

The Influence of Competence and Integrity on Performance with Work Climate as A Moderating Variable

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Abstract. The purpose of this study was to examine the effect of competency and integrity on the employees' performance of construction work supervisory in Banjarnegara District. This research also aimed to test the work climate as a moderating variable. The problems identified in this study were the weak performance of supervisors in the implementation of the project which resulted in a setback time for project implementation which ultimately could harm the company and also hamper services to the community.

The research method used in this study was survey research on supervisory employees using a questionnaire as a research instrument to measure the competency, integrity and performance variables of supervisory employees. The measurement scale was done with a Likert Scale from scale 1 (strongly disagree) to a scale of 5 (strongly agree). The study was conducted on 50 supervisory employees consisting of 30 regular employees at DPUPR Banjarnegara District, and 20 employees of the Consulting Services company who were contracted as field supervisors. The analytical tool used was multiple linear regression analysis with subgroups. The first group was a regression for regular employees in DPUPR Banjarnegara District, while the second group was employees of the Supervision Consultant Services company. Moderation analysis of the two regressions produced from the two groups was analyzed by moderation with the Cow Test.

The results of this study indicated the effect of competence and integrity on the performance of supervisors in the group of regular employees at DPUPR Banjarnegara District and employees of the Consultancy Services company. However, the work climate in the two groups studied did not moderate the relationship of competence and integrity with employee performance. Competence and integrity had more influence on the performance of regular employees in DPUPR Banjarnegara District than on the performance of employees of consulting service companies contracted to become supervisors.

Keywords: Competence, integrity, supervisory performance and work climate as moderation.

1. INTRODUCTION

High performance is very important for organizations whose work is related to supervision. Jobs related to supervision need to improve performance, because a decrease in supervision can reduce organizational performance. Construction work is a job that requires many workers. Jobs that have many workers require supervision so that construction works are carried out in accordance with the specified time standards. Timeliness is an important part of the construction work, so the success of the company in a company can be determined from the timeliness of construction work. Thus, worker performance is an important factor that contributes to the timely completion and success of a construction [1], [2], [3]. The importance of the performance of workers in construction work, the organization needs to implement intensive supervision.

Performance is considered as the amount of effort that individuals spend on their work [4]. Dessler [5] states that performance is the actual performance of employees compared to the expected performance of employees. Expected work performance is a standard achievement prepared as a reference so that it can see employee performance in accordance with its position compared to the standards made. The performance of employees in construction companies is very important because of several construction projects, the cost of construction workers is 30 percent to 50 percent of the overall project cost [6]. Given the large cost of construction workers, the performance of employees in this sector is important for the overall performance of the company.

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The performance of employees in construction companies is not the same in each country. Several studies have been conducted on the performance of construction workers in Malaysia, Singapore, Hong Kong and other countries in Southeast Asia with the aim of finding steps that will contribute to improvement. A study conducted by Abdul Kadir, et al. [7] regarding the factors that influence the performance of construction workers for the Malaysian Housing Project. The results of this study indicate that the project inhibiting factors include lack of workers and coordination problems between the main contractors and subcontractors. Some studies show that the productivity of construction workers at construction work locations is relatively low because there are waiting times or other idle times that spend 30 percent of the workday. The results of the study show that on average, workers spend half of their workdays, after lunch breaks and are absent from productive work; while the rest of the time is not spent directly on production but waits, receives instructions and is unemployed [8]. Therefore assessing the performance of construction employees to be identified to form recommendations to improve the performance of construction employees.

In addition to the large number of workers, construction work also requires skilled labor. Organizations have limitations in providing skilled labor. The availability of skilled labor in the construction sector is still lacking, because the growth of the construction industry is estimated to be greater than the availability of its workforce, so that at one time the growth of the construction industry is expected to experience a shortage of workers with skills, both traditional skills and new skills [1] The shortage of labor that occurs makes entrepreneurial activities subcontract specifically for labor. So that in a settlement the construction work is carried out jointly between one organization together with another organization. Collective work between two different organizations means bringing together the work of two different organizations in their working climate.

One of the important variables in building performance is integrity. Based on Protta's research [9] using multivariate and univariate analysis, perceived integrity behavior is positively related to work satisfaction and life. The results of Protta's study [9] show that integrity behavior is negatively related to stress, poor health, and absence. Perception of integrity behavior is behavior that is in harmony between words and actions. This includes both those considered suitable for adhering to and enforcing values [10]. In other words, the perception of integrity behavior is the perception that someone is involved in an action or evidence of behavior is consistent with a statement with values, priorities, expectations, and management style [10]. Based on the Simon model the perception of integrity behavior is related to employee turnover intentions and performance [9]. Other research results show that integrity behavior has a direct effect on performance [11].

Besides competency integrity, it is also an important variable to improve employee performance. In a general sense, competence refers to the abilities and willingness of individuals [12, 13]. In connection with this understanding, the relationship between the two variables can be arranged, namely the higher the ability and willingness of the individual, the higher the performance. Research related to competence and performance is done by Papa [13] which results in the influence of competence on performance. Rethans, et al. [14] states that performance is a product of competence, meaning that the final result of competence is good performance.

