



# The Effect of Competence on Organizational Performance in the Faculty of Economics and Business Muhammadiyah University Makassar

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**Abstract.** Organizational performance is one of the variables in assessing an organization. This study was to determine the impact of capability on organizational achievement in the Faculty of Economics and Business, Union of Muhammadiyah Makassar. This research uses primary data from observations and a list of questions to the educators at the Faculty of Economics and Business, University of Muhammadiyah Makassar. The analytical method used is simple and linear with the SPSS program. The population of this study amounted to 105. The determination of the sample of this study was carried out using the purposive sampling method. The total sample in this study was 34 educators. The results of the study explain that capability is conclusive and relevant to organizational capacity in the Faculty of Economics and Business, the Muhammadiyah University of Makassar, this can be seen from the results of the variable regression coefficient (X) or competence, which is 1.572. The conclusion of the regression analysis, t-test was  $3.078 > t\text{-table } 2.036$  and the significance value (sig.) was  $0.004 < 0.05$ .

**Keywords:** Competence · Organizational Performance

## 1 Introduction

The success of organizational performance can be reflected in the resources they have through their competencies. Higher education is a new business world in the service sector that is starting to be taken into account in the education business because it has great potential in today's business world. The role of Muhammadiyah in educating the nation's life is marked by the establishment of various educational charities, including hundreds of universities that are currently scattered in South Sulawesi. The Faculty of Economics and Business as one of the faculties at the University of Muhammadiyah Makassar which has the highest interest must be able to manage all available resources to achieve superior organizational performance.

The organizational performance will run effectively if organizational actors in carrying out their duties are responsible for the realization of organizational goals so that

they can increase their competitiveness by utilizing all existing resources within the Muhammadiyah college.

Performa is a representation of responsibility to achieve goals that are supported by resources. The resources in question are in the form of human or non-physical resources, for example, abilities.

Keban (2004) states that work is another term for “performance” which means the ability to carry out tasks whose results are in accordance provisions of the organization. Performance is a person’s success in carrying out assigned tasks [1].

(Nahrisah & Imelda, 2019), Organizational performance is something that has been achieved by the organization within a certain period of time, related to inputs, outputs, outcomes, benefits, and impacts [2].

Parameters used in the implementation of manifestation measurement, namely 1) Input parameters, everything it is hoped that the actualization will provide positive results for the development of the organization. Information on policies or laws and regulations. 2) System parameters are service reliability, responsiveness, assurance, empathy, and tangibles. 3) Output parameters, namely parameters that hold the output produced by the procedure. 4) Outcome parameters, namely the statement of results from the medium-term achievement level, are not directly obtained through activities and require some contribution from other parties (eg stakeholders, beneficiaries, media, work partners, and so on). 5) Parameters in the function, namely a variable whose value can change. This Parameter can be passed by value or passed by reference. 6) The Impact Parameter is a quantitative or qualitative measure (or both) where the results can be assessed either directly or indirectly, are simple, easy, and present their respective objectives comprehensively [3].

Competence is a characteristic related to superior and/or effective performance at work [4]. That competence is the basic characteristic of individual behavior related to effective reference criteria and or superior performance in work or situations. There are several indicators to measure competence, a) Intelligent b) Self-control c) The ability to interact with others [5].

The Faculty of Economics and Business, University of Muhammadiyah Makassar still need to fix itself. Of the many problems that exist, in the field of education workforce also should not go unnoticed. The competence of educators at the Faculty of Economics and Business, University of Muhammadiyah Makassar is in the spotlight considering that they are the ones who will be dealing directly with students in the dynamics of lectures on campus. An example of a case related to competence is the lack of scope for lecturers and students to carry out research and community service together. Which can be designed as a unique thing in improving organizational performance, even though these activities are part of the tri dharma of education.

Based on the description above, the researcher is interested in conducting a study entitled “The Influence of Competence on Organizational Performance at the Faculty of Economics and Business, University of Muhammadiyah Makassar”.

## 2 Method

The data collection used is the method of observation and questionnaires. Observation is the direct monitoring of the object under study. The questionnaire is a list of written

questionnaires that have been formulated responses from sources and as alternative answers. This research used a list of the question given to 105 lecturers from the Faculty of Economics and Business, University of Muhammadiyah Makassar. The sample selection was carried out using the purposive sampling method. The total sample in this study was 34 educators to obtain primary data [6].

The data analysis method used in this study is a simple linear regression analysis model that serves to test impact capacity to organizational manifestations in the Faculty of Economics and Business, University Muhammadiyah Makassar, with the SPSS program.

### 3 Results Validity and Reliability Test Results

Validity and reliability checking were used to test the questionnaires or questionnaires distributed were worthy of being used as research instruments. The following is the proof of Validity and Reliability that has been carried out by researchers.

The Table 1 shows that all the total r-estimate  $>$  of the total r-tabulation. Therefore, it can be said that all variables are declared valid because the value of r-count  $>$  the value of r-table, which is 0.339. This means that each indicator statement of the variables used in this study is declared valid (Table 2).

