

The Influence of Hard Competency and Employee Productivity on Company Performance through Social Capital at PT. Celebes Indonesia Marble

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Abstract

Economic growth in South Sulawesi is supported by several resource sectors, namely natural or human resources. Human resources can be seen in the growth of the education sector. In contrast, natural resources are seen in the development of industry in the processing of natural products and natural products as energy creativity. As is the case in Pangkajene Regency, one of the potential natural resources is the mining sector, including the cement industry and the marble industry, namely the use and processing of natural stone into valuable materials economic value. This study aims to determine and analyze complex competency and social capital on company performance through employee productivity at PT. Celebes Indonesia Marble. This research was conducted at PT Celebes Indonesia Marble, with the factory location in Barabatu Village, Labakkang District, Pangkajene Regency, and mining areas in Bantimurung Village Tondong Tallasa District, Pangkajene Regency. The data analysis technique in this research uses path analysis. The researcher wants to test the truth whether there is “the effect of complex competency and social capital on company performance through employee productivity at PT. Celebes Indonesia Marble. This study indicates complex competency and social capital on company performance through employee productivity at PT. Celebes Indonesia Marble.

Keywords: Complex Competency, Social Capital, Company Performance, Employee Productivity

1. Introduction

Industrial growth in a region is inseparable from good economic stability and aspects supported by directed human resource management and proper natural resources management. This can be seen in the industrial world—both those managed by the government. And those operated by the private sector.

The presence of PT. Celebes Indonesia Marble in Pangkajene Regency and the Islands in the work area in Bantimurung Village and Bara Batu Village is a challenge for companies in terms of community empowerment in the

world of work because according to to the mandate of Law Number 6 of 2014 concerning Villages. General provisions Article 1 paragraph 12 empowers the community, especially to apply science and technology, develop appropriate technology, and discoveries in economic and agricultural progress in rural areas. Why is it said to be a challenge because the village community around the factory area hopes to work for the company?

PT. Celebes Indonesia Marble is one of the marble industry companies in South Sulawesi and has become an international company because it is supported by modern and up-to-date industrial equipment. In achieving this, it takes determination and integrity to produce quality marble that is reliable and highly competitive, of course. Teamwork is needed in every element of society and elements in the company that is obliged to maintain a commitment to improving the quality of work, which impacts the quality of the company industry and the welfare of the community. The problem in this study is as follows: How is complex competency and social capital on company performance through employee productivity at PT. Celebes Indonesia Marble.

2. Literature Review

2.1. Human Resources

The focus of research is on the field of management science, namely human resource management. Human resource management is studying how to manage and empower employees in an organization or organization, develop employee skills, analyze methods for improving employee performance, and provide incentives to achieve goals.

2.2. Hard competency

Competence refers to the ability to do or carry out a job or task based on skills and knowledge and is supported by the work attitude required by the job (Wibowo, 2013). Competence and ability are translated as competence, skills, and empowerment in Indonesian, which refers to the country, quality, competence, and suitability (Palan, 2008). The definition of workplace competency refers to an understanding of a person's suitability for work. But in the piece, competence has different meanings according to the organization's frame of reference.

2.3. Social capital

Social capital and its relationship to economy and development is a multidisciplinary concept. Various studies in sociology, culture, and economics pay special attention to the idea of social capital. Fukuyama (2001: 1) defines social capital as an instantiated informal norm that promotes co-operation between two or more individuals. By this definition, trust, networks, civil society, and the like, which have been associated with social capital, are all epiphenomenal, arising because of social capital but not constituting social capital itself (Lionardo et al., 2020; Sa'adah et al., 2019). The role of social capital in organizations and community groups in carrying out their activities is vital. However, Fukuyama also meant that not all norms, values, and cultures could complement each other in economic development. Like additional capital, social capital also has a negative impact. According to Fukuyama (2001), social capital is formed by mutual trust between individuals or groups, usually not included in a short time, but requires a complex social process.

2.4. Employee productivity

Productivity of workers is required to obtain work results quickly, correctly, and acceptably. Of course, in an organization or industry, workers who can do all these things are needed. Workers who can do this must be compensated or act as workers in a different mode of representation. Assessments are carried out by organizations that are committed to continuing to manage profitability. Industries or organizations engaged in commodity or administrative management require work productivity and components that affect work efficiency. In examining human resource management, worker productivity is a variable that requires or is influenced by many factors determined by many factors (Sedarmayanti, 2001).