Good employee performance if employees are in an appropriate organizational climate, because the organizational climate is related to employee job satisfaction. [15]. Organizational climate is conceptualized as an organizational characteristic that is reflected in the descriptions made by employees regarding policies, practices, and conditions that exist in the work environment [15]. Schneider (1990) defines climate as the perception of events, practices, and procedures, and types of behavior, which are valued, supported, and expected in certain organizational settings. These include behavioral routines (eg practices and procedures) and rewards from arrangements. [16]. Organizational climate is an inherently multilevel construction that involves different perceptions and beliefs about the organization's physical and social environment. At the individual level, the psychological climate refers to the individual's perception and the meaning they give to their

environment. As a higher level construct, the organizational climate reflects beliefs about the organizational environment that are shared among members and whose members attach psychological meanings to help them understand their environment [15, 17, 18].

The existence of an organizational climate as a moderating variable is identified by [19]. The results of his research have limitations related to the fact that researchers failed to make specific hypotheses which of the four climate scales will be used as moderator variables. Lindell and Brandt [20] basically found no results for the use of variability as a moderator, and researchers only found one of four scales that behaved as hypothesized. In subsequent research it is useful to specifically hypothesize where climate variables will function as moderators, then design measures of specific aspects that will produce high variability in groups [19]. This shows that organizational climate variables can be moderating variables that can explain the relationship of competence and integrity with performance.

2. LITERATURE REVIEW

Employee Performance

Performance is a combination of ability and effort to produce what is done. In order to produce good performance a person must have the ability, the willingness of the business so that every activity carried out does not experience obstacles. Performance is the result of work in quality and quantity that is achieved by employees in carrying out their duties in accordance with the responsibilities given to them [21]. Performance refers to the level of achievement of tasks that make up an employee's work [22].

2.2. Employee Competence

In a general sense, competence refers to the abilities and willingness of individuals [12, 13]. So that the notion of competence is a fundamental characteristic of a person's personality and behavior that is reciprocally related to an effective criterion and or someone's best skill which contains a set of knowledge, character, motives, self-concept, knowledge and skills / abilities that can be clearly measured and have value applied that can be used in carrying out routine work. In connection with this understanding, the relationship between the two variables can be arranged, namely the higher the ability and willingness of the individual, the higher the performance. Research related to competence and performance is carried out by [13] which results in the influence of competence on performance. Rethans, et al. [14] states that performance is a product of competence, meaning that the final result of competence is good performance. Based on the results of previous studies, the hypothesis is arranged:

H1: Competence has a positive influence on performance

2.3. Employee Integrity

Integrity is a commitment in action towards a set of principles and values that are morally justified [23]. Integrity is defined as the behavior of a pattern that is felt between the words and actions of the actor [10]. This definition has an implicit assumption that the words spoken are ethical. The implication is that the better the harmony between words and actions, the greater the credibility of a manager and the greater the trust of an employee towards the manager. Behavioral integrity concerns the suitability of what the manager says and what the manager does, and includes the perception of managerial behavior that supports the mission and statement of organizational values and employee perceptions that managers should act in accordance with the way someone holds a manager's position. Furthermore, behavioral integrity includes the perception that

manager's behavior is in line with his personal statement regarding values, priorities, and management style. Employees look for managers to follow up on what they have communicated to employees. In cases where managers do not support organizational policies due to conflicts with their own personal values, perceptions of behavioral integrity tend to be influenced by what the manager previously communicated about how this conflict should be reconciled, and whether he followed that statement. Behavioral integrity is different from the traditional definition of integrity [24].

Simon's model stated that the perception of integrity behavior is related to performance [9]. Other research results show that integrity behavior has a direct effect on performance [11]. Based on the results of previous studies, the hypothesis is arranged:

H2: Integrity has a positive influence on performance

2.4. Work Climate

Climate as a perception of events, practices, and procedures, and types of behavior, which are valued, supported and expected in certain organizational settings. These include behavioral routines (eg practices and procedures) and rewards from arrangements. [16]. Organizational climate is an inherently multilevel construction that involves different perceptions and beliefs about the organization's physical and social environment. At the individual level, the psychological climate refers to the individual's perception of and the meaning they give to their environment. As a higher level construct, the organizational climate reflects beliefs about the organizational environment that are shared among members and whose members attach psychological meanings to help them understand their environment [15, 17, 18].

The existence of an organizational climate as a moderating variable is identified by [19]. The results of his research have limitations related to the fact that researchers failed to make specific hypotheses which of the four climate scales will be used as moderator variables. Lindell and Brandt [20] also did not find results for the use of variability as a moderator, and researchers only found one of four scales that served as a moderator. In subsequent studies it is useful to specifically hypothesize where climate variables will function as moderators, then design measures of specific aspects that will produce high variability in groups [19]. This shows that organizational climate variables can be moderating variables that can explain the relationship of competence and integrity with performance. Based on the previous research, the research hypothesis can be stated as follows:

H3: Work climate can moderate the influence of competence on performance.

H4: The work climate can moderate the influence of integrity on performance.

