

THE INFLUENCE OF HUMAN RESOURCE COMPETENCE ON THE PERFORMANCE OF EMPLOYEES OF THE INDUSTRIAL AND TRADE COOPERATIVE TRADE OF ENREKANG REGENCY

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Abstract

This research was to know the effect of human resource competence (HR) on employee performance at the Industry and Trade Cooperative of Enrekang Regency. HR competence is the independent variable in this study and employee performance is the dependent variable. The type of research used is quantitative. The population as well as the research sample were 33 employees of the Industry and Trade Cooperative of Enrekang Regency. The data collection technique was carried out through a Likert scale-based questionnaire distributed to respondents. The data analysis technique used simple linear regression analysis with the help of Statistical Product and Service Solutions (SPSS) software version 26. The results showed that HR competence had a significant positive effect on employee performance with a determination efficiency value (R Square) of 54.7%, while the remaining 45.3% was influenced by other variables outside this study.

Keywords : Competence, Human Resources, Performance.

INTRODUCTION

Management in an organization fundamentally consists of a series of processes involving planning, organizing, directing, and controlling resources to achieve the established goals. Management functions as a framework that ensures all parts of the organization work synergistically and efficiently (Firmansyah, 2021). The planning process involves setting goals and formulating strategies to achieve them. Organizing involves arranging resources and activities to support the implementation of the plan.

Then, in the context of organizational management to achieve optimal performance, it is a systematic approach to ensure that every operational aspect runs effectively and efficiently, with the ultimate goal of meeting and exceeding the established standards (Mathis, Robert L. et al., 2017). This involves the application of processes, tools, and techniques designed to monitor, evaluate, and improve the performance of individuals and teams within the organization. Performance management encompasses various activities ranging from strategic planning, goal setting, employee training and development, to performance evaluation and feedback. In the context of performance management within an organization, human resources (HR) play a crucial role as the main drivers of the organization. The quality of human resources (HR) greatly affects the effectiveness and efficiency of the organization's operations. HR competencies, which include knowledge, skills, and attitudes, become a determining factor in achieving organizational goals. Effective performance management requires the continuous identification and development of HR competencies so that each individual can contribute maximally to the overall performance of the organization.

Human resources are active individuals who are consistently productive in various operational activities of the organization. This is because human resources are the main factor that acts as the determinant and driver of achieving organizational goals (Haryono, 2018). The function of human resources includes being planners, implementers, and evaluators of employee performance within the organization. Therefore, human resources are considered an aspect that indicates the success of achieving the organization's goals. As the demands and challenges of work evolve, organizations must be able to enhance the abilities and skills of their human resources.

Human resource competencies (HR) are also a key factor in determining the performance of cooperatives. Competent human resources possess the knowledge, skills, and attitudes necessary to perform their tasks and responsibilities well. This competence includes managerial abilities, technical knowledge, interpersonal skills, and an understanding of cooperative principles. Quality human resources can effectively manage cooperative operations, make sound decisions, and provide satisfactory services to members. Conversely, a lack of HR competence can hinder the performance of the cooperative and reduce its competitiveness.

Industrial and trade cooperatives in Enrekang Regency are faced with several indications of problems in the context of human resource competence to deliver performance. Based on a literature review and initial observations & interviews by the researcher, the industrial and trade cooperatives in Enrekang Regency, in terms of human resource conditions, are faced with a lack of adequate access to training and development programs, resulting in human resources that need additional skills and knowledge development not being adequately met. Industrial and trade cooperatives in Enrekang Regency also often struggle to recruit and retain quality staff (human resources). Regions like Enrekang Regency face challenges in attracting skilled resources who prefer to work in big cities. These limitations lead to a tendency to lack competent human resources, which certainly affects the overall performance of the organization.

Then, regarding the research gap, the current study is expected to offer novelty where most

previous studies have focused more on large-scale organizations in urban areas with little emphasis on organizations in the districts. Then, the study conducted in the context of industrial and trade cooperatives in Enrekang Regency, both economically and socially, tends to be more different from urban environments by not only examining human resource competencies in terms of operational and procedural aspects but also paying attention to specific aspects such as limited access to training and challenges in recruitment as well as the retention/competence of quality human resources in Enrekang Regency.

Based on the identification of the problem, industrial and trade cooperatives in Enrekang Regency are expected to take appropriate and proportional steps to ensure the presence of good human resource competencies, thereby supporting the creation of optimal overall performance. Starting from the description regarding the importance of human resource competence in supporting performance.

