



THE EFFECT OF CORE COMPETENCIES, TRANSFORMATIONAL LEADERSHIP AND JOB SATISFACTION ON PERFORMANCE MODERATED BY WORK ENVIRONMENT IN

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Abstract

Post Covid-19 Pandemic, PT Wings Surya Surabaya Wonocolo District still applies operational work standards during the pandemic. The quality and quantity of core competencies have certainly changed employees. This study examines: (1) the influence of core competencies and leadership style on job satisfaction at PT Wings Surya Surabaya Wonocolo District. (2) The influence of core competencies and leadership style on employee performance at PT Wings Surya Surabaya Wonocolo District. (3) The influence of job satisfaction on employee performance which is strengthened by the work environment at PT Wings Surya Surabaya Wonocolo District. The research method used is descriptive analysis using the Likert scale as a questionnaire measuring tool and the help of the War-PLS7.0 data processing application.

The results of the study show (1) core competencies and leadership styles have a significant effect on performance and performance, (2) through job satisfaction, core competency styles do not have an effect on performance, (3) the work environment is unable to moderate satisfaction with performance. The implications of the research that emerge are the success of active and transformative leaders in the company and the attitudes and character of each employee's competence are able to influence performance and job satisfaction for the better, but a comfortable, safe and clean work environment is still unable to be a factor that

strengthens employee satisfaction to improve performance.

INTRODUCTION

PT Wings Surya Surabaya Wonocolo District is a part of Wings Group, their products are food and beverage, household, personal care until ice cream (Glico) which has been established for 70 years. the center office located in Jl. Embong Malang No. 28 Surabaya and Wonocolo district in Jl. Date II No.1 Surabaya. Wings Wonocolo District has operational methods, rules and procedures that must be implemented for employees. The Covid-19 pandemic has provided a lesson that life must go on and hand in hand. The company strives to be independent and responsive for regarding allowances and benefits of employees. It's imagining how strong and struggling the company to decline and confused government policy with the internal problems at the same time. This study focuses on the company to face the condition to flurry of problems, with high preparation and changing lower rules to increase the job satisfaction to employees. The main things that have different are about quantity and quality of employee performance. The quantity of performance is a discipline, effectiveness and punctuality of each work. The quality performance is a precision, thoroughness, accuracy and minimum error in doing work. The core competency has aspects of operational system and employee, therefore the influences performance fluctuations are the core competency.

The mobility and lost value by employee period I was 1.1, which means that the manager failed to handle the problem related to company and rules. The turnover of employees at the highest levels. The carelessness, inaccuracy and missing job disk increase every day. So that, it changes work rules about employee rolling, hardworking, overtime, overtask of job and time estimated. In period II, was 0.5 which means manager success to cover the problem and have a perfect problem solving. With the transition and changing operational rules. Its's builds the attitude of employees being care, independence, responsibility, respect and innovative. The employee behavior is according to company needs cause low performance. With the implementation of new manager, leadership style and emerge innovation that can be applied to achieve the goals and success of employee performance through satisfaction. The effect of core competency and transformational leadership on employee job satisfaction and performance, and how a strong work environment can influence the problem.

This phenomenon causes the company progress was decline and decrease of employee performance. Managers did know how to properly and initially overcome these obstacles and learned through the meetings and evaluations to find out the causes and improvements. Before fixing it at all, manager combine with government regulations. It's able to help companies to achieve and achieve company productivity in the future.

RESEARCH DESIGN

This study used quantitative methods and to calculate data totaling 74 sampling using online questionnaire with Google with measured scale 1-5 (1)



strongly disagree – (5) strongly agree. The core competency variable has a five indicators with ten questions, transformational leadership has a four indicators with eleven questions, job satisfaction has eighteen indicators with twenty questions, employee performance has three indicators with five questions and work environment has a seven indicators with twelve questions. A Structural Model (SEM) based on Partial Least Square (PLS) was used in this study to help the analysis for multivariate and combination of factors and regression correlation.

Core competencies

The reference for carrying out working effectively with knowledge, skills and expertise is a part of core competency for employees (Haqiqi et al, 2022). Commit to learning that means employees always learn to increase their competency. Commit to customer means that employee responsibility to fill out the customer, commit to organizational ethics means that employees have a good attitude and positive vibes in the company, strive for quality means that employees are careful for doing their job and driving for the best results means that every employee activity comes from the procedure and for the company, it's like that employees work smart, diligent and honest, that's why it becomes an indicator of core competency. The good employee must do it every time when they work. It's absolutely helps the leader to know the incredible employee and the method of training when it can destroy the goals (Bagus et al, 2018).

