Does foundation Workers Also Need Good Performance?

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Abstract: *Human resources in any organization need attention to force the good performance of the organization and also the workers. The social foundation wished to provide the best employee performance regards the special needs of kind residents of the social foundation. Human resources have a very important position considering the organization's performance is very much influenced by the quality of its human resources. Many things need to be considered to improve employee performance, including the state of the work environment in a company where they work. Competence is the main variable that must be owned by an employee in carrying out his work. And this research was conducted with the aim to determine the effect of Competence and Work Environment on Employee Performance at the EFG Foundation. The objects in this study were 70 respondents who worked at social foundations using a quantitative descriptive approach. The relationship between competence and employee performance was found to be positive significant, but the relationship between physical environment and employee performance was found not significant.*

Keywords: *Employee performance, environment, competence, social foundation, human resources.*

I. Introduction

The quality of human resources is very influential on organizational performance and organizational / company success. Intellectual capital in a company can improve the company's financial performance; increasing profitability can be done through investment in the field of human resources (Kurniasih and Heliantono, 2016). In this company the activities of the employees are expected to be able to play a role in realizing a target and be able to overcome all the problems that exist within the company. The presence of employees in the workplace in a timely and never late manner is an important thing that really determines employee performance (Riyanto and Lukertina, 2019). Good performance is needed to anticipate opportunities and challenges in the business environment in achieving company goals (Ratnasari, 2016). The activities of the employees are expected be able to play a role in achieving a target and be able to overcome all the problems that exist in the company. Employees are social people who get rich for every company. They become planners, implementers, and controllers who always succeed actively in realizing company goals. Many research consider employee performance as the dependent variable (Butts et al., 2009; Chuang and Liao, 2010; Lukertina, 2018; Beltrán-Martín and Bou-Llusar, 2018)

According to Robbins (2015), employee performance is a function of interact ability and motivation. Herminingsih (2014) state that Denison Circumplex Model is an organizational culture, has an influence on performance; has four characteristics, namely involvement, consistency, adaptability, and mission EFG is a special needs orphanage specified for the abandoned ones. In serving children with disabilities, the social foundation wishes to provide standardized and quality services. To achieve these goals, the foundation needs the support of human resources with good performance, responsible, love their work, and competent. Several things need to be considered to improve employee performance. The first is competence. Competency is the main variable that must be owned by an employee in carrying out his work. Competency can help employees in completing work under the predetermined targets (Untari and Wahyuati, 2014). Robbins and Coulter (2016) define that the work environment are factors and forces that are inside and outside the organization but affect performance. Besides, the work environment that consists of physical and non-physical work environments also determines the continuity of the work of employees at work and raises the interaction between individuals with the work environment.

Based on Table 1, shows employee performance has increase, from the results of the number of low performance appraisals in 2016 that amounted to 38.20%, while in 2017 it decreased to 47.90 %. Employee performance has decreased, from the results of the number of moderate performance appraisals in 2016 that amounted to 26.50%, while in 2017 it decreased to 21.10 %. Employee performance has decreased, from the

results of the number of quite good performance appraisals in 2016 that amounted to 19.10%, while in 2017 it decreased to 18.30 %. Employee performance has decreased, from the results of the number of good performance appraisals in 2016 that amounted to 14.70%, while in 2017 it decreased to 11.30 %. Employee performance has decreased, from the results of the number of excellent performance appraisals in 2016 that amounted to 1.50%, while in 2017 it decreased to 1.40 %.

Table 1. Employee assessment data

Scores	Predicate	Number of employees			
		2016	Percentage	2017	Percentage
91-100	Excellent	2	1.50%	1	1.40%
81-90	Good	10	14.70%	8	11.30%
71-80	Quite good	13	19.10%	13	18.30%
61-70	Moderate	18	26.50%	15	21.10%
≤ 60	Low	26	38.20%	34	47.90%
Total		68	100%	71	100%

Sources:EFG foundation

II.   Literature Review

According to Sedarmayanti (2011), performance is the work of workers, a management process in an organization as a whole, which must be proven concretely and can be measured (compared to predetermined standards). Her defined the physical work environment as a whole of tools, materials, environment, work methods, and individual or group work arrangements. The results of research from Prastyo et al (2016) showed that the work environment had a significant effect on performance. Besides, research journals from Meirina (2013) and Fadillah et al (2017) also showed that work environment variables partially did not significantly influence employee performance. Some studies show that the work environment has effects on employee performance (Singh et al., 2010; Novitasari et al., 2012; Harlina et al., 2013; Thatcher and Milner, 2014). But, meanwhile Pawirosumarto et al. (2017) result study show that work environment does not affect employee performance. Based on the statement above, the hypothesis (H_1) is: the work environment has a positive and significant effect on employee performance.

