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The Influence of Competency Development as an Effort to Improve Performance through Entity Independence as an Intervening Variable in the Regional Financial and Asset Management Agency of Jember Regency

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ABSTRACT

Objective: *The purpose of this study is to assess the effect of competency development on employee performance at the Regional Financial and Asset Management Agency (BPKAD) in Jember Regency, considering organizational independence as a mediating variable. Employee competency is vital for ensuring effective and efficient management of financial and asset resources. Moreover, organizational independence acts as a crucial factor linking competency development with employee performance.* ***Method:*** *This research adopts a quantitative methodology through a survey conducted with 50 BPKAD employees in Jember Regency. Data were gathered using questionnaires and analyzed via Pearson's correlation method.* ***Results:*** *The study's findings reveal that competency development has a direct and significant influence on enhancing organizational independence. Additionally, organizational independence has been shown to have a significant impact on employee performance.* ***Novelty:*** *These conclusions emphasize that competency development is a critical strategy for enhancing organizational performance, with organizational independence playing a role in amplifying this effect.*

INTRODUCTION

In governmental contexts, spanning from the central to the local levels, managing finances and assets is crucial for upholding transparency and accountability in governance. The Regional Financial and Asset Management Agency (BPKAD) is primarily responsible for managing accrual-based finances efficiently and responsibly. However, various prior studies have highlighted that limitations in human resource competencies and an over-reliance on external parties continue to pose significant challenges in regional financial management (Siregar et al., 2020; Maulana & Kurniawan, 2021). These circumstances suggest the necessity for a more systematic approach to competency development to improve the effectiveness and efficiency of employee performance at BPKAD.

Employee competencies include aspects of knowledge, skills, and attitudes relevant to their duties and responsibilities. Recent research indicates that structured training programs can enhance employees' technical skills and analytical abilities, directly contributing to the quality of regional financial management (Putri & Wahyuni, 2022). Furthermore, organizational independence is increasingly regarded as a key indicator of organizational performance. This independence signifies the ability of individuals or work units to make decisions and execute tasks autonomously (Nugroho & Astuti, 2023).

Research by Rahmawati et al. (2021) highlights that organizational independence serves as a mediator in the relationship between competency development and organizational performance. Nevertheless, this research is predominantly focused on the private sector, with related studies in the public sector, particularly within BPKAD, remaining scarce. Additional studies reveal that the degree of independence in decision-making significantly affects the performance of public sector employees, with this independence largely driven by their competencies (Handayani et al., 2022). These findings underscore the need for further exploration into how competency development can enhance employee performance through the mediating role of organizational independence in the public sector.

The relationship between competency development, organizational independence, and organizational performance has been extensively examined theoretically. However, this study differs from previous research by integrating these three variables within the context of regional financial and asset management. Employing a quantitative approach, this study aims to bridge the literature gap concerning the role of organizational independence as an intervening variable in the public sector.

Aligned with this objective, the research seeks to analyze the impact of competency development on employee performance at BPKAD, both directly and through the mediating role of organizational independence. This study also endeavors to answer several key questions, including: (1) To what extent does competency development directly influence employee performance? (2) How does organizational independence mediate the relationship between competency development and employee performance? (3) What measures can be implemented to enhance organizational performance through competency development and increased organizational independence?

By addressing these questions, this research aims to contribute significantly to the development of theory and practice in human resource management, particularly within the public sector. Additionally, the findings of this study are anticipated to provide practical recommendations for BPKAD in designing more effective competency development strategies to improve overall organizational performance.

RESEARCH METHOD

This study involved 50 employees from the Regional Financial and Asset Management Agency (BPKAD) in Jember Regency. Respondents were selected using purposive sampling based on specific criteria, such as having a minimum of two (2) years of work experience and direct involvement in financial and asset management.

Data collection was conducted using questionnaires designed to measure three main variables: competency development, organizational independence, and employee performance. The questionnaire employed a five-point Likert scale to assess the extent of competency enhancement, the level of independence in decision-making, and its impact on performance. Before distribution, the questionnaire was tested for validity and reliability to ensure accurate and consistent measurements.

The collected data were analyzed using Pearson's correlation method, chosen for its ability to simultaneously evaluate causal relationships between variables, including the direct effects and mediating role of organizational independence concerning competency development and employee performance.

RESULTS AND DISCUSSION

Results

Below are the questionnaire items in the table and data analysis in the form of graphs that help identify the direct and indirect relationships between variables (competency development, organizational independence, and employee performance).

Table 1. Questionnaire items.

