

## The Effect of Competence, Training and Work Discipline towards Employees' Performance (A Case Study at PT. Krakatau Argo Logistics)

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**Abstract:** PT. Krakatau Argo Logistics was experiencing degradation in its performance. Overall, the results of employees' performance appraisal in deficient category had experienced degradation from 2015 until 2016, which was 1.7%. The declining trend in deficient category would affect company's competitiveness. This study was aimed to find out what factors could affect the performance degradation. From several factors that affected performance degradation, the writer sorted them into three (3) factors; Competence, Training and Work Discipline factors. This descriptive study used quantitative method through survey and collecting the data by questionnaires. The samples in this study were 102 employees. The independent variables are Competence ( $X_1$ ), Training ( $X_2$ ), and Work Discipline ( $X_3$ ), and the dependent variable is Employees' Performance ( $X_3$ ), with processing method uses doubled linear regression. The results of the study showed the variables of Competence, Training and Work Discipline simultaneously had positive and significant impact toward Employees' Performance variables. Partially, Competence variable had positive and significant impact toward Employees' Performance, Training competence had positive and significant impact toward Employees' Performance, and Work Discipline had positive and significant impact toward Employees' Performance variable. This study concluded that the effective management in sub variables of Competence, Training, and Work Discipline would be able to increase Employees' Performance, and finally could also increase the company competitiveness.

**Keywords:** Competence, Training, Work Discipline, Employees' Performance

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### I. INTRODUCTION

Logistic context is identical with organization, movement and storage of materials and human. The domain of logistic activities itself provides system with right product, in the right place, and at the right time by optimizing performance measurement given. For instance, minimizing operational costs and completing the qualification given in accordance to the clients and service quality (Ghiani *et al.*, 2004). The competition in logistic business either internationally or nationally is getting tighter. As an organization that always want to follow business environment changes that is happening, PT. Krakatau Argo logistics always attempts to develop and make human resources as key actors in the company success and advancement. The indicator of company's success can be seen from company's performance annually. That is also reflected on its employees' performance appraisal. Furthermore, the problem is that employees' performance often time is not in accordance with what the company expected; there is performance degradation trend in deficient category. According to the secondary data through the result of employees' performance appraisal report of PT. Krakatau Argo Logistics, it can be concluded that from the total 142 employees, 58% or 83 employees experience performance degradation (-3.1%) and only 42% or 59 employees who experience performance improvement (1,8%) in 2016. Overall, the average result of employees' performance appraisal in deficient category has experienced degradation from 2015 until 2016 that is 1.7%. This becomes the serious attention to the management, because if it is ignored, it could affect company competitiveness. According to the primer data through the result of the questionnaires of pre-study survey about factors that could increase employees' performance, there are 27.5% respondents who accentuate competence factor, and 22.5% accentuate work discipline factor, 17.5% of them accentuate training factor and the rests choose other factors. Therefore, the writer concludes that, temporarily, competence, training and work discipline factor are the dominant factors that affect employees' performance at PT. Krakatau Argo Logistics.

## **II. THEORETICAL REVIEW**

### **2.1 Employees' performance**

Performance is accumulation of individual performance and individual is business asset (Harvard Business Essential, 2006). As stated by Colquitt (2015) that performance is the set of employees' behavior value who contribute, positively or negatively to the company's goals. Performance covers three (3) elements: (a) individual or who, (b) activity and (c) place or where (Rothwell&Kazana, 2003). In term of perspective, performance covers two (2) elements: individual perspective and organizational perspective. In organizational perspective, performance is defined as value created by organization by using its productive assets to achieve what is expected (Verweire&Berghe, 2004). In individual perspective, performance is defined as the ability/skill of individual to do some work formally and approved as part of their job (Landy& Conte, 2010), the result of a set of activities to achieve the target by several standards (Bailey, 1982 in Rothwell&Kazana, 2003) and as the total value of organization expectation from individual behavior separately in certain period of time (Weiner et al., 2012).

