

The Influence of Competence, Education and Training on Employees' Performance of the State Assets and Auction Service Office, Medan, North Sumatra, Indonesia

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Abstract

Bureaucratic reform and institutional transformation of the Ministry of Finance continues to date which necessitates a fundamental change in civil service performance paradigm. One of them is towards professionalism in order to realize a reliable and trusted organization in society. In order to achieve the result, it is necessary to have the ability and expertise or competence in managing each job. The present study aims to analyze how the influence of competence, education and training either partially and simultaneously on employee performance. The type of research undertaken was a correlational study at the state Assets and auction services office, Medan. The primary data source used questionnaire instrument with respondent as much as 85 people. Data analysis using multiple linear regression analysis aimed to prove the influence of independent variables (X) on the dependent variable (Y). The result of this research shows that competence and education and training either partially or simultaneously have a positive and significant effect on employee performance. Thus through the leadership of the organization, it is recommended that employees actively and continuously improve the competence of each employee. Then provide an equal and comprehensive opportunity for every employee to follow education and training in order to create or acquire new types of competence. The goal is that the work of each organization line allows for easy, fast and quality work.

Keywords: Competence, Education, Training, Employees' Performance.

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INTRODUCTION

Presidential Instruction No. 5 of 2004 on Third Dictum unbiased determination of performance indicators and targets across ministries with the aim of obtaining the achievement of such performance results "output" and benefits "outcomes". Bureaucratic reform is also aimed at realizing professional financial governance, trustworthiness, the right direction, and building public trust through improving services.

Decree of the Minister of Finance No.467 / KMK.01 / 2014 dated October 1, 2014, on performance management within the Ministry of Finance. Aims to serve as a guideline in organizing organizational and employee performance planning and appraisal in order to drive the maximum contribution of employees and organizations, becoming a strategic control tool for management in stages ranging from head office level to operational office and standard performance assessment method for employees and organizations. human resource management tools to develop employee competencies and careers.

Such human resources are expected to be a resource of a more powerful and successful state apparatus in carrying out the general task of government and national development in order to establish a reliable and trusted organization in society. To achieve that result is one that requires the ability and expertise to carry out any work or task and responsibility as set forth in the performance contract.

Personnel management and human resources are more important for organizations in managing, managing and utilizing employees so that they can function productively to achieve organizational goals [1]. It is no exception to the Directorate General of State Assets (DJKN) as one organization and one of the echelon units of the Ministry of Finance of the Republic of Indonesia. DJKN has vertical and operational work units throughout Indonesia that are regional offices and service offices. The State Assets and Auction Services Office (KPKNL) Medan as one of the DJKN operational work units has the task and responsibility of implementing government programs provided by the Minister of Finance cq. Director General of State Assets

through the implementation of Organization Performance Values.

DJKN Regional Offices and Service Offices carry out the tasks and functions of organizations in the region. To achieve the goal, the organization applies the Balanced Score Card method as a performance management system. The BSC system activity description is formulated into Key Performance Indicators that are evaluated monthly, quarterly, semester and annual. The Directorate General of State Assets (DJKN) from year to year has always experienced increased performance targets. In order to implement and achieve the role, capabilities and responsibilities of personnel matters. The target nationally determined based on the results of the finance minister and the director general of the state Assets and reduced proportionally to subordinates in the regions across Indonesia.

Related to the level of formal education, KPKNL Medan employees have a diverse background ranging from high school or equivalent to postgraduate (S2) with different disciplines. The background of formal education does not automatically determine that the employee has a position and competence, such as an accounting economic background employee but he has no technical competence as treasurer. A law scholar never participates in education and training arbitrarily then he does not automatically have a technical department as a matter handler. Similarly, competence as auctioneer, state receivable examiner, government appraisal and so on. Aside from the rules of the applicable regulations as well as the type of work is uncommon or the job is more specialized.

This is likely because the organization requires that every employee should be able to work on all of the principal tasks and functions of the office. Then there is a provision of employee mutation pattern in the internal office environment or national mutation that causes each employee to be ready with different conditions. Therefore, the position of competence can only be obtained by following education and training.

The many types of work affect the quality of employee performance. However, this condition has begun to improve with the addition of quotas for recruitment. Acceptance of employees at KPKNL Medan consists of general acceptance of senior high school level (recent years no longer available), employment receipts with senior high school graduates or equivalent to STAN or State Finance Polytechnic, and graduate level degrees (S1 and S2).

