

Assessing the Impact of Human Resource Competency and Employee Commitment on Performance at Urban Republic, a Member of the Erajaya Group, Palembang

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Abstract

Companies must innovate and improve employee performance in today's competitive business climate to maintain their market share. Urban Republic, a company headquartered in Palembang and part of the Erajaya Group, is the subject of this study, which examines the relationship between employee participation and HR competency and performance. Improving employee performance requires HR competency, including technical and non-technical skills, and employee commitment, characterized by loyalty and dedication. For Urban Republic to remain competitive, they must understand how these elements affect performance. This study aimed to assess the impact of employee commitment and HR competency on performance. Three sections of labor area heads, store leaders, and staff were given surveys as part of the quantitative approach. Multiple regression analysis was used to analyze the data, supported by validity, reliability, and classical assumption tests. The results showed that employee dedication showed almost significant significance, indicating a possible influence, while employee competence had a statistically significant impact on employee performance. Dedication and HR competency significantly impact performance when the two work together. This analysis emphasizes the importance of continuous HR development investment and the potential benefits of employee commitment. To reduce the risk of employee turnover, it is recommended that HR training programs be improved, employee recognition programs be strengthened, commitment issues be addressed, and staff well-being be monitored to avoid burnout. It is recommended that more research be conducted to examine the intricacies of employee dedication and how it impacts work outcomes. The study concluded that a balanced focus on HR competency and employee commitment is essential to optimize employee performance at Urban Republic.

Keywords: *Actionable Strategies, Employee Commitment, Employee Performance, Human Resources Competency.*

JEL Codes: *J10, K,12, M10*

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1. Introduction

Companies must innovate more and perform better in the current business climate if they want to be competitive in the global market. Employee performance is one of the key elements that determines a company's success. Employee dedication and human resource expertise are significant factors in this context that should be taken into account. Employee commitment relates to an employee's devotion, dedication, and motivation towards their organisation, whereas human resource competency refers to an employee's talents, skills, and knowledge to do their jobs effectively (Rohida et al., 2018a). This study aims to determine how employee dedication and human resource competency affect work performance at Urban Republic, an Erajaya Group company.

The capacity required of people to perform their jobs successfully and efficiently is known as human resource competency (Kusuma et al., 2016). This competency encompasses both non-technical abilities like leadership, teamwork, and communication in addition to technical abilities. Competency is a fundamental quality of a person that is closely linked to higher job performance, according to Rohida et al. (2018a). The study conducted by Schuler et al. (2002) is an example of human resource competency research, demonstrating a strong correlation between employee performance and competence across a range of industries.

On the other hand, employee commitment is the level of loyalty and dedication shown by employees towards their organization. Wood (1999) categorizes employee commitment into three components: affective commitment, continuance commitment, and normative commitment. Affective commitment refers to the emotional attachment employees have with the company, continuance commitment relates to the awareness of the costs associated with leaving the company, and normative commitment is the feeling of obligation to remain with the company. Research by Schuler et al. (2002b) shows that high employee commitment is associated with better performance and lower turnover rates.

Urban Republic, part of the Erajaya Group, operates in the electronics retail sector. Faced with intense competition in this industry, Urban Republic must have competent and highly committed employees. The Erajaya Group itself is known as one of the largest distributors and retailers of electronic products in Indonesia, making Urban Republic's success heavily dependent on its employees' performance.

The effect of employee dedication and human resource competency on work performance at Urban Republic will be investigated in this study. Work quality, work attitude, productivity, and target achievement will all be taken into account when evaluating an employee's performance. It is anticipated that the study's conclusions would offer guidance to Urban Republic management on how to create policies and training initiatives that will raise worker commitment and competency. The study by Chatzoglou et al. (2011), which examined the effect of staff competency and commitment on performance in the Greek banking sector, is one of the other pertinent case studies. The results of the study showed that both variables had a major impact on worker performance, which in turn enhanced organisational performance. Furthermore, Guest (2011) study in Jordan's hospitality industry demonstrated the beneficial effects of employee commitment and human resource competency on worker performance. The

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significance of ongoing training and development initiatives for enhancing dedication and expertise is shown by this study.

This study is significant because it pinpoints the precise areas of employee engagement and human resource competencies that require improvement in order to attain optimal performance within the Urban Republic environment. Through a better knowledge of these two aspects, Urban Republic may put more effective human resource management techniques into practice. To sum up, employee dedication and human resource expertise are significant variables that affect how well employees perform. This research offers valuable perspectives for Urban Republic and other businesses operating in related fields that want to enhance worker productivity by fostering greater proficiency and dedication.