### **2.2 Competence**

Competence aspect starts to gain strong position as a factor that must be considered by company to achieve effective performance. The limitation is depended on type of competence of each organization in accordance with needs and interests in performance achievement (Gupta, 2012). The concept covers the element of responsibility, competence, skill, interdependence, education, training and learning. Boyatzis (2008) argued that individual competence is one of the performance predictor that is effective, which then explain individual competence shown by vision, value and philosophy in their work, knowledge and skill, as well their career life and interests. Competence is someone's specific behavior or characteristic in terms of knowledge, skill, motive, value and self concept that allow them to work more effective, superior and success than the others (Boyatzis, 1982 in Velayudhan, 2011; Dubois, 1983 and 1993 in Mills, 2006; Palan, 2007; Kesler, 2011). Competence can be observed, verified, logically, used as a reference, can be relied on, and related to the function of work (Woods, 2010; Mills, 2006; Gupta, 2012; Jackson et al., 2011). According to Boyatzis (2008), competence can be developed through training. Competence as a requirement to the job demand, either overall or partially must be owned by the employees in doing their job.

### **2.3 Training**

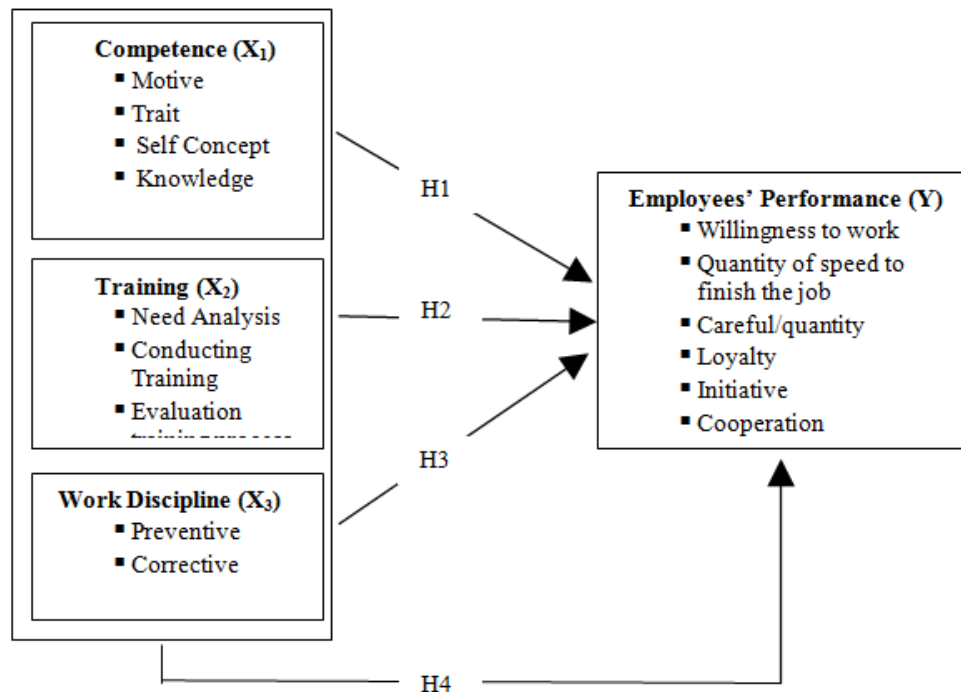
Training is a form of competence development to meet the demand performance fulfillment individually or organizationally. Training is defined as systematical approach towards the impact of knowledge, skill and attitude improvement to increase individual, team and organizational effectiveness (Aguinis&Kraiger, 2009); as planned in the systematic efforts to modify and develop knowledge, skill, and attitude through learning from experience to achieve effective performance in various training activities intended to give knowledge and skills and to embed attitudes that are required for specific performance that is mostly ignored (Bukley&Caple, 2009). The keywords of training definition above are systematical efforts to improve knowledge, skill and behavior, as well to contribute towards performance improvement. The concept of training is effective to meet company's needs according to the result of analysis of needs, designs and implementations, as well training evaluation (Saks &Haccoun, 2010). The difference of individual in terms of duty and responsibility in work, gives consequence to the needs of individual training that differ from the others. Therefore, this training is implemented based on the analysis of organizational needs according the potentials owned by individuals, so the training can strengthen or increase the existing knowledge or skill.

### **2.4 Work Discipline**

Pacitti (2011) defined that work discipline is the behavior and acting in accordance with company's rules, written or no. discipline is also someone consciousness and will to obey all the applicable laws and social norms. According to Rivai and Sagala (2013) work discipline is a tool used by manager to communicate with the employees so they are willing to change some behaviors and to increase someone awareness and willingness to obey all applicable rules and social norms in a company. According to Hasibuan (2014) discipline is someone's awareness and willingness to obey all applicable company's rules and social norms. Discipline is a form of training that enforces organizational rules (Mathis and Jackson, 2002). Thus, it can be concluded that work discipline is the level of individual compliance to do all their jobs properly according to the standard expected with full awareness, not by coercion.