In this context, the problem is figuring out about the employee. Not all employees know what they should do to work on daily activities. Example: the time for checking documents, giving signatures, time to break and start to work, Standard Operational Procedure (SOP), work mechanism after lockdown Covid-19 etc. So that it can influence other departments and be a slow workflow (Sedarmayanti, 2017). The higher competency comes to form the greater employee and the audience was following. They see that it can help them to run optimally for their job, so they copied and became the high level with their competency (Purba MR, 2023).

From here we can conclude that the most important thing that's a company can be stronger from the characteristics of employees. If the company can provide employees, it can help the employees have a high core competency on the work results (Abdi N & Wahid M, 2018). Core competency helps the employee to get a new action to face the transition after Covid-19 in the company coinciding with the technology. But in the sometimes, Managers don't know the best methods to control the employees to follow up this situation because the activity was trouble and not all employees were kind and honest about their job disk.

Transformational Leadership

Transformational leadership is how managers influence the company activity that follows the regulated and intended to work together to achieve the goal (Komarayah et al, 2018). After covid-19 the regulations for companies changed step by step until normal, but It's need a time. The manager is the key to driving the company will be. Transformational leadership means the idealistic of attribute, behavior, inspirational, motivation, intellectual, and individual consideration of the leader (Dara Rizka & Miranti Annisa, 2018).

The indicator of transformational leadership is a charismatic, it can be more attention for the employee to obedient with the manager, motivational inspirational means, the manager can give a motivation to the employee to do better than before. Intellectual stimulation means manager encouraging employees to smart, rational, training and awareness, also individual balancing to coordinate with all departments in the company to get the goals (Prayekti & Ujiyanto, 2020).

In this context, the problem is the difference of leadership style period 1 and period 2. Period 1 comes with the structured and Covid-19 mechanism. Period 2 comes after Covid-19. It can be a high level of problem when employees feel different for working because of the transition. Example: in Period 1 employee turnover was 5.7% and Period 2 5.6%. it's imagine how full the leader's power is to keep and save their employees to stay in the company. So that, from here I can conclude that leadership style can influence the employee to stay in the company along with the rule or mechanism and the attitude of the manager to bring the positive vibe to working. The effect of that, when a company has a complicated leader it can influence the employees and bring the kindly stimulation to get the goal.

Job Satisfaction

The indicator of job satisfaction is: company policy for employee regulations. Praise is a giving an employee succeeded technique. Discussing ability is a method for employee agreement, promotion is a part for employees feeling better and their opportunities. Initiative means, the free idea of employees to complete their work. Security means, the employee's opportunity to feel safe and secure when working. Opportunity for employees to improve their self for school, training or following the course. Collage, means that employees feel comfortable with their friends. Job performance is the opportunity for the employee's career. Working conditions mean, situational of employee's environment and give the impact on productivity. Salaries, means the benefit from the company to the employee per period (month/week). Manager, is the author of the structure of operational company. Individual performance is the result of the employee's working. Changed, means the employee feels free to improve their skills to make sure their failure is great. Collaboration is an employee skill to work together with other departments. Character means that while there is a problem, employees know what they should do to fix it all. Work tools are a tool for employees to help their work in the daily activity and work environment is an object or place to make employees feel calm to work (Kelvin Pang & Chi San Lu, 2018).

The most important thing to make sure that employees have a great performance, managers should control their company, with value attainment



as a fulfillment of the value of employee perception. Equity for decisions for all employees, and making harmonious organizational culture ((2018).

Employee Performance

For company productivity, it requires a work requires for employees, who adhere to the principle "the right man in the right place" and state that the most qualified employees are company assets(Hafiz Aly & Ma'mur Muhammad, 2018).Employee performance must be active in carrying out work and fast moving or adapting. Company full of competition and who can be faster and precise in accordance with company regulations(Isrokdin & Zulfina, 2022).