According to Hasibuan (2012), competency is the knowledge, skills, and attitude required by employees in carrying out their duties and it is associated with increasing individual or team performance. The results of research from Untari (2014), Fadillah et al (2017), and Wijayanto and Dotulong (2017) showed that competency has a significant effect on employee performance. Based on the statement above, the hypothesis (H_2) of the research is: competency has a positive and significant effect on employee performance. The conceptual framework scheme from the description above is illustrated in Figure 1 below.
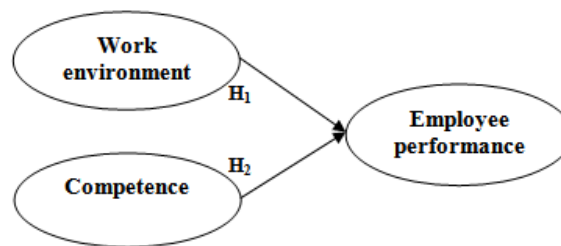

Figure 1. Research Framework

III.   Method

In this study, the researcher used quantitative research methods and causal research designs. Causal research is a causal relationship where the independent variables affect the dependent variable (Sugiyono, 2014). Causal research aims to test the hypothesis about the effect of independent variables (Work environment and Competence) on the dependent variable (Employee performance) on the EFG Foundation. The populations in this study were 70 employees who worked at the EFG Foundation. Sampling was carried out using a non-probability sampling method with data saturation (census). All measurement of rated on 5-point Likert type scale ranging from 1 (strongly disagree) to 5 (strongly agree). All of the variable items have validity score up to 0.6. Data collection is done with the technique of direct submitting from respondents and guiding respondents to fill out questionnaires. Score in determining the respondent's answer, using a Likert scale. After that, validity and reliability tests were carried out. The next step is to process the data to answer the problem statement. Analysis model used is structural equation model (SEM) with the basis of theories and concepts, with Partial Least Square (PLS) package program.

Employee performance dimensions and indicators according to Sedarmayanti (2011); Work quality (Employee quality, Working result); Speed(Time affectivity, The amount of work that can be completed); Initiative(Creativity, Time utilization); Ability(Work standardization, Practical and orderly); Communication (Communication with leaders, Communication with coworkers). Work environment dimensions and indicators according to Sedarmayanti (2011); Physical work environment (Temperature, Noise, Facilities, Space); Non-physical work environment(Safety, Relationship between employee and boss). Competency dimensions and indicators according to Hasibuan (2012); Knowledge (Level of education, Educational background, Work experience, Possession of information); Skills (Leadership, Communicative, Problem solving, Mastering technology); Attitudes(Honest, Independent, Confident, Willing to study continuously).

IV.   Result and Discussion

Convergent validity

Convergent Validity Testing is carried out on each construct indicator. According to Chin in Ghozali (2014), an indicator is said to be valid if it has a loading factor value greater than 0.70, while 0.50 to 0.60 can be considered quite valid. Based on this criterion, values below 0.50 will be eliminated from the model.
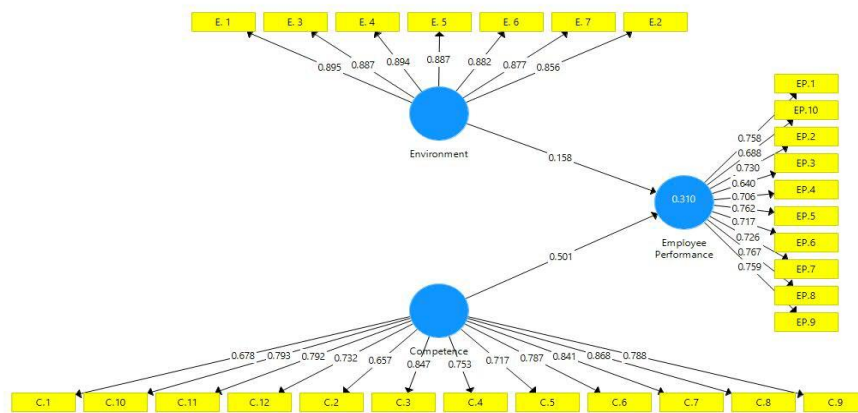

Figure 2. PLS algorithm

Another method to look at discriminant validity is to look at the square root of average variance extracted (AVE) value of each construct and the correlation between constructs and other constructs in the model, so it is said to have a good discriminant validity value. Tables 2 show that the square root of the average variance extracted ($\sqrt{AVE}$) for each construct is greater than the correlation between constructs in the model. The AVE value shows that the construct in the estimated model meets the discriminant validity criteria. Composite reliability testing aims to test the reliability of the instrument in a research model. If the composite reliability and Cronbach's alpha values of all latent variable values are ≥ 0.70, the construct has good reliability. It means that the questionnaires used in this study are reliable or consistent (Table 2).