### **2.5 Conceptual Model**

In this case, the writer wants to find out causal relationship between the concept of competence, training and work discipline on employees' performance at PT. Krakatau Argo Logistics in Cilegon. Schematically, conceptual model of a study can be illustrated as in following Figure 1:



**Figure 1.**Conceptual Model

**1.6 Hypotheses**

- H1: Competence has positive impact on Employees' Performance
- H2: Training has positive impact on Employees' Performance
- H3: Work Discipline has positive impact on Employees' Performance
- H4: Competence, Training and Work Discipline simultaneously influence Employees' Performance

**III. RESEARCH METHOD**

The type of the research is a descriptive research to explain the effect/relation among models. And the using of quantitative method namely a research required statistic as a method (Supranto, 2012). The research conducted at PT.Krakatau Argo Logistics Cilegon. The total population is 142 employees and based on the formula of Slovin sample calculation is 105 employees with the method of proportional random sampling. The technique of data collection is through spreading questionnaire method.

According to the instrument of test namely validity and reliability tests, the result showed that the measurement namely questionnaire used is valid and reliable. Hypothesis Test (F Test and T-Test) is conducted after success through the classical assumption test namely Multicollinearity, heteroscedasticity, normality and autocorrelation. The analysis method used is multilinear analysis. The calculation of correlation coefficient and its testing technique are conducted through computer assistance by using SPSS 15 program.

**3.1 Variables**

**Table 1 Operationalization of Research Variables**

Variable and Definition	Dimension	Indicator	Scale/ Types of data	Number of Question
Competence (X1)  Spencer & Spencer (2010), Competence is a number of characteristics that underlies a person and appoint the ways to act, think or generalize a situation properly in a long term.	1.Motive	a. Employee's willingness to work.	Likert/ Ordinal	1
		b. Willingness to improve work motivation.		2
	2. Trait	a. Willingness to control emotion		3
		b. Capable to work under pressure.		4
	3. Self Concept	a. Image as an employee		5
		b. The concept to earn work achievement		6
	4. Knowledge	a. Ability in Job Description		7
		b. Technical knowledge		8
	5. Skill	a. Possessing innovation in working.		9
		b. Capable to use facility in		10

			working.			
<b>Training (X2)</b>  Dessler (2011), Training is the process of teaching new employees the basic skills they need to perform their jobs	1. Need analysis	a.	Work Analysis	Likert/	11	
		b.	Individual Analysis	Ordinal	12	
	2. Conducting Training	a.	Conformity of participant qualification			13
		b.	Conformity of training material			14
		c.	Conformity of instructor quality			15
	3. Evaluation of training process	a.	Participant's reaction to the training			16
		b.	Participant's mastery of training result			17
		c.	Transformation of work attitude from training.			18
	<b>Work Discipline (X3)</b>  Siagian (2008), Work discipline is a form of training attempted to corrects and builds employee's knowledge, trait and attitude so that those employees voluntarily and cooperatively to work with other employees.	1. Preventive	a.	Obedience to regulations	Likert/	19
b.			Obedience to policy	Ordinal	20	
c.			Obedience to management			21
2. Corrective		a.	Establishing regulations			22
		b.	Providing <i>reward</i> and <i>punishment</i>			23
<b>Employees' Performance (Y)</b>  Rivai (2010), performance is function of motivation and ability to finish duty or work by possessing the degree of willingness and a particular ability level.		1. Willingness to work	a.	Able to fulfill the target	Likert/	24
	b.		Responsible towards ordered task	Ordinal	25	
	2. Quantity of speed to finish the job	a.	Finishing work timely			26
		b.	The amount work that is done			27
	3. Careful/quantity	a.	There is no mistake in working			28
		b.	The output of the work is in line with company standard.			29
	4. Loyalty	a.	Willingness to work to achieve company's goals.			30
		b.	Willingness to work outside working hours			31
	5. Initiative	a.	Willingness to increase the communication and coordination			32
		b.	Willingness to develop self quality actively			33
	6. Cooperation	a.	Able to build a internal and external relationships			34
		b.	Willingness to assist coworker who faces trouble			35