2. Literature Review

2.1 Human Resource

An organization's human resources (HR), which includes the people who work there and help to achieve organisational objectives, are crucial (Guest, 2011). HR encompasses not just the amount of labour but also the calibre, aptitude, and potential of workers in accomplishing company objectives. Recruitment and selection, training and development, performance management, and remuneration are the key elements of human resources. The goal of recruitment and selection is to find people who are qualified for roles inside the organisation (Martín-Alcázar et al., 2008). In their research, Rohida et al. (2018) said that Human Resources competence has a significant positive influence on Employee Performance.

2.2 Employee Commitment

Employee commitment can be categorized into several dimensions, including affective commitment, continuance commitment, and normative commitment (Wartono, 2008). Affective commitment reflects employees' positive emotional attachment to the organization, motivating them to contribute maximally and feel personally invested in the organization's success. Continuance commitment relates to the perceived costs of leaving the organization, such as losing benefits or time investments (Sugiyono, 2019). The normative commitment represents a moral obligation or loyalty driven by personal values or social norms to remain with the organization. In their research, Kusuma et al. (2016) states that there is a positive and significant influence of HR competence and organizational commitment on employee performance.

2.3 Employee Performance

Employee performance is defined as the outcomes achieved over a specific period Fadhil (2011). It encompasses the accomplishments of an individual or group within an organization in completing their duties and responsibilities to achieve organizational goals, legally, morally, and ethically (Foster Curtis & Dreachslin, 2008). According to the Indonesian National Institute of Administration, employee performance is the achievement level in a job, program, or policy aligned with the company's goals, vision, and mission Ghozali, (2018). Performance reflects the results and behavior of an individual over a period, considering both quantity and quality while adhering to rules and ethical standards to fulfill the company's objectives. In his research, Ghozali (2018) explained that employee performance can be influenced by employee competence and organizational commitment together with an influence level of 39.8%.

3. Research Methodology

This research was conducted at the Urban Republic, a member of the Erajaya Group in Palembang, focusing on how employee competence and commitment affect employee performance. The study utilized quantitative data collected through questionnaires distributed online to the entire population of 30 employees, including area heads, store leaders, PICs, and staff members. The independent variable was Human Resources Competence (X1) and Employee Commitment (X2), while the dependent variable was Employee Performance (Y). The research employed several data collection techniques, including observation, interviews, questionnaires, and literature reviews. Observations provided direct insights, while interviews allowed for in-depth exploration of specific issues. Questionnaires, using a Likert scale, gathered structured responses on employee competence and commitment. Secondary data were sourced from journals, books, and online materials to supplement the primary data. Data analysis involved several steps. Validity and reliability tests were conducted with validity assessed through t-tests and reliability measured by Cronbach's Alpha. Descriptive statistics were used to summarize data distributions, while classical assumption tests, such as normality, multicollinearity, and heteroscedasticity, were performed to ensure the robustness of regression models. Finally, multiple regression analysis was employed to examine the relationships between competence, commitment, and performance, with hypothesis testing determining the significance of these relationships.

As for various research that has been carried out previously and based on a framework of thought, the author formulates the following hypothesis:

1. H1: It is suspected that Human Resource competence will have a partial effect on the employee performance at Urban Republic, a member of the Erajaya Group in Palembang.
2. H2: It is suspected that employee commitment will have a partial effect on the employee performance at Urban Republic, a member of the Erajaya Group in Palembang.
3. H3: It is suspected that Human Resource competence and employee commitment will have a simultaneous effect on the employee performance at Urban Republic, a member of the Erajaya Group in Palembang.

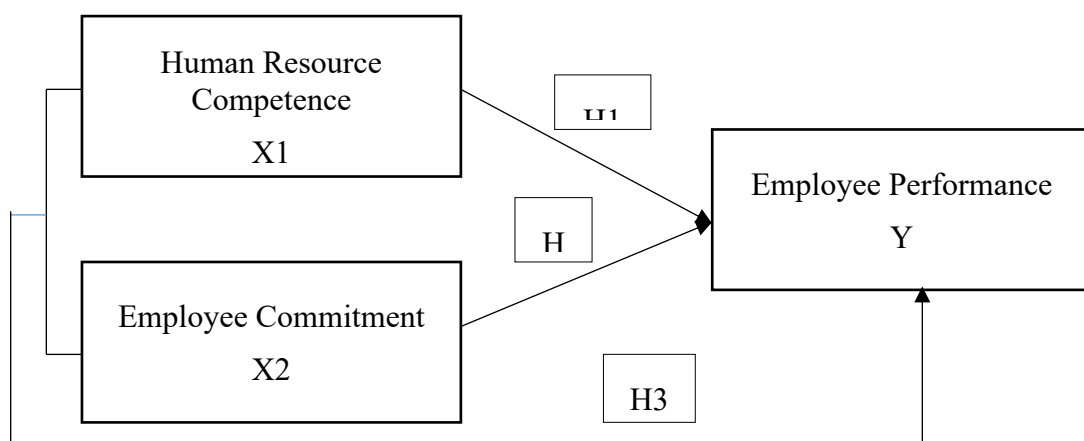


Figure 1. Research Framework
Source: Author data (2024)