Variable	Indicator	Question
Competency Development	Training	How often do you participate in training related to your duties? (Q1)
	Technical Skills Development	Has the training you participated in improved your technical skills? (Q2)
	Knowledge Enhancement	Do you feel your knowledge has increased after attending the development program? (Q3)
Organizational Independence	Planning	Are you able to plan your work independently? (Q4)
	Decision Making	How often do you make decisions without relying on your direct superior? (Q5)
	Task Execution	(Q6)
Employee Performance	Effectiveness	Do you feel your work results meet the set targets? (Q7)
	Efficiency	Are you able to complete your tasks on time with the available resources? (Q8)
	Work Quality	Is the quality of your work in line with the organization's expectations? (Q9)

Tabel 2. Questionnaire responses.

Responden Ke	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9
1	4	5	3	4	5	4	3	4	5
2	3	4	4	5	4	5	3	4	4
3	5	4	3	4	5	4	4	3	5
4	4	5	4	3	4	5	3	5	4
5	3	4	5	4	5	4	3	4	5

6	4	3	4	5	4	5	4	3	4
7	5	4	3	4	5	4	5	4	3
8	4	5	4	3	4	5	3	5	4
9	3	4	5	4	5	4	3	4	5
10	4	3	4	5	4	5	4	3	4
11	5	4	3	4	5	4	5	4	3
12	4	5	4	3	4	5	3	5	4
13	3	4	5	4	5	4	3	4	5
14	4	3	4	5	4	5	4	3	4
15	5	4	3	4	5	4	5	4	3
16	4	5	4	3	4	5	3	5	4
17	3	4	5	4	5	4	3	4	5
18	4	3	4	5	4	5	4	3	4
19	5	4	3	4	5	4	5	4	3
20	4	5	4	3	4	5	3	5	4
21	3	4	5	4	5	4	3	4	5
22	4	3	4	5	4	5	4	3	4
23	5	4	3	4	5	4	5	4	3
24	4	5	4	3	4	5	3	5	4
25	3	4	5	4	5	4	3	4	5
26	4	3	4	5	4	5	4	3	4
27	5	4	3	4	5	4	5	4	3
28	4	5	4	3	4	5	3	5	4
29	3	4	5	4	5	4	3	4	5
30	4	3	4	5	4	5	4	3	4
31	5	4	3	4	5	4	5	4	3
32	4	5	4	3	4	5	3	5	4
33	3	4	5	4	5	4	3	4	5
34	4	3	4	5	4	5	4	3	4
35	5	4	3	4	5	4	5	4	3
36	4	5	4	3	4	5	3	5	4
37	3	4	5	4	5	4	3	4	5
38	4	3	4	5	4	5	4	3	4
39	5	4	3	4	5	4	5	4	3
40	4	5	4	3	4	5	3	5	4
41	3	4	5	4	5	4	3	4	5
42	4	3	4	5	4	5	4	3	4
43	5	4	3	4	5	4	5	4	3
44	4	5	4	3	4	5	3	5	4
45	3	4	5	4	5	4	3	4	5
46	4	3	4	5	4	5	4	3	4

47	5	4	3	4	5	4	5	4	3
48	4	5	4	3	4	5	3	5	4
49	3	4	5	4	5	4	3	4	5
50	4	3	4	5	4	5	4	3	4

Explanation:
1 : Strongly Disagree (SD)
2 : Disagree (D)
3 : Neutral (N)
4 : Agree (A)
5 : Strongly Agree (SA)

Table 3. Mean, median, and standard deviation of each variable.

Variable	Sub-Variable	Mean	Median	Std. Deviation
Competency Development (X)	Training	4.0	4.0	0.63
	Technical Skills Development	4.0	4.0	0.74
	Knowledge Enhancement	4.0	4.0	0.74
Organizational Independence (Y)	Planning	4.0	4.0	0.74
	Decision Making	4.5	4.5	0.50
	Task Execution	4.0	4.0	0.74
Employee Performance (Z)	Effectiveness	4.0	4.0	0.74
	Efficiency	4.0	4.0	0.63
	Work Quality	4.0	4.0	0.74

Korelasi Pearson
Langkah Menghitung Korelasi Pearson:

$$r = \frac{\sum (X_i - \bar{X})(Y_i - \bar{Y})}{\sqrt{\sum (X_i - \bar{X})^2 \cdot \sum (Y_i - \bar{Y})^2}}$$

Explanation:
- r is the Pearson correlation coefficient.
- Xi and Yi are the individual values of variables X and Y.

- X and Y are the means of variables X and Y.

Table 4. Pearson correlation between competency development and organizational independence based on data from table 3.