#### IV. RESULTS OF THE STUDY

##### 4.1 Characteristic of the respondent

Most of the respondents are man which are totally 102 respondents (97%), while for woman the number three is three (3) respondents (3%). The data of respondent characteristic that has a range of age  $\geq 25$ -35 years is 57 respondents (54%), then the respondent age 36-45 years is 26 respondents (25%), the next is the respondent that has a range of age  $< 25$  years is 18 respondents (17%) and the rest is  $\geq 46$ -55 years for 4 percent. The level of education of the respondents examined is various starting from Junior high school to Postgraduate school (S2). The composition of this level is not spread and the domination is at the level of senior high school with 62 respondents (59%), then bachelor degree with 18 respondents (17%) and the rest is diploma degree with 4 respondents (4%) as well as post graduate with 2 respondents (2%). The next is working period, most of the respondents is in the working period  $\geq 3$  years for 50 respondents (47%), the next is working period  $< 1$  year with 40 respondents (38%), the rest is with working period  $\geq 2$ -3 years with 10 respondents (10%) and the working period  $\geq 1$ -2 years with 5 respondents. Then, the respondent is also divided based on its rank. The majority of the rank is junior foreman with 68 respondents (65%), followed by supervisor with 12 respondents (11%), operator with 10 respondents (10%), foreman with 5 respondents (5%), Manager with 4 respondents (4%), and the rest positions are consisted on the rank of Junior Supervisor, Assistant Manager and General Manager with each position consisted by 2 respondents (2%).

## 4.2 Data Analysis

### 4.2.1 Descriptive Analysis

Descriptive analysis is intended to describe the frequency distribution of respondents' answer according to the questionnaire that spreads to the 105 respondents. This analysis showed that the variables of competence, training, and work discipline are responded appropriately by the employees. The employees' competence is evaluated good by the respondents, where they averagely are able to finish the task regarding to their own task and capable to innovate. Training conducted had also established according to the procedure and is adequate to increase employees' ability, however in the aspect of evaluation of training process might require enhancement. Work discipline of the employees are also good, in average the employees had established the regulations, and the company provides reward and punishment to all employee without any exception. Employees' performance also had a good response from every aspect, especially in the ability to finish work and need to increase the cooperation aspect with all the party both internal and external of the company to conduct a better performance.

### 4.2.2 Regression Analysis

The analysis of multi-linear regression is applied to describe the relationship between independent variable and dependent variable. Several important aspects regarding to regression analysis are divided into regression equation, determination coefficient ( $R^2$ ) and the result of T-test and F-test. According to regression equation is obtained that variable regarding to the employee's performance (Y) its value will be predicted by free variable, namely competence ( $X_1$ ), training ( $X_2$ ) and work discipline ( $X_3$ ). Regression coefficient to those three variables sign positive, this might be addressed that the increase of competence management, training quality and discipline does affect positive and significant to employees' performance. The regression equation with standardized coefficient (beta) is explained as follows:

$$Y = 7,056 + 0,804X_1 + 0,100X_2 + 0,288X_3$$

$$R^2 = 56.5\%$$

The result of F Test

**Table 2.** The result of F Test  
ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1066,129	3	355,376	43,665	,000 <sup>b</sup>
	Residual	822,005	101	8,139		
	Total	1888,133	104			

a. Dependent Variable: performance

b. Predictors: (Constant), discipline, training, competence

Source: The result from SPSS Data Process (2017)

According to table 2, the test of regression simultaneously is affected by the three free variables to employees' performance, and it is obtained that F value count=43,665 (bigger than F table). The result of this test describes that the three variables namely, competence, training and work discipline has a significant effect to the variable of employees' performance.

### 4.2.3 The Result of t-test

The partial influence of competence variable towards employees' performance is tested by t-test. The result of t-test for this regression coefficient is significant if p-value < 0.05 or  $t_{count} > t_{table}$ . The value of  $t_{count} = 11.036$  which is higher than  $t_{table} = 1.98$  or p-value = 0.000, which is smaller than 0.05. Therefore, statistically, regression coefficient from the competence has positive and significant effect towards employees' performance. This result explains that the improvement of employees' performance can be explained directly by competence variable.

Partial influence of training variable towards employees' performance is tested using t-test. The result of the t-test for the regression coefficient is significant (p-value < 0.05) or  $t_{count} > t_{table}$ . The value of  $t_{count} = 5.118$  which is larger than  $t_{table} = 1.98$  or p-value = 0.000 which is smaller than 0.05. Therefore, statistically, regression coefficient of training towards employees' performance is significant. This result explains than the improvement of employees' performance can be explained directly by training.