The indicator of employee performance is, discipline means, employees must be on time and on track in their job, present meetings and agreements. Quality is working based on the Standard Operational Procedure and not doing re-work. Independence means, be able to work without a manager, the employee knows the rules, responsibility and is on track by themselves. The point of that, the employee knows what the manager needs to work in the company, so that it can help the employee to survive and do better for their performance.(Chusminah C, & RA Haryati, 2019).the employee performance decreased because of the transition of managers and situation after Covid-19. Workload and work environment being the strongest effect of employee performance. The meaning of workload is the average of activity is heavy and feeling busy because the employee must handle two to four job desks in the same time with the perfect result's(Suryono E, 2022).Work environment means that the employee works in another place in the company.

Work Environment

A work environment can be enjoyed and increase employee morale when the situation is safe. The ability to provide and pleasant working conditions can produce the optimal results and enable employees to express their potential performance(Arina Fauzia et al, 2023).

The purpose of work environment is to create enthusiasm for work, increase work performance, interest in job descriptions, and give motivation for employees. It can help complete properly and will be monitored by manager. Lighting is the regulated ability of lighting in the work space, making sure that the light is safe from eyes. Coloring is the color theme of employee rooms, helping them to feel comfortable. Sound is company prevent for loud sounds from disturbing. Air circulation is regulation of air circulation to replace dirty air to be fresh air to maintain the employee's health. Temperature is a measure of how comfortable a room is (hot/cold) according to the employee's needs and desires. Colleague relationship is the ability of each individual to collaborate between companies, and superior relationship is correlation between manager, employee and company who support each other and support productivity(Regitasari & Tatik Suryani, 2023).

The problem is the relationship between manager, company and employee. Period 1, the correlation was building by manager and office center. The effect of that is in-balanced work patterns and social inequality. The employee is stressed and un-healthy work situation, so that it can influence the performance. Period 2, the correlation was building by employees, managers and companies. The employees work hard, feel free and appreciated. In every moment, employees make decisions and deliberation to find the right way as a solution and I can conclude that it's the healthy situation of the company. The purpose of work environment is to create enthusiasm, productivity and interest. With this reaction hopefully it can motivate the employee's work to complete properly (Enny M, 2019).

Conceptual Framework

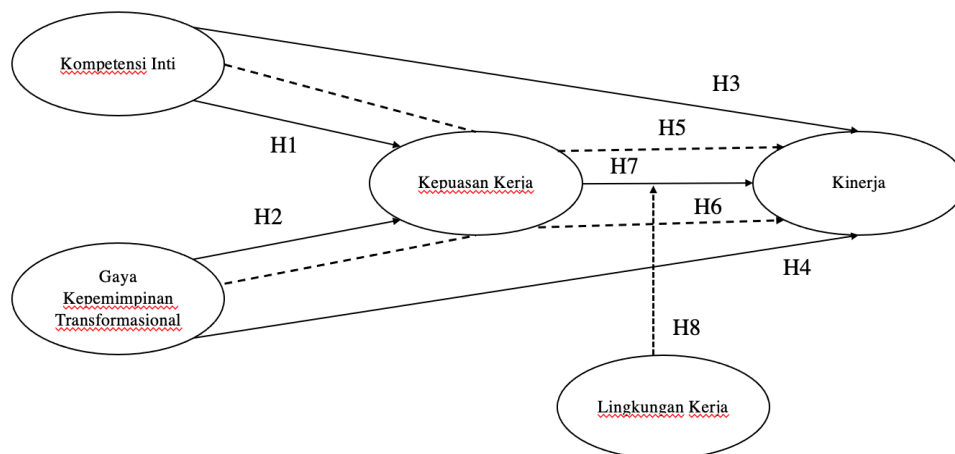


Figure 1
Conceptual Framework
Processed by Researches (2023)

Hypothesis

- H1: Core Competency has a significant effect on job satisfaction
- H2: Transformational leadership has a significant effect on job satisfaction
- H3: Core Competency has a significant effect on employee performance
- H4: Transformational leadership has a significant effect on employee performance
- H5: Core Competency has a significant effect on employee performance through job satisfaction
- H6: Transformational leadership has a significant effect on employee performance through job satisfaction
- H7: Job satisfaction has a significant effect on employee performance
- H8: Work environment mediates job satisfaction on employee performance

Results and Discussion

Respondent

The population is a 277 employees and the sample is a 74 employees with respondent characteristics based on gender, level of education, position and

distance of work who workers >2 years. The majority of gender is a man (68%), the highest level of education is SMA (Senior High School) (81%), the majority of position is warehouse (33%), and the age of workers >2 years is (86 %).

Data Analysis Result

Validity & Reliability

Each variable has an AVE number >0.5 and cross loading factor number >0.7. Therefore the variable is valid and stated as reliable.