RESEARCH METHOD

Regarding the research on the influence of human resource competence on the performance of employees at the Enrekang Regency Industrial and Trade Cooperative, in order to provide a more comprehensive and objective overview of the matter, this study employs a quantitative research method, which is based on the philosophy of positivism, with data collection using research instruments and statistical data analysis to test the hypothesis.

This research uses a correlational research type, which aims to understand the relationship and influence between independent and dependent variables. In the context of this research, the independent variable being studied is human resource competence (X1). This competence encompasses various aspects of skills, knowledge, and abilities possessed by employees, which are expected to influence outcomes and performance within the organizational context. Meanwhile, the dependent or bound variable that is the focus of the research is the Performance of Employees of the Enrekang Regency Industrial and Trade Cooperative (Y).

Population can be defined as the entirety of the research objects that can serve as sources of research data (Sugiyono, 2015). Referring to that definition, it can be understood that the population consists of a group of people who have been defined by the researcher. Based on the definition that has been explained, the population of this research consists of 33 employees at the Enrekang Regency Industrial and Trade Cooperative. The sample in the research method is a small group of individuals or units selected from a larger population to represent the entire population. The sampling technique in this research was conducted using the Total sampling method. Total sampling is a sampling technique where the number of samples is equal to the population. The reason for using total sampling is that when the population is less than 100, the entire population is used as the research sample (Sugiyono, 2015).

RESULT AND DISCUSSION

Based on the results of the statistical test, it can be concluded that variable X, human resource competence, has an effect on variable Y, employee performance, at the Department of Industry and Trade of Enrekang Regency. The condition of respondents at the Department of Industry and Trade of Enrekang Regency, when viewed from the classification of gender, shows that the majority of respondents are female. Respondents at the Department of Industry and Trade of Enrekang Regency, when viewed from the age classification, generally fall into the productive age category as officials, but most of these respondents are honorary staff. With a productive age as an employee, it is certainly expected that they can maintain a good attitude and responsibility in carrying out the tasks assigned to them. Then, it is

expected that senior employees provide positive affirmation and serve as examples for other employees, thereby encouraging them to cultivate professionalism in their work, which can support overall performance improvement.

Then, the condition of the respondents, when viewed from the classification of education levels, shows that the majority of respondents have a Bachelor's degree. This indicates that although the education levels vary, generally, the classification of the respondents' education levels is at the higher education level, which is expected to provide intellectual capital that can be utilized in carrying out tasks and responsibilities effectively. Meanwhile, the condition of respondents at the Department of Industry and Trade of Enrekang Regency

viewed from the classification of employee groups, it shows that respondents in Group III/d Honorary Staff dominate. This indicates that, in general, the respondents in this study fall into the category of civil service ranks with careers that still have a high potential for development, despite the dominance of honorary staff who are in the majority.

The importance of human resource (HR) competence in influencing employee performance at the Department of Industry and Trade of Enrekang Regency cannot be overlooked, considering that the competence possessed by each employee plays a significant role in improving service quality and achieving organizational targets. HR competencies, which include technical, managerial, behavioral, and conceptual abilities, each play a unique role in supporting optimal performance. Technical competence indicators, for example, ensure that employees possess the specific skills and knowledge required to perform tasks related to industry and trade. Good technical expertise enables employees to complete tasks more efficiently and accurately, which positively impacts the quality of public services provided.

Managerial competence is another important factor because employees who possess skills in decision-making and resource management are able to navigate administrative challenges and respond to dynamic situations. In this context, employees who can make the right decisions in urgent situations have the potential to expedite problem-solving without compromising the quality of the results. Meanwhile, behavioral competence relates to employees' attitudes and interactions within the work scope that support the creation of a conducive work environment. Employees with high behavioral competencies tend to be more adaptive, responsive to the needs of colleagues and superiors, and able to collaborate effectively.

This is important in ensuring that every team member can work in harmony with the goals set by the organization. Lastly, conceptual competence, which includes a broad understanding of the organization's roles and goals, enables employees to think strategically and align operational actions with the organization's long-term vision. This conceptual ability is important for employees to contribute maximally to innovation and the development of programs relevant to the tasks of the Department of Industry and Trade. For example, in terms of technical competence, an employee who is an expert in local industry mapping can identify potential business opportunities that align with the characteristics of the Enrekang region, thereby facilitating the government in formulating appropriate policies to support SMEs.