2.5. Company performance

Several indicators are required for the company's performance. The company performance indicators mentioned by Pasolong in LAN-RI (2013) are quantitative or qualitative indicators that describe the level of achievement of targets set by the organization by considering the following hands:

1. Input is all that is required for activity execution to operate to produce output. These indicators include, for example, applicable laws or government regulations, information, human resources, finance, and policies.
2. Output or output is something that results from an activity, both physical and non-physical activity.
3. The result is all about reflecting the output function or things that directly impact a medium-term activity.

4. Benefits (benefits) associated with implementing activities.

2.6. Research Framework and Hypothesis

A conceptual framework is a provision or a system that is considered the same from a relationship of objectives and principles, which can be used as a standard promotional tool and is consistent with the explanation of functions, financial accounting boundaries, financial reporting. A frame of mind is a logical arrangement of constructs arranged to describe all the variables being analyzed. This framework is elaborated to describe the construction of a logical flow and to analyze empirical reality systematically. The frame of mind is intended to reinforce all the variables examined to explain the measurement elements in detail and concretely. This research is structured by connecting each variable as an initial design for starting a study, organized into a research concept and framework.

Research hypotheses or research hypotheses or commonly referred to as research hypotheses are quick answers to research questions. The hypothesis comes from two words, “less than” and “point of view.” Therefore, whether the hypothesis is a point of view or a conclusion, its validity must be tested (Djarwanto, 1994: 13).

Based on the formulation of the problem and literature review, the researcher compiled the research hypothesis as follows:

1. Hard Competency has a positive and significant effect on company performance at PT. Celebes Indonesia Marble.
2. Hard Competency has a positive and significant effect on employee productivity at PT. Celebes Indonesia Marble.
3. Social capital has a positive and significant impact on company performance at PT. Celebes Indonesia Marble.
4. Social capital has a positive and significant effect on employee productivity at PT. Celebes Indonesia Marble.
5. Employee productivity has a positive and significant effect on company performance at PT. Celebes Indonesia Marble.
6. Complex competency has a positive and significant effect on company performance through employee productivity at PT. Celebes Indonesia Marble.
7. Social capital has a positive and significant effect on company performance through employee productivity at PT. Celebes Indonesia Marble.

3. Methods

3.1. Research location and place

This research was conducted at PT. Celebes Indonesia Marble, located at Street Andi Pangeran Pettarani No.55 Makassar City 90222, with the factory location in Barabatu Village, Labakkang District, Pangkep Regency, and the mining location in Bantimurung Village, Tondong Tallasa District, Pangkep Regency.

3.2. Population

The population is all variables related to research problems (Nursalam. 2003), while according to Sugiyono's definition, what is meant by people is a generalized field, including the researcher identifies objects/topics with specific qualities and characteristics and conducts research, and then draws conclusions (Sugiyono, 2012). This study's population was all PT Celebes Indonesia Marble employees, with a population of 85 (Source: Data on employees of PT Celebes Indonesia Marble).

3.3. Sampling technique

The sample is a portion taken from the entire object under study and represents the whole population. According to Sugiyono, the model is part of the people or the number and characteristics of it. Suppose the study population is large or large, and it is not possible for the researcher to analyze all these populations due to limited time, energy and funds. In that case, the researcher will sample the people to be researched.

This study's sample was determined based on the research needs, where the entire population was used as the sample. This sample determination uses a saturated sample technique, according to Sugiyono (2014). The saturated sampling technique is a sampling technique when all population members are used as samples. This study's model was determined as many as 85 people or the same as the total population of 85 people.

