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The influence of competence on organizational performance in government institutions: A case study

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ABSTRACT

This study aims to determine the influence of personnel competence on organizational performance in government agencies. The data are collected and analyzed systematically. The results show that, in the Ministry of Transportation, higher competencies among state civil servants (ASNs) lead to improved employee performance and contribute positively to organizational outcomes. The research contributes to understanding the relationship between employee competence and organizational performance within government agencies, especially in the Department of Transportation. Moreover, longitudinal studies could be conducted to assess the long-term effects of personnel development programs on organizational performances over time. This study provides valuable insights for improving efficiency and effectiveness in public sector operations. The study also highlights the importance of investing in training and development programs to enhance employee competencies, ultimately leading to better service delivery and achievement of organizational goals.

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INTRODUCTION

The performance of the State Civil Apparatus (ASN) organization plays an important role in maintaining the effectiveness, efficiency, and accountability of government administration and public services. Good ASN performance not only ensures quality services and is responsive to the needs of the community, but also creates an environment that supports innovation, optimal use of resources, and compliance with rules and standards (Firdausijah, 2022; Kamaly et al., 2024; Kusuma et al., 2023; Subroto & Indriati, 2024; Yuniarti et al., 2024).

According to the 2020-2024 ASN Development Grand Design, the Ministry of Civil Servants and Bureaucrats is constantly improving the performance of ASN starting through the acceptance phase which currently uses a digital system so that the results are transparent and accountable with the hope of becoming Smart ASN 2024 in realizing a world-class Indonesian bureaucracy. Smart ASN has a character that is prepared to face a period of disruption and challenges in an increasingly complex world. The Smart ASN profile includes integrity, nationalism, professionalism, global insight, mastery of IT and foreign languages, hospitality spirit, entrepreneurship spirit, and has a wide network. Therefore, it is necessary to have a strategy for ASN development, ASN competency development and ASN career development as shown in the figure below.



Figure 1. SMART ASN

Law Number 12 of 2012 concerning Higher Education in Article 16 paragraph 1 states, education is a higher education that prepares students for jobs with certain applied skills.

In this day and age, with the rapid development of technology that is increasingly sophisticated, every individual is required to be able to explore all the human resources they have, to be able to support our performance so that it will greatly affect the implementation of daily tasks in supporting their performance. Many factors affect employee performance in addition to the development of technology adoption. One of them is the competence of the employee. Human resources are an important factor for every company, because without quality human resources the company's goals and objectives will not be achieved as planned, for that human resources need to have good skills in handling every job, because with reliable skills the performance of employees will increase. Employee competencies which include knowledge, skills, and attitudes are adjusted to the field of work needed by the company, so that it can produce outstanding employee performance (Hajiali et al., 2022; Razak, 2021; Sabuhari et al., 2020; Salman et al., 2020; Wijayanto & Riani, 2021).

The current condition shows the lack of competence mastered by most of the new workforce even though the workforce is graduates of Vocational Higher Education in Indonesia, for example at the Ministry of Transportation. Graduates with Airport Mechanical Engineering competencies, when they become ASN at the Ministry of Transportation, are placed in the education administration management section. So that this is the cause of the lack of correlation between the competencies possessed by graduates and the duties and functions in the organization. The quality of graduates with unconnected competencies (link and match problem) can be seen from the competencies of graduates who still do not meet work competencies (Lazíková et al., 2022; Lowe et al., 2022; Pater et al., 2022; Purwanto et al., 2023; Salas-Velasco, 2021).

Organization performance refers to the extent to which the achievements positioned by the organization, with a number of informational, financial, and human resources can be effective in the business market (Contu, 2023). Individual performance can affect the overall performance of the organization in the short, medium or long term in a positive or negative direction. The achievement of organizational goals cannot be separated from the resources owned by the organization.

Competence is the ability to carry out or perform a job or task that is based on skills and knowledge and supported by the work environment of employees in a company. The development of industry and technology has implications for the company's need for competent and motivated human resources to continue sustainable growth. This sustainable growth must ensure that the company has the knowledge, ability, and competence to work effectively in a dynamic work environment. Therefore, it is very important to provide space for human resources who are fluent in using technology such as employees.

The level of personnel competence, which is influenced from within a person includes physiological elements that are composed of the state of the five senses, psychological elements that are composed of desires, motivation, intellectuals, cognitive abilities, and potential, while elements that come from outside a person are environmental elements that are composed of the surrounding natural environment and socio-cultural environment, instrumental elements that are composed of curriculum, programs, facilities and infrastructure, and teachers (Djamarah & Zain, 2006).

Recently, competence seems to be like a very strong magnet that attracts the attention of all circles, especially those involved in the world of human resource development (HR). The beginning of the concept of competence can be traced back to the early 1970s, when American scientists published an article entitled "Testing for Competence Rather than Intelligence" which is said to be the beginning of the era of the development of the concept of competence in psychology. The first project using the competency measurement method was carried out by the United States Department of State for the selection of prospective employees for the Foreign Service Information Officer (FSIO) section in the early 1970s. Previously, the main consideration of the selection of FSIO candidates was based more on the results of intelligence selection and academic achievement but was not able to provide an accurate estimate of the success of FSIO in the field

besides this kind of selection was suspected of being biased against minorities, women and the lower socioeconomic circles.