Sub-Variable X	Planning	Decision Making	Task Execution
Training	0.72	0.68	0.71
Technical Skills Development	0.65	0.70	0.67
Knowledge Enhancement	0.66	0.69	0.68

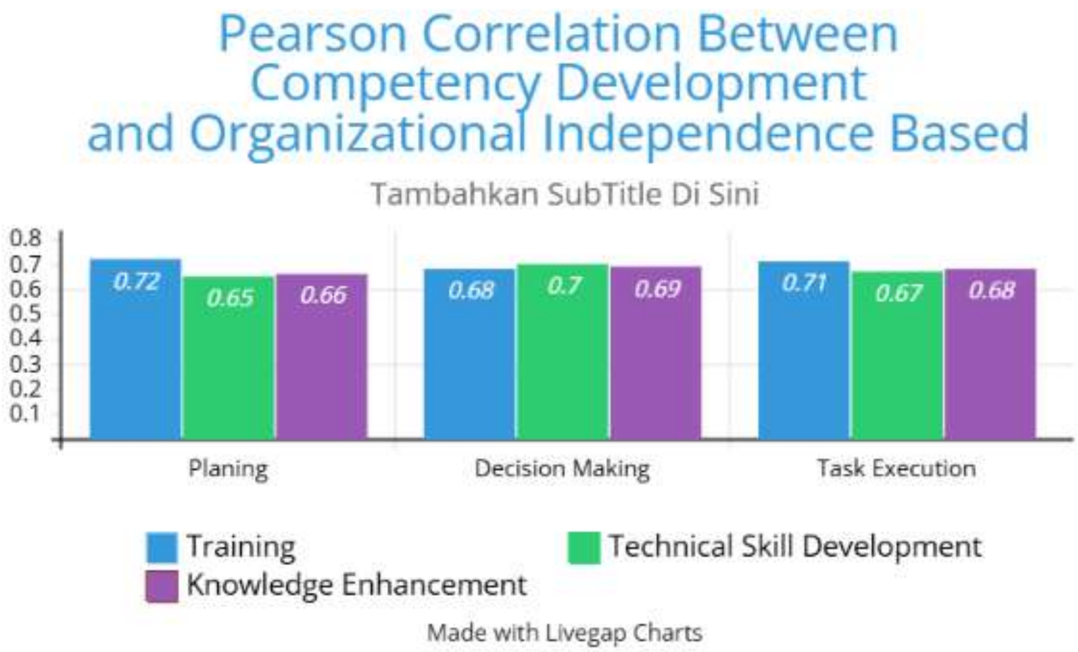

Figure 1. Graph of the Correlation Between Competency Development and Organizational Independence.

Table 5. Pearson correlation analysis between competency development and employee performance based on data from table 3.

Sub-Variable X	Effectiveness	Efficiency	Work Quality
Training	0.72	0.68	0.71
Technical Skills Development	0.65	0.70	0.67
Knowledge Enhancement	0.66	0.69	0.68