4. Result and Discussion

4.1. Result

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4.1.1. General information of respondents

The study on the influence of Human Resource competence and employee commitment on employee performance at the Urban Republic, a member of the Erajaya Group in Palembang, reveals a balanced gender distribution among respondents. Table 1 shows that men constitute 43.3% of the total respondents, while women make up 45.7%. This nearly equal representation suggests an inclusive and non-discriminatory recruitment policy, reflecting a balanced gender involvement within the company. A diverse gender mix can enhance team dynamics, foster innovation, and bring various perspectives to problem-solving.

The majority of respondents are young, aged between 18-25 years, accounting for 74.1% of the total. Respondents aged 26-30 years make up 22.2%, while only 3.7% are over 31 years old. This age distribution indicates that Urban Republic primarily attracts younger employees, likely appealing to millennials and Generation Z. Younger employees are generally dynamic, energetic, and more adaptable to new technologies, which can benefit the company in addressing modern challenges and accelerating innovation. However, the company must address the challenge of retaining and motivating younger employees who may seek further growth opportunities.

Most respondents hold regular member positions, representing 86.21% of the total. This high percentage suggests that Urban Republic has many staff at the operational level, likely due to the company's need for direct involvement in daily operations. These roles involve routine tasks requiring efficiency and accuracy. The significant proportion highlights the importance of developing training and skill development programs to enhance operational performance, ultimately boosting productivity and efficiency.

In contrast, managerial and supervisory positions, such as Area Head, Store Leader, and PIC (Person in Charge), account for smaller percentages: 3.45%, 6.90%, and 3.45%, respectively. The lower percentage indicates a leaner hierarchical structure with a focus on execution rather than supervision. These positions are crucial for supporting the company's strategy and ensuring smooth operational tasks. Hence, HR competence at the managerial level is vital, as these roles involve guiding, motivating, and managing large teams primarily consisting of operational staff.

Table 1. General description of respondents

Variables	Unit	Percentage (%)
Gender	Male	43.3
	Female	45.7
Age	18-25 years	74.1
	26-30 years	22.2
	>31 years	3.7
Job Position	Area Head	3.45
	Store Leader	6.90
	PIC	3.45
	Member	86.21

Source: Results of field survey, (2024).

4.1.2. Descriptive Analysis of Customers about Human Resource Competence, Employee Performance, and Employee Commitment

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The data provided in Table 2 reflects the perceptions of employees at the Urban Republic, a member of the Erajaya Group in Palembang, regarding their skills, training, and the recognition they receive at work. A significant portion of respondents, 64.52%, strongly agree that the training they received improved their work skills, with an additional 29.03% agreeing, indicating a general consensus that the company's training programs are effective. In terms of skill adequacy, 61.29% of employees strongly agree they have the necessary skills to perform their jobs well, while 35.48% agree, showing confidence in their abilities. Furthermore, 67.74% of respondents strongly feel supported by the company in developing new skills, which suggests a strong emphasis on continuous professional development within the organization. Additionally, 61.29% of employees strongly agree that they are capable of completing their work efficiently and effectively, underscoring their confidence in applying these skills in practice. However, when it comes to recognition from superiors, only 35.48% of employees strongly feel their competencies are recognized and valued, and 45.16% agree, highlighting a potential area for improvement in acknowledging employee contributions. This data suggests that while the company excels in training and skill development, there may be a need to enhance recognition and appreciation of employee competencies to further boost morale and performance.