The initial competence is derived from formal education such as college, but the technical competency in question is obtained through education and training organized by the Ministry of Education and Training Agency systematically and continuously. Officers are

educated and trained to produce professional human resources. The application of this competency is functioned according to the tasks of each section and based on the performance contract or the main task of the department. The result of education and training is in the form of graduation certification, is a key requirement for fulfilling a technical department. The results of the implementation of education and training are one of the factors that determine the poor performance of employees and organizations.

The sub-section achievement is the achievement of all employee performance in each sub-section within a certain period. In other words, KPKNL Organization Performance Values, Medan is the performance achievement of all employees. Thus the high or low performance of employees will have a direct effect on the performance of the organization. This achievement can be realized or realized because of the competence of each employee, but by default, the number of competencies has not been maximized so that the outcome is not optimal.

Percentage of achievement percentage each year above is the percentage of combined result yields from some perspective one of which is learning and growth perfective or the learning and growth perspective.

Establishing general and specific organizational targets that are poured into these four perspectives are increasing annually. This is a burden and a challenge for both the organization and every employee. With the higher target and the number of technical positions that exist requires every employee to have a lot of competence with the goal if placed in different sub-section position that the employee can do his job with quality. Thus the need for what strategies should be taken to realize the optimal realization.

Concerning the above issues, some research questions that highlighted are

RQ1: Does the competence have a positive and significant effect on the employees' performance of the State assets and auction services office, Medan?

RQ2: Do the education and training have a positive and significant effect on the employees' performance of State assets and auction services office, Medan?

RQ3: Do the competence and education and training simultaneously have a positive and significant effect on the employees' performance of State assets and auction services office, Medan?

RQ4: How does employees' performance improvement strategy based on competence and education and training at State assets and auction services office, Medan?

LITERATURE REVIEW

Competence

Competence is an ability to carry out or perform a job or task based on the skills and knowledge and is supported by the work attitude required by the work [2]. According to the Great Indonesian Dictionary [3], competence is skilful, knowing, authorized, and powerfully deciding or determining something. The definition of competence according to the Ministry of Education and Culture [4] is characteristic that is owned by the individual and used appropriately in a consistent manner to achieve the desired performance.

According to Law No. 20/2003 on the National Education System elucidation of article 35 (1): "The graduation competence is the qualification of graduates' ability which includes attitudes, knowledge, and skills in accordance with agreed national standards". Law No. 13/2003 on Manpower: article 1 (10): "Competence is the ability of every individual's work that includes the aspects of knowledge, skills and works attitude that conforms to the established standards." Competence is the ability and expertise. "Competence according to Wardiman [5] is as a basic characteristic of an individual who has a causal relationship with the standard of assessment evaluated at a superior performance or on a job. The characteristics are motives, trait, self-concept, knowledge, and skills.

Education & Training

In article 3 of Law No. 43 of 1999, it is stated that civil servants are domiciled as state employees whose job is to provide services to the public in a professional, honest, fair and equitable manner, in the implementation of State, government and development tasks. And in article 31 it is stated that to achieve maximum usability and results, regulation and implementation of education and training for civil servants is held which aims to improve the quality of skills and capabilities.

Efforts to improve employee performance are through employee development, namely by conducting education and training [6] education and training programs for their positions such that employees are skilled in carrying out their work [7]. To improve the quality or performance of employees through education and training must be well prepared to achieve satisfactory results. Quality or performance improvement must be directed to enhance the skills of employees in carrying out their duties [8]. Education and training are interpreted as the acquisition of knowledge, skills, and attitudes that enable humans to achieve individual and organizational goals now and in the future [9].

Education and training is an effort to develop apparatus resources especially for increasing professionalism related to administrative skills and management skills. The human resource development

process at the Ministry of Finance is organized by the Financial Education and Training Agency. This organization has the task of organizing education, training and competency certification in the field of state finance in accordance with statutory provisions (Presidential Regulation Number 28 of 2015 concerning the Ministry of Finance Article 48).

Performance

Performance is the result of work in quality and quantity achieved by an employee in carrying out his duties in accordance with the responsibilities given to him [7]. Armstrong and Baron [9] performance is the result of work that has a strong relationship with the objectives of organizational strategy, customer satisfaction and economic contribution. Abdullah [10] that performance is a translation of performance which means work results or work performance.