Partial influence from work discipline variable towards employees' performance is tested using t-test. The result of t-test for this regression coefficient is significant (p-value < 0.05) or  $t_{count} > t_{table}$ . The value of  $t_{count} = 4.466$  which is larger than  $t_{table} = 1.98$  or p-value = 0.000 which is smaller than 0.05. Therefore, statistically, regression coefficient from work discipline has positive and significant effect towards employees' performance. This result explains that the improvement of employees' performance can be explained directly by work discipline.



4.2.4 Coefficient of Determination

Table 3. The Value of R Value and R Square  
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,751 <sup>a</sup>	,565	,552	2,85283

a. Predictors: (Constant), discipline, training, competence

Source: The result from SPSS Data Process (2017)

According to Table 3, determination coefficient (R<sup>2</sup>) is 0.565, which means that the ability of regression equation in predicting the value of dependent variable is 56.5%. Furthermore, the value of 56.5% shows that competence, training and work discipline can explain the change in employees' performance (Y) for about 56.5% while the rest 43.5% is explained by other variables that are not included in regression equation model.

4.2.5 The Results of Hypothesis Testing

4.2.5.1 Hypothesis 1: The effect of Competence variable (X<sub>1</sub>) to Employees' Performance (Y).

The effect of this hypothesis is:

H<sub>0</sub>: ρ<sub>y1</sub> = 0

H<sub>a</sub>: ρ<sub>y1</sub> > 0

Meaning:

H<sub>0</sub>: there is no positive effect between competence and employees' performance at PT. Krakatau Argo Logistics.

H<sub>a</sub>: there is positive effect between competence and employees' performance at PT. Krakatau Argo Logistics.

In order to prove that hypothesis, it is conducted the test of correlation coefficient, especially to recognize the strength of positive effect from variable X<sub>1</sub> (competence) to bound variable Y (employee's performance), and the results as follows:

Table 4. The Value of R Value and R Square  
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,736 <sup>a</sup>	,542	,537	2,89821

a. Predictors: (Constant), competence

Source: The result from SPSS Data Process (2017)

According to Table 4 above, it can be explained that the amount of correlation coefficient is 0.736. In other words, there is strong relationship between X<sub>1</sub> (Competence) and variable Y (Employees Variable). Meanwhile, the determinant coefficient is 0.542 which shows that there is large contribution of Competence towards Employees' Performance that is 54.2%, and the rest 46.8% is caused by other factors.

The result of correlation coefficient significance of the effect of Competence variable towards Employees' Performance variable can be seen in the following Table 5:

Table 5. The Regression of Competence towards Employees' Performance  
Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	12,410	3,556		3,490	,001
	Performance	,915	,083	,736	11,036	,000

a. Dependent Variable: performance

Source: The result from SPSS Data Process

Table 5 shows the result of regression line equation that represents the effect of Competence variable towards Employees' Performance is 12,410+0,915X<sub>1</sub>. Significance probability for dependent variable Competence (X<sub>1</sub>) is 0.000 smaller than *p-value* 0.05 and the value of t<sub>count</sub> that is 11.036 bigger than t table that is 1.98. This shows that Competence variable has significant effect towards Employees' Performance variable. Therefore, it can be concluded that Competence variable has positive and significant effect towards Employees Performance variable, thus, hypothesis 1, H<sub>0</sub> is rejected and H<sub>a</sub> is accepted that there is positive and significant effect between Competence variable towards Employees' Performance variable at PT. Krakatau Argo Logistics.

**4.2.5.2 Hypothesis 2: The effect of Training variable (X<sub>2</sub>) towards Employees' Performance (Y)**

The effect of hypothesis is:

H<sub>0</sub>: ρ<sub>y2</sub> = 0

H<sub>a</sub>: ρ<sub>y2</sub> > 0

Meaning:

H<sub>0</sub>: There is no positive effect of Training variable (X<sub>2</sub>) towards Employees' Performance (Y) at PT. Krakatau Argo Logistics.

H<sub>a</sub>: there is positive effect of Training variable (X<sub>2</sub>) towards Employees' Performance (Y) at PT. Krakatau Argo Logistics.

To prove the hypothesis, correlation coefficient test is conducted, particularly to find out the power of positive effect of variable X<sub>2</sub> (Training) towards dependent variable Y (Employees' Performance), and the result is as follow:

**Table 6.** The Value of R Value and R Square  
**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.450 <sup>a</sup>	.203	.195	3,82291

a. Predictors: (Constant), training

Source: The result from SPSS Data Process

According to Table 6 above, it can be explained that the correlation coefficient is 0.450. In other words, there is a medium relationship between variable X<sub>2</sub> (Training) towards variable Y (Employees Performance). Meanwhile, the determinant coefficient is 0.203 which shows that Training contributes to influence Employees' Performance is at 20.3%, the rests 79.7% is caused by other factors.