2.5. Research methods

This research was conducted on employees of DPUPR Banjarnegara District and Employees of Consulting Services Company who were contracted as field supervisors. Sampling was done by purposive sampling method, which is the criterion of employees who carry out their duties as supervisors of construction work in Banjarnegara District. The sample size of supervisory employees is 50 people, consisting of 30 regular employees at DPUPR Banjarnegara District and 20 Consultancy Company Employees who are contracted as field supervisors.

Research used questionnaire instruments to measure supervisors' competency, integrity and performance variables. Variable measurement was done by a Likert scale with a score of 1 indicating a strongly disagree answer to a score of 5 which shows the answer strongly agree. The work climate was used as a moderating variable consisting of two work climates. The first working

climate group was in DPUPR Banjarnegara District while the second group was the Consultant Service Company employee who was contracted as a field supervisor. Moderation analysis was carried out with Cow test [25].

3. RESULT AND DISCUSSION

Data analysis was done by multiple regression analysis. The results of data analysis can be seen in Table 1.

3.1. Effect of competence on performance

Competency variables have a positive effect on the performance of supervisory employees of the group of regular employees, namely with a regression coefficient of 0.66 with t count of 4.68 (p = 0,000). In the group of employees the consultant coefficient service company is 1.11 with t count of 3.23 (0.005). Based on the results of the regression analysis and the t test, it can be seen that competence has a positive effect on the performance of supervisory employees in two different working groups. The results of this study are consistent with Papa's research [13] which results in the influence of competence on performance. The results of this study also support previous studies conducted by Rethans, et al. [14] stated that good performance is the end result of good competence.

Table 1. Results of data analysis with multiple regression analysis

Independent variable	Group of regular employees		Group of employees of the Service Company	
	Regression Coefficient	T count	Regression Coefficient	T count
Constant	10,44	2,17(p=0,039)	-4,17	-0,38(p=0,706)
Competence	0,66	4,68(p=0,000)	1,11	3,23(p=0,005)
Integrity	0,44	6,17(p=0,000)	0,50	2,93(p=0,009)
R ² = 0,7277			R ² =0,6291	
F = 36,080 (P=0,000)			F = 14,42 (P=0,000)	

3.2. Effect of integrity on performance

Integrity variables have a positive effect on the performance of supervisory employees of the group of regular employees, namely with a regression coefficient of 0.44 with t count of 6.17 (p = 0,000). In the group of employees the service company regression coefficient of 0.50 with t count of 2.93 (0.009). Based on the results of the regression analysis and the t test, it can be seen that integrity has a positive effect on the performance of supervisory employees in two different working groups. The results of this study support the model of perception of Simon's behavior about integrity related to performance [9]. The results of this study also support previous studies conducted by Leroy, et al. [11] which shows integrity behavior has a direct effect on performance.

3.3. Work climate as a moderating variable

This study used work climate as a moderating variable. Moderation analysis was performed by subgroup analysis with the Cow Test. The results of the Subgroup analysis obtained the Cow Test test value of 0.989 while the table F value df (□; k; n1 + n2-2k) or (□□□□; 3; 30 + 20-2.3) = 44 of 2.8165. So F count < F table, so it can be concluded that the work climate variable does not moderate the relationship between competence and integrity with performance. The absence of this moderation shows that there is no difference in the influence of competence and integrity on the performance of good employees of DPUPR Banjarnegara District regular employees and Consulting Services Company employees who are contracted as field supervisors. The results of this study are different from previous studies which put organizational climate as a moderating variable [19]. Nevertheless, some studies have indeed difficult to identify the existence of climate as a moderating variable of Lindell and Brandt [20].

3.4. Coefficient of determination (R²)

The results of the regression analysis in the group of regular employees obtained a coefficient of determination of 72.77, meaning that variations in the performance of regular employees were 72.77 percent explained by variables of competence and integrity. The calculated F value is 36,080 with P = 0,000. This means that competency and integrity together can significantly influence the performance of regular employees. In the group of consulting services company the value of the

coefficient of determination is 0.6291, meaning that the performance variation of the consultant service company employees is 62.91 percent explained by the variables of competence and integrity. The calculated F value is 14.42 with $P = 0,000$. This means that competence and integrity are jointly able to influence the performance of employees of consulting services companies. The coefficient of determination in the group of regular employees is greater than the employee of a consulting service company, meaning that competence and integrity at the DPUPR Banjarnegara District service are better able to explain the variation in performance than employees of a consulting service company.

4. Conclusions and Suggestions

Based on research conducted on 50 supervisory employees and multiple regression analysis with subgroup moderation, it can be concluded that there is an influence of competence and integrity on performance. The results of data analysis show that the work climate does not moderate the relationship of competence and integrity to performance. Variables of competence and integrity have more influence on the performance of regular employees than the consulting services group.

The suggestion for further research is to make the organizational climate an independent variable. The next study suggested measuring the work climate with the measurement of variables with a Likert Scale by using a research instrument in the form of a questionnaire. Moderating variables can be chosen by other variables such as work groups, demographics or other variables based on the results of literature review.

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