Table 2. Descriptive Analysis of Respondents' Answers to the HR Competence (X1) Variable

Nr	Question	STS (1)	TS (2)	N (3)	S (4)	SS (5)	Total (F)	Total (%)
1	Do you feel that the training you received improved your work skills?	1 3.23%	-	1 3.23%	9 29.03%	20 64.52%	31	100%
2	Do you feel you have the necessary skills to perform your job well?	-	-	1 3.23%	11 35.48%	19 61.29%	31	100%
3	Do you feel supported by the company in developing new skills?	-	-	1 3.23%	9 29.03%	21 67.74%	31	100%
4	Do you feel capable of completing your work efficiently and effectively?	-	-	2 6.45%	10 32.26%	19 61.29%	31	100%
5	Do you feel that your competencies are recognized and valued by your superiors?	1 3.23%	-	5 16.13%	14 45.16%	15 35.48%	31	100%

Source of data: *primary data processed (2024)*

The survey data in Table 3 provides insights into the emotional commitment and motivation levels of employees at the Urban Republic, part of the Erajaya Group in Palembang. When asked if they feel emotionally attached to the company, 51.61% of respondents were neutral, with 25.81% agreeing and 9.68% strongly agreeing, while 9.68% disagreed, suggesting a mixed level of emotional engagement among the workforce. In terms of motivation, 48.39% of employees strongly agree and another 48.39% agree that they are motivated to give their

best for the company, indicating a generally high level of motivation despite the varying emotional attachment.

When it comes to long-term commitment, 38.71% of respondents agree and 29.03% strongly agree that they plan to stay with the company for an extended period, while 25.81% remain neutral, and 6.45% disagree, reflecting a relatively positive outlook on job retention but also highlighting a segment that may be uncertain about their future with the company. Additionally, the willingness to sacrifice personal time for work shows that 41.94% of employees agree and 22.58% strongly agree, indicating a majority are willing to go beyond their work hours, although 35.48% are neutral on this matter.

Overall, the data suggests that while employees are motivated and generally committed to the company, there is variability in emotional attachment and long-term intentions, which could be areas for further exploration and development to enhance overall employee satisfaction and retention.

Table 3. Descriptive Analysis of Respondents' Answers to the Employee Competence (X1) Variable

Nr	Question	STS (1)	TS (2)	N (3)	S (4)	SS (5)	Total (F)	Total (%)
1	Do you feel emotionally attached to this company?	1 3.23%	3 9.68%	16 51.61%	8 25.81%	3 9.68%	31	100%
2	Do you feel motivated to give your best for this company?	-	-	1 3.23%	15 48.39%	15 48.39%	31	100%
3	Do you plan to stay with this company for a long time?	-	2 6.45%	8 25.81%	12 38.71%	9 29.03%	31	100%
4	Do you plan to stay with this company for a long time?	-	-	8 25.81%	14 45.16%	9 29.03%	31	100%
5	Are you willing to sacrifice your personal time to complete work?	-	-	11 35.48%	13 41.94%	7 22.58%	31	100%

Source of data: primary data processed (2024)

The data in Table 4 presents the perceptions of employees at Urban Republic, part of the Erajaya Group in Palembang, regarding their work performance, impact, and recognition within the company. The majority of respondents, 58.06%, agree that they always achieve their work targets, with 29.03% strongly agreeing, indicating a high level of confidence in meeting expectations. Similarly, 61.29% agree that their work has a positive impact on the department or company, with 29.03% strongly agreeing, suggesting a strong sense of contribution among employees.

When it comes to feedback from supervisors, 54.84% agree that it helps improve their performance, with 29.03% strongly agreeing, demonstrating that feedback is generally seen as beneficial. Regarding daily productivity, 58.06% of employees agree that they work with high productivity every day, and 29.03% strongly agree, which underscores a strong work ethic.

However, when it comes to feeling appreciated by the team and management, the responses are more varied. While 51.61% of employees agree that their contributions are appreciated, only 32.26% strongly agree, and 3.23% disagree. This indicates that while many employees feel valued, there is still a significant portion who may not feel adequately recognized, suggesting an area for potential improvement in employee appreciation and recognition practices.

Table 4. Descriptive Analysis of Respondents' Answers to the Employee Performance (X1) Variable

Nr	Question	STS (1)	TS (2)	N (3)	S (4)	SS (5)	Total (F)	Total (%)
1	Do you feel that you always achieve your work targets?			4 12.90%	18 58.06%	9 29.03	31	100%
2	Do you feel that your work has a positive impact on the department or company?			3 9.68%	19 61.29%	9 29.03%	31	100%
3	Do you feel that feedback from your supervisor helps improve your performance?			5 16.13	17 54.84	9 29.03	31	100%
4	Do you feel that you work with high productivity every day?			4 12.90	18 58.06	9 29.03	31	100%
5	Do you feel that your contributions are appreciated by the team and management?	1 3.23		4 12.90	16 51.61	10 32.26	31	100%

Source of data: primary data processed (2024)

4.1.3. Reliability, Normality, and Multi-Collinearity Test

a. Reliability Test

The table provides reliability and validity measures for three variables: HR Competence (X1), Employee Commitment (X2), and Employee Performance (Y). Cronbach's Alpha is used to assess the internal consistency or reliability of a set of scale or test items (Yam & Taufik, 2021). In this case, all three variables have Cronbach's Alpha values above 0.6, indicating that they are reliable according to the standard threshold of 0.6. The data also confirms that these variables are valid, meaning they accurately measure what they are intended to measure.