3.4. Data collection technique

Data collection techniques are intended to obtain valid data. The variables in the hypothesis determine the data collection process. Data collection usually uses primary and secondary data sources. Primary data sources are data sources that provide data directly to data collectors. In contrast, secondary data sources are data sources that do not

directly provide data to data collectors through, for example, other people or through documents. Data collection techniques can be done through interviews, questionnaire surveys (questionnaires), and observations (Sugiyono, 2012; Mu'adi et al., 2020; Nawawi et al., 2020). This research is quantitative, so the data collection techniques are as follows:

1. Interview (Interview). If the researcher wants to do preliminary research to find a problem that must be researched, use the interview as a data collection technique. Interviews can be conducted in a structured or unstructured manner and can be conducted face-to-face or by telephone.
2. Questionnaires. The questionnaire is a data collection technique that answers respondents by providing a series of questions or written statements. If the researcher knows the variables to be measured and the variables that the respondent expects, then the questionnaire is an effective data collection technique.
3. Observation (observation). When using a statement, the most effective method is to complete the word using a blank observation format or comment. The structured layout contains items related to the event or behavior described.

3.5. Definition of the Concept and Operations of Research Variables

Complex competency (X1)

Hard Competence Marked as ability. Usually, this may be effective, but comparing capabilities to abilities is not accurate. Besides being able, well-equipped individuals must also have goals to achieve goals demonstrated by their abilities. As stated by Spencer and Spencer (1993), knowledge is formed by five attributes, namely: 1) information, 2) ability, 3) intention, things that need attention and need, 4) character (quality), intellectual quality, and 5.) The idea of self, the mentality of things. In this way, a capable individual must have all five of them. If some parts are missing, it means insufficient capacity.

Social capital (X2)

There are three components of social capital or social capital: trust, values or norms, and networks. Trust is a belief in the reliability of an individual or system, which relates to all events and results, where this belief reveals the integrity of relationships to others or the accuracy of abstract principles (technical knowledge) (Damsar, 2009; Nuraini et al., 2019; Umanailo, 2020, 2019).

Employee productivity (Y1)

Employee productivity is relied on to obtain work results quickly, precisely, and acceptably. In an organization or industry, there must be workers who can do all of these things. Workers who can do this should be compensated and become role models for different workers. Evaluations are carried out by organizations that are responsible for monitoring work efficiency. Industries or organizations engaged in commodities or administrative management need work efficiency.

Firm performance (Y2)

The performance of a company requires several indicators. The company performance indicators mentioned by Pasolong in LAN-RI (2013) are quantitative or qualitative indicators that describe the organization's level of achievement.

Analysis technique

The data analysis technique in this research uses path analysis. The researcher wants to test the truth whether there is "How the effect of hard competency and social capital on company performance through employee productivity at PT. Celebes Indonesia Marble.

4. Result

4.1 The Influence of Hard Competency on Company Performance

The estimation results of the path coefficient of the impact of complex competency on company performance show significant results, the path coefficient of 0.520 (positive) and a significance value (p-value) of 0.000 (less than 5%), so that complex competency on company performance has a positive and positive effect. Significantly, the higher the employee's complex competency, the higher the company's performance. Therefore, the hypothesis which states that complex competency will affect the company's performance is PT. Celebes Indonesia Marble. Acceptable.

The estimation results of the path coefficient of the impact of complex competency on employee productivity show a relevant or significant value, the path coefficient value of 0.570 (positive) and a significance value (p-value) of 0.000 (less than 5%), so that complex competency has a positive and significant effect. The higher the employee's complex competency, the higher the employee's employee productivity will be. So, the hypothesis states that complex competency affects employee productivity at PT. Celebes Indonesia Marble accepted.

Table 1. Reliability Test Results of Research Instruments

Variable	Cronbach's Alpha	Cut of Point	Status
Hard Competence (X_1)	0.701	0.60	Reliable
Employee (X_2)	0.660	0.60	Reliable
Social Capital (Y_1)	0.641	0.60	Reliable
Performance (Y_2)	0.682	0.60	Reliable

Source: Primary data, processed

The estimation results of the path coefficient of social capital's influence on company performance also show a relevant or significant value, a path coefficient value of 0.452 (positive). A significance value (p-value) of 0.000 (less than 5%), so that social capital also has a very significant favourable influence on company performance. The higher the social capital owned by employees, the higher its implementation so that the hypothesis states that social capital will affect the performance of the company PT. Celebes Indonesia Marble, also acceptable.