According to Ambar [6], A person's performance is a combination of ability, effort, and opportunity that can be assessed from the results of his work. John Whitmore in Coaching for Performance [11] explained that performance is a condition that must be known and confirmed to certain parties to find out the level of achievement of an institution associated with the vision carried out by an organization or company and knowing the positive and negative impacts of operational policy.

Performance is the result of carrying out the tasks and functions of the organization and employees for a certain period. The value of Organizational Performance is the overall value of achievement of an organization's Main Performance Indicators by calculating the weight of the Main Performance Indicator and perspective weight. The Main Performance Indicator is a measure of the success of achievement or performance. (Minister of Finance Decree No.467 / KMK.01 / 2014 dated October 1, 2014, concerning the management of performance in the Ministry of Finance).

Hypotheses Development

The hypotheses development of this study is as follows:
H1: Competence has a positive and significant influence on employee performance.

H2: Education and training have a positive and significant influence on employee performance.

H3: Competence and education and training simultaneously have a positive and significant influence on employee performance.

RESEARCH METHODS

The type of research is correlational research, Data is collected through questionnaire distribution, then t-test and F-test to determine whether there is a relationship between competence and education and training to employee performance. The research was conducted at the State Assets and Auction Service

Office, Medan, DJKN located at Jalan P. Diponegoro No. 30-A, Medan City, North Sumatra. The research method used is a survey method with associative research design. The study takes the population of all civil servants in KPKNL and the Regional Office and civil servants within the Ministry of Finance in Medan. With a total of 35 people plus a population of a regional office of 50 people whose principal task, function and location of the same office. Research using simple

random sampling technique or often called unrestricted probably sampling, Data collecting in this research with questionnaire and literature study.

RESULTS & DISCUSSION

Results

Test of Normality

Statistical Analysis

Table-1: Kolmogorov-Smirnov (K-S) Tests
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		85
Normal Parameters ^{a,b}	Mean	,0000000
	Std. Deviation	3,48322603
Most Extreme Differences	Absolute	,065
	Positive	,065
	Negative	-,037
Kolmogorov-Smirnov Z		,598
Asymp. Sig. (2-tailed)		,867
a. Test distribution is Normal.		
b. Calculated from data.		

From Table 1 it can be seen that the significance value is 0.867 where the value of the

significance > from 0.05 then the residual value is normally distributed.

Multicolinierity Tests

Table-2: Multicolinierity Test Results

No	Variable	Value	
		Tolerance	VIF
1	Competence	0,606	1,649
2	Education and training	0,606	1,649

Based on Table 2. it can be seen that the value of each VIF for the independent variable above is less than 10 (VIF <10) and the tolerance value of each variable above is higher than 0.05 (tolerance > 0,05) it can be stated that no multicollinearity symptoms occur.

RESULTS OF THE ANALYSIS MODEL

This analysis is assisted with SPSS 21 software, while the multiple linear regression formula used is as follows: $Y = \alpha + \beta_1X_1 + \beta_2X_2 + \epsilon$

Table-3: Multiple Linear Regression Testing Results

Coefficients						
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
1	(Constant)	10,452	4,820		2,168	,033
	Competence	,545	,130	,441	4,183	,000
	Education and training	,405	,144	,297	2,822	,006

a. Dependent Variable: Performance

Based on the result of data processing in Table 3. the unstandardized coefficients of part B are seen as multiple linear regression equations, as follows: $Y = 10.452 + 0.545X_1 + 0.405X_2 + \epsilon$

Coefficient of Determination (R²)

The results of the determination coefficient test can be seen in Table 4 as follows:

Table-4: The Result of Coefficient of Determination (R²)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. An error of the Estimate
1	,669 ^a	,448	,434	3,525
a. Predictors: (Constant), Education and training, Competence				

Table 4 shows that the value of the coefficient of determination (R Square) is 0.448. It shows that the Competency variable (X1) and Education and Training (X2) are able to affect the Performance variable (Y) by 44.8% the remaining 55.2% is explained by variables that are excluded in the research.