As a result, the industrial development program can be more effective because it is based on accurate data. In terms of managerial competence, employees who are able to make quick and accurate decisions, such as when handling urgent business licensing issues, can analyze situations and coordinate with relevant parties to expedite resolutions without neglecting procedures, which positively impacts business operators' satisfaction. In terms of behavioral competence, employees with good communication skills will establish positive working relationships with both internal and external parties. For example, employees

who are responsive when collaborating in the MSME training program help ensure the smooth

running of the program and build public trust in the service. In terms of conceptual competence, employees who can see the big picture and understand the long-term impact of policies can propose training programs that not only focus on technical skills but also on digital marketing, allowing SMEs in Enrekang to compete in a broader market. Thus, the technical, managerial, behavioral, and conceptual competencies in human resources at this department not only enhance individual productivity but also support the success of programs and services to the community and business actors in Enrekang Regency.

An organization, especially in government agencies, the quality of human resources plays an important role in achieving optimal performance. Employee competence, which includes knowledge, skills, and attitudes, is a key element that can influence the effectiveness of daily work. This study aims to analyze the influence of human resource competence on employee performance at the Cooperative, Industry, and Trade Office of Enrekang Regency. Through simple linear regression analysis, the results of this study provide an overview of the extent to which these competencies affect employee performance, as well as insights into aspects that need to be improved to optimize work outcomes. Based on the results of the research conducted, significant results were obtained through simple linear regression analysis.

The hypothesis test results show that human resource competency (X) has an effect on employee performance (Y) with a significance value of 0.000. This value is smaller than the significance threshold ($\alpha = 0.05$), indicating a significant relationship between variables X and Y. Thus, human resource competence has been proven to influence employee performance at the Department of Cooperatives, Industry, and Trade of Enrekang Regency. Then, based on the coefficient of determination (R Square) test, it was found that the R Square value was 0.547, which means that 54.7% of the variation in employee performance is influenced by human resource competencies. This means that more than half of the changes in employee performance can be explained by the competencies they possess, whether related to technical skills, behavioral skills, managerial skills, or conceptual skills.

Meanwhile, the remaining 45.3% (100% - 54.7%) is influenced by other factors outside this study, which are not included in the model or analysis conducted. These factors could include other external aspects that may relate to the work environment, organizational culture, motivation, leadership, incentives and compensation, or even personal factors that were not measured in this study. This result shows that although HR competency is an important factor, there are other variables that also play a role in influencing employee performance, thus providing opportunities for further research to identify these factors. Based on the results of the tests and analyses conducted, this research, focusing on the study of the influence of human resource competence on the performance of employees at the Enrekang Regency Industry and Trade Office, accepts the hypothesis: H_a : Human resource competence has a positive and significant effect on the performance of employees at the Enrekang Regency Industry and Trade Office.

The results of this study, which show a positive and significant influence of the human resource competency variable on employee performance, are supported by Mangkunegara's theory, which states that employee performance is the work result achieved, both in terms of quality and quantity, based on the responsibilities undertaken (Widyaningrum, 2020). One of the main factors that influence employee performance is competence, which includes knowledge, skills, and attitudes. In the context of employees at the Department of Industry and Trade, employees who possess good technical competencies, such as understanding trade regulations, supervising small and medium enterprises (SMEs), and technology that supports industrial activities, will be more capable of performing their tasks efficiently. For example, an employee responsible for overseeing the local industry can utilize their skills in evaluating products according to the established quality standards. With strong technical competencies, the employee can

ensure that the industry under their supervision operates in accordance with regulations, which directly impacts performance improvement. Spencer & Spencer (1993) in their book *Competence at Work* reveal that competence is a fundamental characteristic of a person that is related to effective work performance (Firstanto et al., 2023). Spencer & Spencer emphasize that competence includes five main aspects: motives, traits, self-concept, knowledge, and skills, all of which must be possessed by an individual to perform well.

In the context of employees at the Department of Industry and Trade, technical and conceptual competencies as part of knowledge and skills become important factors that influence work outcomes. Meanwhile, behavioral and managerial competencies relate to how someone can interact and lead a team effectively. For example, when employees need to coordinate with local business operators or other agencies to support the promotion of local products, effective communication skills will help complete the tasks more quickly and accurately.