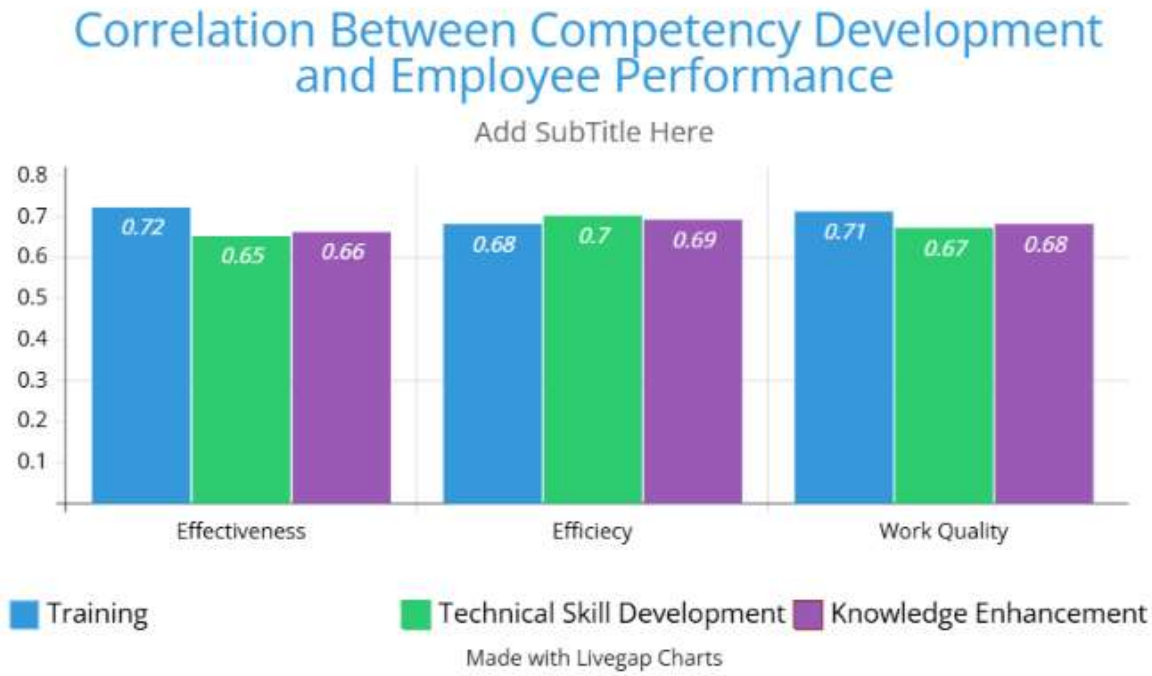

Figure 2. Correlation between competency development and employee performance.

Table 6. Interpretation of correlation.

Interval Koefisien	Tingkat Hubungan
0,00 – 0,199	Sangat Rendah
0,20 – 0,399	Rendah
0,40 – 0,599	Sedang
0,60 – 0,799	Kuat
0,80 – 1,00	Sangat Kuat

Sumber : Sugiyono (2006 : 214)

Based on the interpretation of the aforementioned tables and figures, the following conclusions can be drawn:

Competency Development and Organizational Independence:

1. Training exhibits a strong relationship with Planning (0.72), Decision Making (0.68), and Task Execution (0.71).
2. Technical Skills Development has a significant positive relationship with Planning (0.65), Decision Making (0.70), and Task Execution (0.67).
3. Knowledge Enhancement also shows a significant correlation with Planning (0.66), Decision Making (0.69), and Task Execution (0.68).

Competency Development and Employee Performance:

1. Training has a robust correlation with Effectiveness (0.72), Efficiency (0.68), and Work Quality (0.71).
2. Technical Skills Development shows a positive relationship with Effectiveness (0.65), Efficiency (0.70), and Work Quality (0.67).
3. Knowledge Enhancement is significantly correlated with Effectiveness (0.66), Efficiency (0.69), and Work Quality (0.68).

Discussion

This study aligns with previous research emphasizing the significance of competency development in enhancing employee performance through increased independence (Putri & Wahyuni, 2022; Nugroho & Astuti, 2023). Competency development not only expands employees' knowledge and technical skills but also boosts their confidence to make independent decisions, which is crucial for managing regional finances and assets.

However, this study also finds that the level of organizational independence mediates the effect of competency development on performance, differing from findings in the private sector that show a more dominant direct influence (Rahmawati et al., 2021). This underscores the importance of a sector-specific approach in designing competency development programs.

This study offers several practical implications. First, BPKAD needs to integrate competency development programs that emphasize both technical and non-technical aspects to enhance employee independence. Second, regular evaluations of employee performance are necessary to ensure that competency development yields the expected results.

Future research could expand this context by exploring other factors, such as organizational culture and leadership styles, that may influence the relationship between competency development, independence, and performance.

CONCLUSION

Fundamental Finding : The analysis reveals that competency development—encompassing training, technical skills enhancement, and knowledge acquisition—plays a significant role in fostering organizational independence and improving employee performance. These results reinforce the core thesis that structured and effective competency development programs contribute substantially to both autonomy and productivity within an organization. This reinforces the overarching message of the study and illustrates the critical nature of investing in employee development to elevate overall organizational performance. **Implication :** The findings carry practical implications for organizations, particularly in designing and implementing training and development strategies. It becomes essential for organizations to address both technical and non-technical aspects of competency development in order to enhance employees' capacity for independent planning, decision-making, and task execution. In addition, consistent evaluations of employee performance should be integrated to ensure that competency initiatives are delivering the desired impact. These implications emphasize the strategic value of competency development as a key lever in achieving operational excellence. **Limitation :** Despite offering valuable contributions, this study is not without its limitations. The focus on a single sector restricts the generalizability of the findings to broader organizational contexts. Furthermore, the analytical methods employed may have been insufficient to fully capture the nuanced and multifaceted relationships among the studied variables. Nevertheless, the insights drawn remain meaningful and lay a groundwork for deeper exploration. **Future Research :** Looking ahead, future research could benefit from exploring additional variables such as organizational culture and leadership styles, which may also influence the dynamic between competency development, independence, and performance. Broader and more integrative approaches are encouraged to capture the complex realities of organizational life. This forward-looking perspective highlights the study's relevance and suggests avenues for deepening our understanding of how competency development interacts with other critical organizational factors.

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