4.2 The Influence of Social Capital on Employee Productivity

The estimation results of the path coefficient of social capital's influence on employee productivity also show a relevant or significant value, a path coefficient value of 0.292 (positive). And a significance value (p-value) of 0.001 (less than 5%), so social capital also has a positive and significant effect.

Table 2. The Effect of Social Capital and Employee Activity on Company Performance

Model		Coefficients ^a				
		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.307	1.063		1.778	.062
	Social Capital (x1)	.214	.086	.153	2.233	.001
	Employee Activity (x2)	.257	.043	.430	5.725	.000

a. Dependent Variable: Company Performance (Y1)

Concerning employee productivity, the higher the social prosperity of employees, the higher the employee productivity. So, the hypothesis states that social capital affects employee productivity of PT. Celebes Indonesia Marble is also acceptable. The estimation results of the path coefficient of the influence of employee productivity on company performance show a relevant or significant value, a path coefficient value of 0.552 (positive). A significance value (p-value) of 0.000 (less than 5%), so that employee productivity has a significant effect on company performance has a positive and significant impact. The higher the employee productivity, the higher the company's performance. So that the hypothesis states employee productivity affects the company performance of PT. Celebes Indonesia Marble, acceptable.

5. Discussion

The estimation results of the path coefficient of social capital's influence on employee productivity also show a relevant or significant value. A path coefficient value of 0.292 (positive) and a significance value (p-value) of 0.001 (less than 5%), so social capital also has a positive and very significant effect. Concerning employee productivity, the higher the social prosperity of employees, the higher the employee productivity. So the hypothesis states that social

capital affects employee productivity of PT. Celebes Indonesia Marble is also acceptable. The estimation results of the path coefficient of the influence of employee productivity on company performance show a relevant or significant value, a path coefficient value of 0.552 (positive), and a significance value (p-value) of 0.000 (less than 5%), so that employee productivity has a positive and significant effect on performance. In a company, the higher the employee productivity, is the higher the company's performance. So the hypothesis states that employee productivity has an effect on company performance at PT. Celebes Indonesia Marble, acceptable.

The estimation results of the complex competency path coefficient, which indirectly affects company performance through employee productivity, show significant results, the path coefficient value is 0.376 (positive), and the significance value (p-value) is 0.000 (less than 5%). Productivity significantly mediates the impact of complex competency on company performance. The higher the hard competency, the higher employee productivity, and the company's performance will also increase. The hypothesis states that complex competency will affect company performance through employee productivity of PT. Celebes Indonesia Marble, acceptable. The estimation results of the path coefficient of the indirect effect of social capital on company performance through employee productivity also show a relevant or significant value, a path coefficient value of 0.197 (positive), and a significance value (p-value) of 0.002 (less than 5%). Thus, employee productivity also significantly mediates the impact of social capital on company performance. The higher the social capital owned by employees, the more employee productivity will increase, and company performance will also increase. So the hypothesis that social capital affects company performance through employee productivity at PT. Celebes Indonesia Marble, also acceptable.

6. Conclusions

Based on the research objectives and the discussion that the researcher has obtained, it is concluded that: The results of the estimated path coefficient of hard competency impact on company performance show a relevant or significant value, a path coefficient value of 0.520 (positive), and a significance value (p-value) of 0.000 (less of 5%), so that complex competency on company performance has a positive and significant effect, the higher the employee's complex competency, the higher the company's performance so that the hypothesis states that complex competency will affect the performance of the company PT. Celebes Indonesia Marble, acceptable. The estimation results of the path coefficient of the effect of complex competency on employee productivity show a relevant or significant value, the path coefficient value of 0.570 (positive) and a significance value (p-value) of 0.000 (less than 5%). So that complex competency has a positive and significant effect on employee productivity. The higher the employee's complex competency, the higher its employee productivity. So, the hypothesis states that complex competency affects employee productivity at PT. Celebes Indonesia Marble accepted. The estimation results of the path coefficient of the influence of social capital on company performance also show relevant or significant values, the path coefficient value of 0.452 (positive), and the significance value (p-value) of 0.000 (less than 5%), so that social capital also has a positive effect. Very meaningful to company performance, the higher the social capital owned by employees, the higher the company's performance. The hypothesis states that social capital will affect the company PT Celebes Indonesia Marble; it is also acceptable.

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