Cronbach's Alpha is a widely used measure of reliability in social science research (Pallant, 2022). A Cronbach's Alpha value above 0.6 is generally considered acceptable, indicating that the items within each variable are sufficiently correlated to be considered reliable. Reliability refers to the consistency of a measure; a reliable measure produces similar results under consistent conditions. Validity, on the other hand, refers to the accuracy of the measure—

whether it truly reflects the concept it is intended to measure.

The reliability analysis of the variables HR Competence (X1), Employee Commitment (X2), and Employee Performance (Y) shows that the instruments used to measure these variables are consistent and reliable, with Cronbach's Alpha values above the acceptable threshold of 0.6. This indicates that the results of the study are credible because the data gathered for these variables typically yield consistent results. Furthermore, because these variables are likewise regarded as valid, the study's conclusions about the influence of HR competency and employee commitment on employee performance are supported by the fact that they accurately capture the constructs that these variables are meant to evaluate.

Table 5. Reliability and Validity Test of Variables X1, X2, and X3

Variable	Cronbach's Alpha	Standard	Description
HR Competence (X1)	0,608	0,6	reliable Valid
Employee Commitment (X2)	0,658	0,6	reliable Valid
Employee Performance (Y)	0,660	0,6	reliable Valid

Sources: Data Processing

b. Normality and Multi-Collinearity Test

The statement discusses the results of the One-Sample Kolmogorov-Smirnov Test conducted to assess the normality of the unstandardized residual distribution in a regression analysis (Pallant, 2022), data provided in Table 6. The test was performed with 31 samples, showing a mean of 0.0000000 and a standard deviation of 1.64931622, indicating that the residuals do not significantly deviate from zero, which is a positive sign for normality. The most extreme differences were recorded at 0.129 (positive) and -0.119 (negative), with a test statistic of 0.129. The Asymp. Sig. (2-tailed) value was 0.200, greater than the 0.05 threshold, suggesting that the null hypothesis of normal distribution for residuals should not be rejected. The normality of the residuals in Figure 2 confirms that the regression model used in the study meets one of the classical assumptions, ensuring that the regression analysis results are reliable and valid. Consequently, the conclusions drawn about the impact of HR competence and employee commitment on employee performance are sound and can be confidently used for managerial decision-making aimed at enhancing employee performance.

Table 6. Normality Test Results

		Unstandardized Residual
N		31
Normal Parameters ^{a,b}	Mean	.0000000
	Std. Deviation	1.64931622
Most Extreme Differences	Absolute	.129
	Positive	.129
	Negative	-.119
Test Statistic		.129
Asymp. Sig. (2-tailed)		.200 ^{c,d}

Note: a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

d. This is a lower bound of the true significance.

Sources: Data Processing

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When analysing a regression standardized residual plot in Figure 3, it is crucial to check if the residuals are randomly dispersed without showing any systematic patterns. Residuals that are evenly spread around zero indicate that the normality assumption is met. However, if the residuals exhibit specific patterns or are concentrated in certain areas, it may suggest issues with the normality assumption or the presence of outliers affecting the model.

In a Normal P-plot, if the residual points align along the diagonal line, it indicates that the residuals are normally distributed. Deviations from this diagonal, especially at the extremes of the distribution, suggest that the data may not fully adhere to a normal distribution. Such deviations are important to note as they can impact the regression analysis and the validity of the model. If significant deviations are observed, data transformation or considering an alternative model may be necessary to improve model fit.