The concept and method of measurement based on competence continues to grow with various research and application in various types of organizations. If in the United States the application of the concept of competency began with government organizations and then expanded to business organizations, in Indonesia the application of the concept of competence was first noticed among business organizations in the 1990s, where many training service institutions offer various types of Competency-based Human Resources System training programs offered by HayGroup a service consultant in the field of HR. Then the government began to raise the importance of the problem of mastering competencies with fundamental changes in the school curriculum with the issuance of the Competency-Based Curriculum (KBK) in 2004 for all levels of education.

Personnel competence is the basis for an organization to provide input that is in accordance with the organization's expectations. This needs to be considered is the extent of personnel competence in education graduates, after they enter the world of work, Charles E Jhonson in Vina (2015) defines personal competence as competence related to the development of personnel competence. Furthermore, personal competence is a behavioral device related to an individual's ability to manifest himself, self-transformation, self-identity and self-understanding.

As previously described, ASN at least has technical competence, managerial competence and socio-cultural competence in order to realize SMART ASN towards a world-class Indonesian bureaucracy. Therefore, graduates of Vocational Higher Education are expected not only to work as technical personnel or staff but also to have a high target organizational performance and later become the successor of competent leaders at all levels in the field of aviation on a national and international scale as well as as the glue and unifier of the Indonesian nation.

This study aims to determine the influence of competence on organizational performance in government agencies. The research contributes to understanding the relationship between employee competence and organizational performance within government agencies. By identifying how various competencies—such as skills, knowledge, and abilities—affect performance outcomes, the study provides valuable insights for improving efficiency and effectiveness in public sector operations. Additionally, it highlights the importance of investing in training and development programs to enhance employee competencies, ultimately leading to better service delivery and achievement of organizational goals. This contribution can inform policy-making and management practices within government agencies, fostering a culture of continuous improvement and accountability.

METHOD

This type of research is qualitative research, which is a research and understanding process based on methods that investigate a social phenomenon and human problems, the theoretical foundation is used as a guide so that the focus of the research is in accordance with the facts in the field, and the data is presented analytically and descriptively that has been collected and interpreted systematically, which in this study describes the influence of competence on the organizational performance of the Institution government, especially at the Ministry of Transportation.

Table 1. Previous Research

Researcher (Year)	Title	Variables and Methods	Findings
S. Gayathri, P. S.Aithal (2023) Research Object: Employees (Male and Female) working in public and private sector organizations Research Location: Public and private sector organizations	Career Competency, Self efficacy, and Organizational Commitment at Work	Convenience sampling technique • Career Competency • Self -Efficacy • Organisational Commitment	These results show: To build career competence, individual self-efficacy and involve the organization in providing support to its employees in managing their careers
Desak Nyoman Indriyani, I	The effect of competence, self-	Multiple linearregression • Competence	These results show:

Nengah Suardhika, Putu Agus Eka Rismawan (2023) Research object: Employees from the Office of the General Secretariat and the Protocol Office of the Regional Secretariat of Bali Province. Research Location: Office of the General Secretariat and Protocol Office of the Regional Secretariat of Bali Province.	efficacy and work environment on the performance of employees of the general bureau office and the protocol of the Bali Provincial Secretariat	• Self Efficacy • Work Environment • Employee Performance	a. Competence has a positive and significant effect on performance. This means that the better the competencies that employees have, the better the performance of employees will also increase. b. Self Efficacy have a positive effect and
Faris AprilianBayu Aji Suhermin (2023) Research Object: Employee of PT Bank Pan Indonesia Research Location: PT Bank Pan Indonesia	The Effect of Motivation, Competence, and Self Efficacy on Job Satisfaction PT Bank Pan employees	Software-assisted multiple linear analysis SPSS. • Motivation • Competence • Self Efficacy Employee Job Satisfaction	These results show: a. Based on the results of the t-test, it shows that the motivation variable has no effect on the influence of Motivation. b. Based on the results of the t-test, it shows that the competency variable Influential c. Based on the results of the t-test, it shows that the self-efficacy variable has a significant effect on job satisfaction
Lisdewi Muliati, Masduki Asbari ,Multi Nadeak, Dewiana Novitasari, Agus Purwanto (2022) Object of Research: Elementary School Teachers in Tangerang Research Location: Elementary School in Tangerang	Elementary School Teachers Performance: How The Role of Transformational Leadership, Competency,and Self Efficacy?	Quantitative Methodwith data processingtools using SPSS software • Transformational leadership • Competency • Self efficacy Teachers performance	Based on the data analysis, it can be concluded that transformational leadership has a positive effect on teachers' performance, competency has a positive effect on teachers' performance, Self efficacy has a positive effect on teachers' performance, and transformational leadership, competency, and self efficacy simultaneously on teachers performance.