Hypothesis testing partially (t-test)

Decision-making in the partial test is as follows

1. If t-count value > from t-table or significance value <from 0.05 there is a significant effect of variable X on variable Y
2. If t-count value <from t-table or significance value> from 0.05 then there is no effect of variable X to variable Y

Table-5: Partially testing results (t-test)

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	10,452	4,820		2,168	,033
	Competence	,545	,130	,441	4,183	,000
	Education and training	,405	,144	,297	2,822	,006
a. Dependent Variable: Performance						

Based on Table 5. the result of hypothesis testing can be seen as follows:

Testing the first hypothesis (H1)

It is known that the significance value of the Competency variable (X1) is 0.000 <from 0.05 and the t-value of 4.183> from t-table is 1.990, it can be concluded that H1 is accepted which means there is a significant effect of Competence variable (X1).

Testing of the second hypothesis (H2)

It is known that the significant value of Education and Training Variables (X2) is 0.006 <from 0.05 and the t-value of 2.822> from t-table is 1.990, it

can be concluded that H2 is accepted which means there is significant effect of education and training variable (X2) performance (Y)

Hypothesis testing simultaneously (F-test)

- Decision-making in the partial test (t-test) is as follows
1. Accepted if the significance value <from 0.05, or F-count> from F-table then there is the influence of independent variables (X1 and X2) simultaneously to the dependent variable (Y)
 2. Rejected if the significance value > from 0.05, or F-count <F-table then there is a significant influence of independent variables (X1 and X2) on the dependent variable (Y)

Table-6: Simultaneous testing results (F-test)

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	825,734	2	412,867	33,219	,000 ^b
	Residual	1019,161	82	12,429		
	Total	1844,894	84			
a. Dependent Variable: Performance						
b. Predictors: (Constant), Education and training, Competence						

Based on Table 6. it is found that the significance value of 0.000 <from 0.05 and the F-count of 33.219> from F-table is 3.11 for 95% confidence level, it can be concluded that there is a simultaneous significant influence between the independent variables (X1 and X2) to the performance variable (Y).

DISCUSSION

The influence of competence on performance

Based on the results of the research, the authors have proven that the influence of competency variables on the employees' performance at the state

assets and auction services office. The findings can be seen from the results of the partial test where the t-value of 4.183 > from t-table is 1.990 and the significance value 0.000 <from 0.05 thus concludes that the competency variable is one of the factors that affect the employees' performance at the state assets and auction services office, Medan.

The influence of education and training on performance

Based on the results of the research, the authors have proven that there is an influence of education and training variables on employee performance at the state assets and auction services office. The findings can be seen from the results of the partial test where the t-count value is $2.822 >$ from the t-table of 1.990 and the significance value of 0.006 $<$ from 0.05 thus, it is concluded that the competency variable is one of the factors that affect the performance of service staff country wealth and auction a field. Education and training are one of the most dominant ways to create and improve the technical competence of employees working in the finance ministry.

The influence of competence, education and training on performance

The simultaneous test results between the competency and education and training variables (Y) significantly affect the employees' performance at the state assets and auction service office. The findings can be seen in the f-test results where the F-count value of $33.219 >$ from F-table is 3.11, obtained that the significance value 0.000 $<$ from 0.05 and the value of the determination coefficient (R²) is 0.448. It means simultaneous independent variables can affect the dependent variable of 44.8% the remaining 55.2% is explained by independent variables that are not investigated in this study.

CONCLUSIONS & SUGGESTIONS

Conclusion

Based on the results of the research and discussion, some of the conclusions that can be taken are as follows:

- Competence has a positive and significant influence on employees' performance at the state assets and auction services office, Medan.
- Education and training have a positive and significant influence on employees' performance at the state assets and auction services office, Medan.
- Simultaneously, competence and education and training have a positive and significant influence on employees' performance at the state assets and auction services office, Medan.

Suggestions

Based on the results of the research, some suggestions can be presented as follows:

To create and improve competence, every employee must be given the same opportunity and equally to actively and continuously implement or follow education and training. Leaders of the organization should apply employee placement policies based on their ability or type of competence that suits their job (the right man on the right job). Maximizing the number of technical competencies for employees, by rotating every employee in all sub-sections, so that each employee has competence in accordance with the new position in accordance with the rules or regulations.

Evaluate the needs of competency positions every year as the performance targets will be achieved and raise the demand for additional employees to Head Office if the number of employees is still inadequate or less standardized.

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