Structural Model

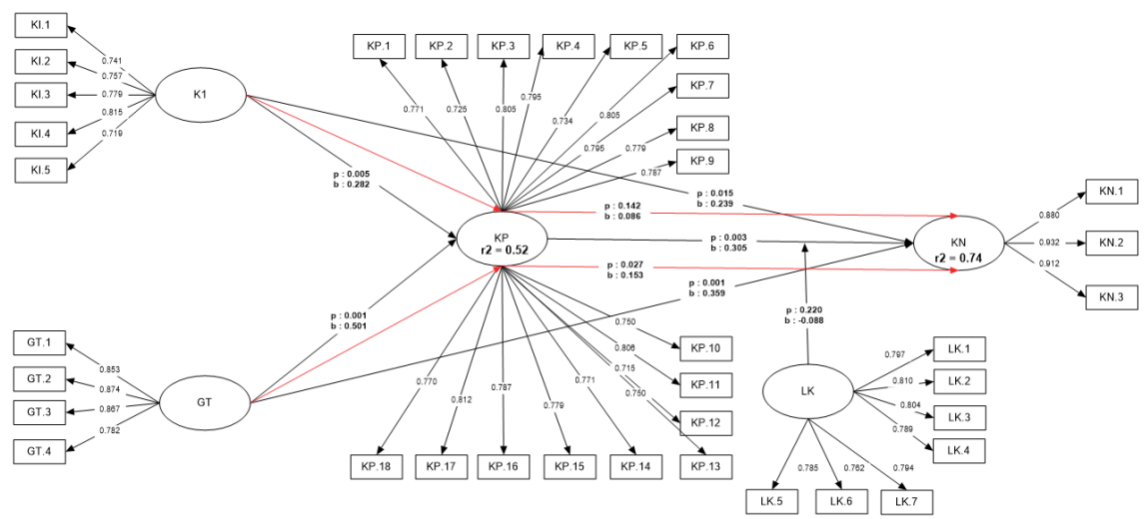


Figure 2
Structural Model
Processed by Researches (2023)

Goodness Inner Fit Model

The table above shows that the P-Value for ARS (Average R-Square) is <0.001 (<0.05) there is a difference in the sign of the path questionnaire and AARS (Average Adjusted R-Squared) is <0.001 (<0.05) there is a difference in the sign of the path questionnaire. Therefore it can be concluded that the model formed is good and significant, so that this model in this research meets the fit requirements of the model.

Table 1
Goodness Inner Fit Models

Indicator Fit Model / Parameters	Index	P-value
ARS	0.628	< 0.001
AARS	0.613	< 0.001

R-Squared & Q-Squared

Based on the test, the job satisfaction has an R-Squared of 0.519 which means that the influence of core competency and transformational leadership (51.9%) and the performance value has an R-Squared of 0.736 which means that the influence of core competency and transformational leadership (73.6%) of performance. So that the quantity obtained in this R-Squared value meets the requirements for an R-Squared value >0.7 .

The table shows that the variable has an influence of 51.9% on job satisfaction and 73.6% on performance. This research is proven by fulfilling the requirements for a Q-Squared value >0.7 . So that, the value meets goodness inner fit model.

Table 3
R-Squared & Q-Squared Analysis

Dependent Variable	R Square	Q Square	Information
KP	0.519	0.524	Moderate/Quite Strong
KN	0.736	0.729	Very strong

Hypothesis Test

The table that the correlation of each variable, P-Value and Path Coefficient. All variables are significant because the P-value and Path Coefficient <0.05 . Different with work environment moderated job satisfaction to employee performance, the path coefficient (-0.088) and P-Value (0.220) which mean <0.05 and negative number. Same with Core competency on employee performance through the job satisfaction with the Path Coefficient (0.086) and P-Value (0.142) which mean <0.05 .

Table 4
Hypothesis Test

Variable Correlation			P-Value	Path Coefficient	Meaning
KI	→	KP	0.005	0.282	Significance
GT	→	KP	<0.001	0.501	Significance
KI	→	KN	0.015	0.239	Significance
GT	→	KN	<0.001	0.359	Significance
KP	→	KN	0.003	0.305	Significance
LK*KP	→	KN	0.220	-0.088	Dis-Significance
KI → KP → KN			0.142	0.086	Dis-Significance
GT → KP → KN			0.027	0.153	Significance

Discussion

The Influence of Core Competency on Job Satisfaction

Core employee competency (KI) has a direct effect on job satisfaction (KP) (0.282) and p-value 0.005 in PT Wings Surya Surabaya Wonocolo District. The research statement in line with Teuku Muhammad et al (2022) that core competency possessed by employees has an impact on job satisfaction by the mindset.