**Table 1.** Validity Test Result.

Instrument Variable	r-count	r-table	Information
Competence (X)	0.633	0.339	Valid
	0855	0.339	Valid
	0.818	0.339	Valid
	0.766	0.339	Valid
	0.736	0.339	Valid
	0.649	0.339	Valid
Organizational Performance (Y)	0.698	0.339	Valid
	0.896	0.339	Valid
	0.794	0.339	Valid
	0.846	0.339	Valid
	0.903	0.339	Valid
	0.904	0.339	Valid
	0.902	0.339	Valid
	0.940	0.339	Valid
	0.918	0.339	Valid
	0.903	0.339	Valid
	0.889	0.339	Valid
	0.659	0.339	Valid

**Table 2.** Reliability Test

Variable	<i>cronbach's alpha</i>	Reliability limit	Note:
Competence (X)	0.812	0.60	Reliable
Organizational Performance (Y)	0.966	0.60	Reliable

**Table 3.** Simple Regression Analysis Result

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of estimate
1	.478 <sup>a</sup>	.228	.204	7.22590

**Table 4.** Regression Coefficients Result

Coefficients <sup>a</sup>						
Model	R	R Square	Adjusted R Square	Std. Error of estimate	t	Sig.
1	(Constant)	6.551	14.236		.460	.649
	Competence	1.572	.511	.478	3.078	.004

<sup>a</sup>Dependent Variable: Organization Performance

Looking at the reliability test table, it can be seen that the value of Cronbach's alpha (r count) of the two variables is declared reliable because r count > r table is 0.60. Thus, it can be interpreted that the research variables used do not cause a double meaning so that consistency can be guaranteed (Table 3).

### 3.1 Simple Regression Analysis

In the model summary table, it can be seen that the value of "R Square" is 0.228, which is a meaningful competence effect that has an effect on organizational performance by 22.8% while the remaining 77.2% are other variables not examined. The results of the t-test using the SPSS 26 program can be described below.

In accordance, the t-test table explaining the regression coefficient of the variable (X) or competence is 1.572, so from these results, it can be explained that the competency variable (X) has a positive and significant effect on institutional achievement. From the regression analysis, the value of the the t-count is 3.078 > t-table 2.036, and the significance value (sig.) is 0.004 < 0.05. So it can be concluded that competence (X) has a significant effect on organizational performance (Y) (Table 4).

The regression equation is as follows:

$$Y = b - 0 + bX \quad Y = 6.551 + 1.572 X \quad (1)$$

Based on the test results above, it is known that competence has a positive and significant impact on institutional manifestations at the Faculty of Economics and Business, University of Muhammadiyah Makassar.

## 4 Discussion

In general, the test results indicate explicit fluency and relevance to organizational achievement in the Faculty of Economics and Business, University of Muhammadiyah Makassar. In this study, competence is measured by 3 indicators: a) Intelligent b) Self-control c) The ability to interact with others. By paying attention to these three indicators, it is expected to improve organizational performance at the Faculty of Economics and Business. The results of the validity test show that the emotional competence indicator has a high validity value compared to the other two indicators, namely intellectual competence and social competence.

The discussion in this study, namely the results of descriptive statistical analysis using simple regression analysis can be explained in the following discussion.

Based on the results of the calculations and analysis above, the regression equation is obtained:

$$Y = 6.551 + 1.572 X \quad (2)$$

The regression equation can be concluded that in addition to the variables studied (competence), other variables affect organizational performance beyond those studied by researchers at the Faculty of Economics and Business, Muhammadiyah University of Makassar.

The results of simple regression analysis using SPSS Statistic 26 obtained the coefficient of the impact of capability on institutional achievement is 1.572 at  $p\text{-value} = 0.004 < 0.05$ , this is supported by the results of the t-test, namely the t-count value of 3.078 relevant with 0.004 and t-table of 2.036 with a specified significance level of 0.05 or 5%. This proves the capacity to have concrete and relevant organizational achievements in the Faculty of Economics and Business, University of Muhammadiyah Makassar.

Based on the analysis above, it can be concluded that the competence variable is an important factor to improve organizational performance at the of Faculty Economics and Business, University of Muhammadiyah Makassar. Therefore, efforts and seriousness from the leadership of the Faculty are needed in improving the competence of educators so that organizational performance increases.

The findings resulting from this study have a significant influence between competence and institutional performance at the Faculty of Economics and Business, University of Muhammadiyah Makassar. This means that if the faculty leadership wants to improve organizational performance, they must pay attention and provide stimulus to their educators to improve their competencies, both intellectual, emotional, and social competencies.

The results of this study are in line with previous research, namely research conducted, where the result is that there is an influence of lecturer competence on academic performance at Singaperbangsa University Karawang [7].

Looking at previous research which is in line with this research, the author concludes that the competence of educators is indeed a determining factor for improving organizational performance. Thus, the competency variable becomes a very important thing for improving organizational performance.

## 5 Conclusion

Based on the results of research and discussions that have been carried out by researchers related to the impact of institutional manifestation capability in Faculty Economics and Business, University Muhammadiyah Makassar, the researchers conclude capacity has a direct and relevant to organizational manifestation in Faculty Economics and Business, University of Muhammadiyah Makassar. Seen from the results of the variable regression coefficient (X) or competence that is equal to 1.572. So it can be concluded that the competency variable (X) has a positive and significant effect on institutional manifestations. From the calculation of the regression elaboration, it is obtained that the t-count is  $3.078 > t\text{-table } 2.036$ , and the significance value (sig.) was  $0.004 < 0.05$ .

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