.**Table 2.** Factor loading and Reliability

	Loading$^{\alpha}$	CR	AVE	Cronbach α
C.1	0,678			
C.2	0,657			
C.3	0,847			
C.4	0,753			
C.5	0,717			
C.6	0,787	0,947	0,599	0,938
C.7	0,841			
C.8	0,868			
C.9	0,788			
C.10	0,793			
C.11	0,792			
C.12	0,732			
E.1	0,895			
E.2	0,887			
E.3	0,894			
E.4	0,887	0,961	0,779	0,953
E.5	0,882			
E.6	0,877			
E.7	0,856			

EP.1	0,758			
EP.2	0,730			
EP.3	0,640			
EP.4	0,706			
EP.5	0,762	0,918	0,528	0,901
EP.6	0,717			
EP.7	0,726			
EP.8	0,767			
EP.9	0,759			
EP.10	0,688			

Discriminant Validity

Discriminant validity, reflective indicators can be seen in cross-loading between indicators and their constructs. An indicator can be declared valid if it has the highest loading factor in the intended construct compared to loading factors to other constructs. Thus, latent constructs predict indicators on their blocks better than indicators in other blocks. Discriminant validity can be examined by comparing the square correlations between the constructs and the variance extracted for construct (Fornell and Larcker, 1981). As shown in Table 3.

Table 3. Discriminant Validity (Fornell-Larcker Criterion)

	Competence	Employee Performance	Environment
Competence	0.774		
Employee Performance	0.535	0.726	
Environment	0,214	0,265	0.883

Structural Model

Based on Table 4, it can be concluded that Adjusted R-square value is 0.289, which means that the variability of employee performance can be explained by competence and environment variables is 28.9%, while the remaining 71.1% is explained by other variables not examined in this model. The estimated value for track relationships in the structural model must be significant. Significance values can be obtained through bootstrapping procedures. Hypothesis significance can be known from the value of the parameter coefficient and

T-statistical significance value on the algorithm bootstrapping report. Significance can be seen from the T-table at alpha 0.05 (5%) = 1.96 and T-table compared to T-count (T-statistic).

Table 4. R-Square Adjusted

Endogen Variable	R-Square Adjusted
Employee Performance	0,289

Table 5. Summary of the structural model

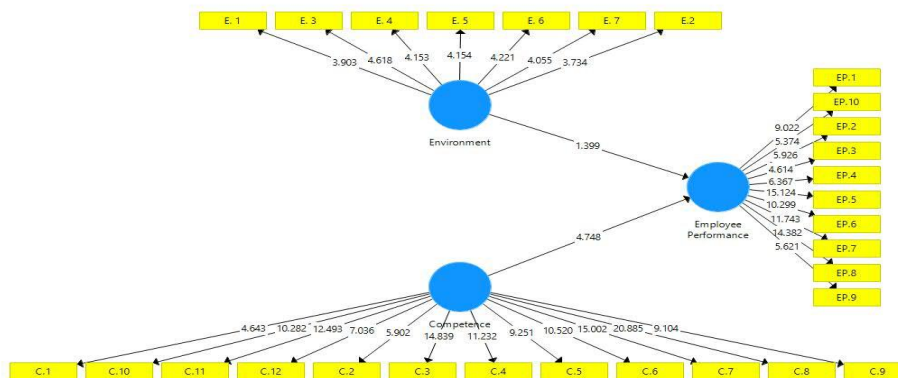|	Original Sample	T-Statistics	Result
Competence --> Employee Performance	0,501	4.748	Support
Environment --> Employee Performance	0,158	1.399	Not Support

Figure 3. The Structural Model

V.   Conclusion

The research has explored the relationship between physical environment and competence to employee performance. The relationship between competence and employee performance was found to be positive significant, it is in line with research (Untari, 2014; Fadillah et al.,2017; Wijayanto and Dotulong, 2017) showed

that competence has a significant effect on employee performance. But the other, the relationship between physical environment and employee performance was found not significant, it is line with research Meirina (2013) and Fadillah et al (2017) which showed that work environment variables partially did not significantly influence employee performance and also Pawirosumarto et al. (2017) which show that work environment does not affect employee performance.

The environment are factors and forces that are inside and outside the organization but affect EFG Foundation performance. Besides, the work environment that consists of physical and non-physical work environments also determines the continuity of the work of employees at work and raises the interaction between individuals with the work environment. The physical environment around the EFG Foundation cannot affect employee performance, but can make them uncomfortable so there will be a lot of employee turnover. The result disclosed needed to investigate potentially turnover and work engagement in EFG Foundation.

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