performance shows significant influence. On the other hand, the influence of other variable (ε) towards employee performance (*Y*) is in the amount of 23,83 %. It showed that the efforts of employee competency development which is done by the leader to the subordinate have been done earnestly in performing employee competency perpetually based on the arranged agenda. It can be seen from the result of the evaluation which is done by the head of finance and regional asset management agency of Bandung area routinely, which relates to work evaluation of all employees.

Partially, the influence of task skill dimension towards employee performance shows significant influence based on statistical calculation in the amount of 8,27%. It is shown by the employee in arranging the program, having the work schedule and corresponding to work standard. The influence of task management skills towards employee performance shows insignificant influence based on statistical calculation in the amount of 0,25%. It is shown by employee inability in completing different tasks in the same sequence work. The influence of contingency management skills dimension towards employee performance shows significant influence based on statistical calculation in the amount of 21,85%. It is shown by the alacrity of the leader to make decision and take action if problem occurs in work. The influence of job role environment skills dimension towards employee performance shows significant influence based on statistical calculation in the amount of 41,27%. It is shown by the unit cooperation, a conducive environment and work climate. The influence of transfer skill dimension towards employee performance shows significant influence based on statistical calculation in the amount of 4,35%. It is shown by a quick adaptation of the employee in a new workplace.

Concluding the research result of The Influence of Employee Competency towards Employee Performance on Finance and Regional Asset Management in Bandung City, it can be drawn a conclusion that generally most of employee competency dimensions have worked well. Nevertheless, there is one dimension that has not shown significant influence, that is task management skill, because the employee cannot perform it. It means that improvement is needed to enhance the dimension mentioned.

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