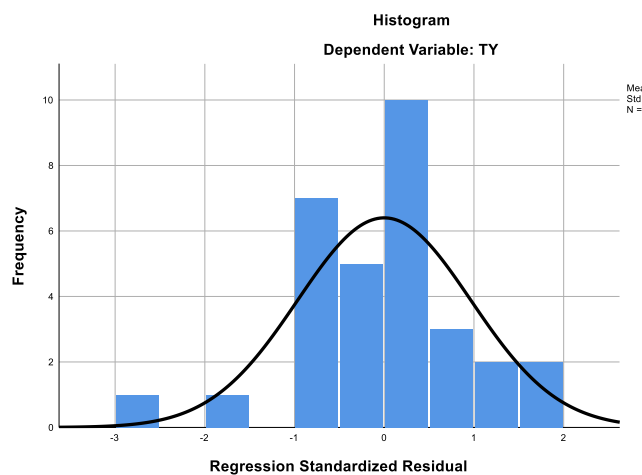


Figure 2. Histogram Regression Standardized Residual

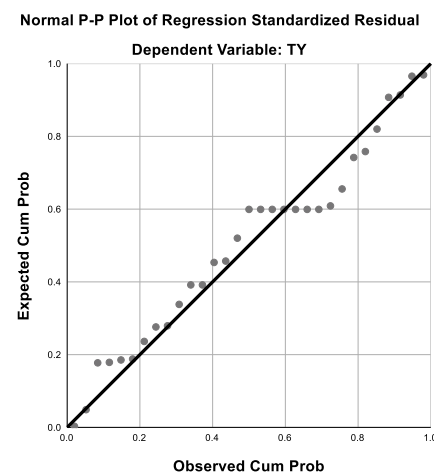


Figure 3. Normal P-Plot of Regression Standardized Residual Dependent Variable

Sources: Data Processing

In regression analysis, multicollinearity is defined as two or more independent variables having a very high linear relationship (Table 7). This condition can result in unstable regression results and inaccurate interpretation. To achieve reliable regression analysis results, it is crucial to verify for multicollinearity in the research of the relationship between HR competency and employee commitment and employee performance at Urban Republic, Erajaya Group Palembang. To evaluate multicollinearity, the methodology employs the Variance Inflation Factor (VIF) and Tolerance. There are no significant multicollinearity issues, as indicated by the tolerance values of 0.983 and X2 for HR Competency (X1) and Employee Commitment (X2). This suggests that each independent variable contributes uniquely to the model as the majority of its variability is not explained by the other.

Furthermore, both variables' VIF values are 1.018, which is very near to 1, indicating that there is no discernible multicollinearity. Values near to 1 suggest little correlation between the independent variables, whereas values below 10 indicate little discernible variance inflation. The analysis as a whole finds no evidence of a significant multicollinearity between employee commitment and HR competency. Because of this, researchers may confidently utilise these

variables in regression analysis to assess how they affect employee performance without having to worry about erroneous interpretations or unstable coefficient values.

Table 7. Multi-Collinearity Test Results

Variable	Tolerance	VIF
HR Competence (X1)	0.983	1.018
Employee Commitment (X2)	0.983	1.018

Sources: Data Processing

4.1.4. Regression Analysis

A statistical analysis method called multiple linear regression testing is used to determine how many independent variables have an impact on a single dependent variable (Pallant, 2022). Employee performance (employees) is the dependent variable in this study, and employee commitment and human resource competency (HR) are the independent variables. This test seeks to ascertain the relative contributions of each independent variable to the dependent variable as well as the significance of the relationship.

The regression equation that was derived is $TY = 4.729 + 0.529 (\text{HR Competence}) + 0.243 (\text{Employee Commitment})$, according to the findings of the multiple linear regression test. The constant value of 4.729 means that the expected employee performance is 4.729 when employee commitment and HR competence are both zero. The regression coefficient for HR Competence is 0.529, which means that, assuming all other variables stay constant, Employee Performance should rise by 0.529 units for every unit increase in HR Competence. Similarly, the regression coefficient for employee commitment is 0.243, meaning that, under the assumption that all other variables stay constant, employee performance should rise by 0.243 units for every unit increase in employee commitment. Table 8 provides more details.

Table 8. Multiple Linear Regression

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	4.729	3.557		1.329	.194
HR Competence (X1)	.529	.133	.569	3.971	.000
Employee Commitment (X2)	.243	.130	.269	1.879	.071

Note: a. Dependent Variable: TY

Sources: Data Processing

The partial T-test is used to assess the significance of each regression coefficient in a multiple linear regression model (Vini Tri Susanti & Rusman Frendika, 2022). According to Table 8, the t-value for Human Resource Competence (HR Competence) is 3.971 with a significance (Sig.) of 0.000. This value is much smaller than 0.05, indicating that the regression coefficient for HR Competence is statistically significant. This means that HR Competence significantly impacts Employee Performance at a 95% confidence level. In other words, the results suggest that improvements in HR Competence will significantly enhance employee performance at Urban Republic, a member of Erajaya Group Palembang. The company's management needs

to focus on developing HR Competence to boost overall employee performance.