The Influence of Transformational Leadership on Job Satisfaction

Transformational leadership (GT) has a direct effect on job satisfaction (KP) (0.501) and p-value <0.001 in PT Wings Surya Surabaya Wonocolo District. The research statement is in line with Corenelius (2018) that a good leader is a socialist, fighting, high spirit and able to work with a company, which means the characteristic is transformational style. So that the employees feel satisfied with the regulation and remuneration.

The Influence of Core Competency on Employee Performance

Core company (KI) has a direct effect on employee performance (KN) (0.239) and p-value 0.015 in PT Wings Surya Surabaya Wonocolo District. The research statement is in line with Martin (2023) that if the employee has a high level of competency it's likely to have an impact on performance.

The Influence of Transformational Leadership on Employee Performance

The transformational leadership (GT) has a direct effect on employee performance (KN) (0.359) with p-value <0.001 in PT Wings Surya Surabaya Wonocolo District. The research statement in line with Pariesti Agustine (2023) that the good company when it has a transformational leader and pro-employee. It can be achieved by transformative leadership personalities. Changed the layout, building construction, multiply workspace and facilities. This causes employees to work better and develop the performance.

The Influence of Core Competency on Employee Performance Through Job Satisfaction

The core competency (KI) has a direct effect on employee performance (KN) through job satisfaction (KP) (0.086) with p-value (0.142) in PT Wings Surya Surabaya Wonocolo District. The research statement in line with Ridianto

(2023), that every employee must have a good competence, it can help to contribute to the company with their form, performance and honesty. Therefore if the employee competency is clear and full, it can improve their form and increase the performance.

The Influence of Transformational Leadership on Employee Performance Through Job Satisfaction

The transformational leadership (GK) has a direct effect on employee performance (KN) through job satisfaction (KP) (0.153) and with p-value (0.027) in PT Wings Surya Surabaya Wonocolo District. The research statement in line with Suryani & Sarsiti (2021). The leaders should have a work ethic to help employees to adapt in the company, answer questions more easily, and work undertaken. The behavior is caused by the feeling of satisfaction that grows within the employee.

The Influence of Job Satisfaction on Employee Performance

The job satisfaction (KP) has a direct effect on employee performance (KN) (0.305) with p-value (0.003) in PT Wings Surya Surabaya Wonocolo District. The research statement in line with Kader et al (2021). The company is committed to protecting employee safety and save. Providing health and employment insurance, carrying out adjustments to work regulations in an adaptive manner and responding to various possibilities that arise.

The Influence of Work Environment mediating Job Satisfaction on Employee Performance

Work environment (LK) has a direct effect to mediating job satisfaction (KP) and employee performance (KN) (-0.088) with p-value (0.220) in PT Wings Surya Surabaya Wonocolo District. The research statement in line with AA Budianto & Kartini (2017) that work environment is a personal relationship between employee and skills. The relationship being behavior between employees, sharing work, vacations and working contributions. It's related to the configuration of motives, traits and values that shape an individual's life.

CONCLUSION & SUGGESTION

Conclusion

1. More highly core competency and transformational leadership, it increases the job satisfaction
2. More highly core competency and transformational leadership, it increases the employee performance
3. More highly job satisfaction, it increases the employee performance
4. Work environment un-significance for job satisfaction and employee performance. Because work environment weakens the influence of job satisfaction to employee performance at the same time
5. Work environment can be an intervening variable of transformational leadership for employee performance, but cannot influence core competency for employee performance.

Suggestion

Advice for PT Wings Surya Surabaya Wonocolo District

The respondents and data show that performance must be supported by managers who have transformational leadership, attitude and charismatic, with



driving best results on every employee in the company, independence mindset, relationship between manager and employee and discipline for working.

Advice for Next Researchers

The suggestion can be given to the next researchers (After this):

1. Hopefully the researchers are able to explore the perceptions and employee needs to improve performance.
2. The next research must be more focused on field analysis with literature studies and broader support to make sure it can optimize in PT Wings Surya Surabaya Wonocolo District.

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