Then, the results of this study are also in line with Robert L. Katz's theory (Sri Widodo, 2016) on the three main managerial skills, namely technical skills, conceptual skills, and interpersonal skills. Katz argues that at the operational level, technical skills are a key element in employee performance. In the context of this research, employees' technical skills, such as understanding trade regulations, industrial technology, and administration, clearly contribute significantly to their performance at the Department of Industry and Trade. According to Katz's theory, employees at the lower to middle levels in the Department of Cooperatives, Industry, and Trade require technical mastery to perform specific tasks, such as managing small and medium-sized enterprise (SME) programs and overseeing trade. In addition, good interpersonal skills also support collaboration and coordination among employees, which in turn affects the overall performance effectiveness of the team and the organization.

The performance theory proposed by Peter Drucker (Hakim, 2014), which states that performance can be measured through quality, quantity, timeliness, effectiveness, and independence, is also relevant to the results of this study. Employee performance is measured based on these indicators, and the results show that good HR competence positively affects every aspect of this performance. For example, employees with high competence are more capable of completing tasks with better quality, higher quantity of work, and more optimal timeliness. According to Drucker, performance is not only measured based on quantitative output but also on the quality and effectiveness of work.

The results of this study align with that view, as adequate human resource competencies have been proven to enhance the quality of work produced by employees. Competent employees are able to produce higher quality work with minimal errors, work more efficiently, and complete tasks on time. The results of this study, which show a positive and significant influence of the human resource competency variable on employee performance, are also in line with several previous studies. For example, the research conducted by Wulandari (2021) titled "The Influence of Human Resource Competence on Employee Performance in Government Agencies" concluded that HR competence, in terms of knowledge, skills, and attitudes, positively affects the improvement of employee performance in government agencies. In the study, it was explained that employees with adequate competencies are able to carry out tasks and responsibilities more effectively, both in terms of quality and quantity. The results of the research are considered relevant to with the condition of employees in the Department of Industry and Trade, where employees with technical competence and knowledge of trade regulations are able to perform their duties, such as monitoring the distribution of goods, more effectively and on time. Then, a study by Ramadhani (2020) titled *Behavioral Competence and Its Impact on Employee Performance in the Public Sector*. Journal of Human Resources, which states that competencies encompassing technical and

behavioral skills, such as communication and teamwork abilities, have a significant relationship with employee performance. It is mentioned that employees with good behavioral competencies are more capable of collaborating with teams, which ultimately impacts the achievement of individual and organizational performance. Where employees at the Department of Industry and Trade with good behavioral competencies are able to collaborate with local industry players, making the Small and Medium Enterprises (SME) empowerment programs more effective and achieving the expected targets. These findings prove that the behavioral competencies of employees in this department play a crucial role in achieving optimal performance.

Research by Maulana (2022) titled "The Influence of Managerial Competence on Employee Performance in Government Agencies" shows that HR competencies have a very significant impact on performance. In this study, competencies are broken down into several indicators, such as technical, conceptual, and managerial abilities, each of which plays an important role in improving overall employee performance.

For example, in the implementation of the local industry development program, employees with superior managerial competence can coordinate various cross-unit activities well, overcome obstacles that arise during the process, and provide timely and effective solutions in challenging situations. With this capability, they successfully ensured that the program not only ran on schedule but also achieved more optimal results and benefited the improvement of service quality in the relevant department.

CONCLUSION

Based on the research conducted regarding the influence of human resource competence on employee performance, it can be concluded that human resource competence has a significant impact on employee performance. Technical, behavioral, managerial, and conceptual competencies are important aspects that must be possessed by employees of the Department of Industry and Trade in carrying out their duties and responsibilities. Technical competence plays a crucial role in managing programs related to the development of Small and Medium Enterprises (SMEs) and local trade. Meanwhile, behavioral competencies focus on the ability to create a collaborative work environment, where employees can work together with IKM actors, the community, and external partners to implement coaching and promotion programs. Managerial competence is necessary to ensure effectiveness in planning, organizing, and supervising programs, especially in managing efforts to enhance the competitiveness of SMEs and regional economic development to run efficiently and on target. Lastly, conceptual competencies play an important role for employees involved in strategic planning and policy development, enabling them to produce policies that support the sustainable achievement of organizational goals. Lastly, conceptual competence plays an important role for employees involved in strategic planning and policy development, enabling them to produce policies that support the sustainable achievement of organizational goals.

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