The table also shows that the t-value for Employee Commitment is 1.879 with a significance (Sig.) of 0.071. This significant value is greater than 0.05, meaning that the regression coefficient for Employee Commitment is not statistically significant. Thus, at a 95% confidence level, there is not enough evidence to state that Employee Commitment has a significant impact on Employee Performance. However, the significance value of 0.071 is close to the 0.05 threshold, suggesting that there might be a near-significant effect. Therefore, although not significant at the 95% level, management should still consider the importance of employee commitment in a broader context and may conduct further research or use a more lenient significance level to examine its impact. In this study, HR Competence has been shown to have a significant effect on employee performance, whereas Employee Commitment does not exhibit statistically significant effects at the 95% confidence level. Management at Urban Republic, a member of Erajaya Group Palembang, should prioritize the development of HR Competence as a key factor in improving employee performance.

However, the results also indicate that Employee Commitment is close to being significant, suggesting it may still be an important factor to consider. Therefore, in addition to focusing on improving HR Competence, the company should also continue to support and enhance employee commitment to achieve optimal performance. Further research could investigate the role of Employee Commitment in the long term. For the Anova test results are shown in Table 9.

Table 9. ANOVAa Test Results

	Model	Sum of Squares	df	Mean Square	F	Sig.
1	Regression	63.102	2	31.551	10.825	.000 ^b
	Residual	81.607	28	2.915		
	Total	144.710	30			

a. Dependent Variable: TY

b. Predictors: (Constant), Employee Commitment, HR Competence

Sources: Data Processing

The simultaneous test, or F-test, in regression analysis, determines whether all independent variables significantly affect the dependent variable Schuler et al., (2002). In this study, the dependent variable is Employee Performance (TY), while the independent variables are Human Resource Competence (HR Competence) and Employee Commitment. Based on Table 4.9 ANOVA provided, the F-value from the simultaneous test is 10.825 with a significance (Sig.) of 0.000. The F-value of 10.825 indicates that the regression model used is a good fit in explaining the variation in Employee Performance (TY) based on HR Competence and Employee Commitment. This high F-value suggests that at least one of the independent variables significantly affects the dependent variable. This is supported by the very small significance value (Sig. = 0.000), which is well below the critical threshold of 0.05, indicating that the null hypothesis, which states that there is no significant effect of the independent variables on the dependent variable, can be rejected.

The significance value (Sig.) of 0.000 indicates that the probability of obtaining the results if there were no effects of HR Competence and Employee Commitment on Employee Performance is very low. In other words, we can conclude with a very high level of confidence that HR Competence and Employee Commitment together have a significant impact on

Employee Performance. This means that improvements in HR Competence and Employee Commitment are likely to enhance employee performance at Urban Republic, a member of Erajaya Group, Palembang.

The results of this simultaneous test have important implications for the management of Urban Republic, Member of Erajaya Group, Palembang. Management can focus on improving HR Competence through training and development, as well as increasing Employee Commitment through various motivation and engagement strategies. Knowing that these two variables significantly affect Employee Performance, the company can design more effective policies to improve overall productivity and performance. Additionally, this study provides a solid foundation for further research to explore other factors that may affect employee performance in this company.

4.2. Discussion

Descriptive Analysis of Human Resource Competence (X1) tell that the majority of employees view the training and support received positively, with 64.5% agreeing and 29% strongly agreeing that the training improved their work skills. Similarly, 67.7% strongly agree and 29% agree that the company supports the development of new skills, reflecting the company's commitment to empowering employees. Recognition of employee competence also plays a significant role in motivation and performance, with 48.4% strongly agreeing and 45.2% agreeing that their competencies are valued.

Then, descriptive Analysis of Employee Commitment (X2) shows that the survey indicates that 77.4% of employees feel emotionally attached to the company, suggesting a strong positive bond. Motivation is high, with 96.8% agreeing or strongly agreeing that they are motivated to perform well. However, 25.8% are neutral or disagree regarding their long-term commitment, pointing to potential turnover risks. Additionally, 64.5% agree or strongly agree to sacrifice personal time for work, which, while showing dedication, could also signal potential burnout if not managed properly.

Descriptive Analysis of Employee Performance (Y) in this research shows that most employees feel they consistently meet work targets, with 58.1% agreeing and 29% strongly agreeing. They also believe their work positively impacts the department or company, with 61.3% agreeing and 29% strongly agreeing. Feedback from superiors is deemed helpful by 54.8% and 29% strongly agree. Nonetheless, recognition from the team and management could be improved, as only 51.6% feel appreciated, and 32.3% feel very appreciated.