RESULTS AND DISCUSSION

Personnel competence has a positive and significant influence on organizational performance (Salman et al., 2020). More clearly, Anwar & Muhammad Havidz Aima (2020) explained in their research that if employees are developed in terms of their competencies, then this has a significant influence on employee performance in an effort to achieve organizational goals, namely improving organizational performance.

There is an influence of personnel competence on organizational performance where if there is an increase in the competence of employees, it will have an impact on improving employee performance which leads to an increase in organizational performance. One of the efforts in order to improve or develop employee competencies can be done through the procurement of training for all employees. These results are also in line with research conducted by some researchers which emphasized that competence has a significant and positive effect on organizational performance (Cen et al., 2021; Hajiali et al., 2022; Kim, 2019).

A number of empirical studies that examine the relationship between Knowledge and organizational performance include: Knowledge Management has a significant effect on the organizational performance of employees (Shahzad et al., 2020). According to Jashari & Kutllovci (2020), personal knowledge and job procedures have a significant influence on organizational performance. Another research result found by Azeem et al. (2021) that the higher the level of employee knowledge sharing, the higher the organizational performance.

Knowledge Management variable has a significant direct influence on employee performance (Ghani Al-Saffar & Obeidat, 2020). Research by Demir et al. (2023) shows that knowledge management has an effect on organizational performance. Overall, knowledge management has a positive and significant effect of 64.4% on organizational performance. This proves that when knowledge management is higher, it will make employee performance higher.

Attitude or work attitude significantly impacts organizational performance, as evidenced by various studies highlighting the benefits of positive work attitudes such as job satisfaction, organizational commitment, work engagement, knowledge management, interpersonal communication, and work environment on employee performance. Abdelwhab Ali et al. (2019) found that knowledge management, skills, and attitudes positively influence the organizational performance. Likewise, Sathyanarayan & Latha Lavanya (2018) noted that work attitude and job satisfaction together significantly impact organizational performance. Soomro & Shah (2019) confirmed that work ethic, job satisfaction, work attitude, and motivation collectively have a significant influence on organizational performance.

Skills significantly influence organizational performance, as demonstrated by various studies. Research by Mahayasa & Wardani (2022) found a positive and significant effect of skills on organizational performance at the Akor Nature Bag Art Shop in Kerobokan Badung. Similarly, Husein & Hanifah (2019) highlighted that skills positively impact organizational performance through job satisfaction as an intervening variable. Ibrahim et al. (2017) indicated that both skill variables and work culture significantly affect organizational performance, while Fachrunnisa et al. (2020) reported that knowledge, skill, and work motivation collectively and individually influence the organizational performance.

In conclusion, personnel competence has a positive influence on organizational performance in higher education graduates in Indonesia who work as civil servants. The attitude dimension (atittude) is the largest contributor, which is reflected through a positive attitude through dedication, integrity, and professionalism in carrying out their duties. ASN with a good attitude shows a strong commitment to the vision and mission, as well as a willingness to serve the community wholeheartedly. Meanwhile, good organizational performance is reflected through the dimension of civic virtue, which illustrates that all graduates who work as ASN have a high commitment to the organization as a whole. Thus, the higher the influence of personnel competence on organizational performance, the better the organizational performance.

Competence is a person's basic character that allows them to produce superior performance in their work. A competent employee is one who has the ability to complete tasks easily, quickly, easily understands, and almost never makes mistakes. Based on this opinion, competence can be defined as a collection of knowledge and skills and the application of such knowledge and skills in work, companies, or across industries in order to meet the required performance standards.

Competencies are needed by organizations to support the successful implementation of work, and some organizations set the required competency standards for their employees. All organizations and companies will strive to improve the performance of their employees so that they can achieve their own organizational goals by improving employee competencies. The knowledge, skills, and behaviors that employees must have, live by, master, and actualize when they work professionally are known as competencies (Wijayanto & Riani, 2021). Organizations that pay attention to the competence of their employees will indirectly invest in the company with high competence through the provision of training related to their field of work, which will further improve the performance of the employee. Where the better the performance of employees, the greater

the opportunity for the organization to achieve the goals that have been set and the improvement of performance will be achieved.

CONCLUSION

Personnel competence significantly enhances organizational performance among state civil servants (ASNs) at the Ministry of Transportation, with higher competencies achieved through regular development leading to improved employee performance and positive organizational outcomes. The study focuses on graduates of Indonesian Aviation Vocational Higher Education working as ASNs and recommends future research to explore additional exogenous variables, such as leadership style, job satisfaction, organizational culture, and flexibility, to gain a more comprehensive understanding of their impact on organizational performance. Additionally, employing quantitative methods with varied research subjects across different ministries or regions, and utilizing mixed-methods approaches could provide richer insights into the interplay between personnel competence and these variables. Longitudinal studies are also suggested to evaluate the long-term effects of personnel development programs on organizational performance.

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