After that, the reliability tests indicate that all variables (Human Resource Competence, Employee Commitment, and Employee Performance) have Cronbach's Alpha values above 0.6, demonstrating that the instruments used are reliable. Furthermore, all variables are valid, indicating accurate measurement of the intended constructs. The Kolmogorov-Smirnov test shows that residual data follow a normal distribution, with a significance value of 0.200, exceeding the 0.05 threshold, thereby meeting the normality assumption. The multicollinearity tests show tolerance and VIF values close to 1, indicating no significant multicollinearity issues among the independent variables, ensuring their unique contribution to the regression model. The multiple linear regression results show that Human Resource Competence has a significant impact on employee performance with a t-value of 3.971 and a significance of 0.000. This suggests that improvements in Human Resource Competence will significantly enhance employee performance. In contrast, Employee Commitment does not show a significant impact

at the 95% confidence level, with a t-value of 1.879 and a significance of 0.071, though the value is close to the 0.05 threshold, indicating a potential near-significant effect that warrants further research. The F-test results in a value of 10.825 with a significance of 0.000, demonstrating that both Human Resource Competence and Employee Commitment together significantly influence Employee Performance. This indicates that while Employee Commitment alone may not be statistically significant, when combined with Human Resource Competence, both variables collectively have a significant impact on employee performance. To add more, the hypothesis testing results are explained in the next paragraph.

1. **Hypothesis 1 (H1):** Human Resource Competence significantly affects employee performance. The significant result supports H1. The analysis results confirmed this hypothesis, indicating that employees with higher competence are more likely to perform better. This significant relationship highlights the importance of investing in human resource development, as enhancing employee skills and abilities directly contributes to improved performance. Companies like Urban Republic can benefit from continuing to prioritize training and development programs to maintain high levels of competence among their employees.
2. **Hypothesis 2 (H2):** The second hypothesis (H2) suggested that Employee Commitment might not have a significant impact on employee performance at a 95% confidence level. The statistical analysis supported this, leading to the rejection of H2. Despite this, the results showed that the level of significance for Employee Commitment was close to the threshold for being considered significant. This near-significance suggests that while the current data does not provide strong evidence for a direct impact of commitment on performance, there may be underlying factors that require further exploration. It might be valuable for future research to delve deeper into how employee commitment influences performance, possibly by considering different contexts, and time frames, or using a more sensitive measurement approach.
3. **Hypothesis 3 (H3):** Both Human Resource Competence and Employee Commitment together significantly affect employee performance, supporting H3. The study's findings show that these two factors significantly affect employee performance when taken into account jointly. This result bolsters H3, which contends that while employee commitment by itself might not have a statistically significant impact, when paired with the Human Resources Committee, it has a major influence on performance results. This implies that in order to optimise staff performance, a comprehensive strategy that cultivates competence and dedication is necessary. Management at Urban Republic may want to take into account tactics like offering chances for professional development, fostering a supportive work environment, and recognising employee achievements in order to simultaneously improve employee abilities and cultivate a strong sense of commitment. The business may maximise employee performance and improve overall outcomes by addressing both factors.

5. Conclusion

To sum up, this study emphasises how critical it is to concentrate on HR competency in order to raise employee performance at Urban Republic. Employee commitment does not statistically significantly affect anything, but its nearly significant importance suggests that it may be useful and merits more research. The need for management to strike a balance between the two in order to enhance overall worker performance is also highlighted by this study. The following

list of recommendations, which are based on the aforementioned circumstances, can be implemented by the company:

1. **Enhance HR Competence Programs:** Continue to invest in training and skill development programs as they have a proven positive impact on employee performance. Regularly update and tailor training programs to ensure they meet the evolving needs of employees.
2. **Improve Employee Recognition:** Develop and implement more robust recognition and reward systems to ensure employees feel valued. Regular feedback and appreciation from both peers and management can further enhance motivation and performance.
3. **Address Commitment Concerns:** While Employee Commitment shows potential, the risk of turnover suggests the need for further investigation and action. Consider implementing strategies to improve long-term commitment, such as career development opportunities and better work-life balance initiatives.
4. **Monitor Employee Well-Being:** Given the high levels of willingness to sacrifice personal time for work, it's crucial to monitor and address potential burnout. Implement measures to support employee well-being, such as flexible working arrangements and mental health resources.
5. **Further Research:** Conduct additional studies to explore the nuances of Employee Commitment and its impact on performance. This could involve qualitative research or other factors influencing commitment and performance.

Urban Republic can enhance its overall employee performance and create a more supportive and productive work environment by focusing on these areas.

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