The result of correlation coefficient significance calculation of the effect of Competence variable towards Employees' Performance variable can be seen in the following Table 7:

**Table 7.** The Regression of training towards Employees' Performance  
**Coefficients**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	28,887	4,440		6,505	,000
	Training	,651	,127	,450	5,118	,000

a. Dependent Variable: performance

Source: The result from SPSS Data Process (2017)

Table 7 shows the result of regression line equation that represents the effect of Training variable towards Employees Performance is 28,887+0,651X<sub>2</sub>. Significance probability for dependent variable Training (X<sub>2</sub>) is 0.000 smaller than *p-value* 0.05 and the value of t<sub>count</sub> that is 5.118 bigger than t table at 1.98. This shows that Training variable has significant effect towards Employees' Performance variable. Therefore, it can be concluded that Training variable has positive and significant effect toward Employees' Performance variable, thus, hypothesis 2, Ho is rejected and Ha is accepted that there is positive and significant effect between Training variable towards Employees' Performance variable at PT. Krakatau Argo Logistics.

**4.2.5.3 Hypothesis 3: The effect of Work Discipline (X<sub>3</sub>) towards employees' performance (Y)**

The effect of this hypothesis is:

H<sub>0</sub>: ρ<sub>y3</sub> = 0

H<sub>a</sub>: ρ<sub>y3</sub> > 0

Meaning:

H<sub>0</sub>: There is no positive effect between Work Discipline and Employee's Performance at PT. Krakatau Argo Logistics.

H<sub>a</sub>: There is positive effect between Work Discipline and Employee's Performance at PT. Krakatau Argo Logistics

To prove the hypothesis, correlation coefficient test is conducted, particularly to find out the power of positive effect of variable X<sub>3</sub> (Work Discipline) towards dependent variable Y (Employees' Performance) and the result is as follow:

**Table 8.**The Value of R Value and R Square

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,403 <sup>a</sup>	,162	,154	3,91880

a. Predictors: (Constant), work discipline  
Source: The result from SPSS Data Process

According to Table 8 above, it can be explained that the correlation coefficient is 0.403. In other words, there is a medium relationship between Variable X<sub>3</sub> (Work Discipline) towards Variable Y (Employees performance). Meanwhile, the determinant coefficient is 0.162 which shows that the contribution of Work Discipline to influence Employees Performance is 16.2%, and the rest 83.8% is caused by other factors. The result of correlation coefficient significance calculation of the effect of Work Discipline variable towards Employees' Performance variable can be seen in the following Table 9:

**Table 9.** The Regression of Work Discipline towards Employees' Performance

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	32,840	4,203		7,814	,000
	Work Discipline	,812	,182	,403	4,466	,000

a. Dependent Variable: performance  
Source : The result from SPSS Data Process

Table 9 shows the results of regression line equation that represents the effect of Work discipline variable towards Employees' Performance is 32,840+0,812X<sub>3</sub>. Significance probability for this dependent variable Work Discipline (X<sub>3</sub>) is 0.000 smaller than *p-value* 0.05 and the value of t<sub>count</sub> is 4.446 bigger than t table that is 1.98. This shows that Work Discipline variable has significant effect towards Employees' Performance variable. Therefore, it can be concluded that Work Discipline variable has positive and significant effect towards Employees' Performance, thus, hypothesis 3, Ho is rejected and Ha is accepted that there is positive and significant effect between Work Discipline variable towards Employees' Performance at PT. Krakatau Argo Logistics.

**4.2.5.4 Hypothesis 4: The effect of competence (X<sub>1</sub>), training (X<sub>2</sub>) and work discipline (X<sub>3</sub>) variables simultaneously to employees' performance (Y).**

The effect of this hypothesis is:

H<sub>0</sub>: ρ<sub>y4</sub> = 0

H<sub>a</sub>: ρ<sub>y4</sub> > 0

Meaning:

H<sub>0</sub>: There is no positive effect of competence (X<sub>1</sub>), training (X<sub>2</sub>) and work discipline (X<sub>3</sub>) variables simultaneously to employees' performance (Y).

H<sub>a</sub>: There is positive effect of competence (X<sub>1</sub>), training (X<sub>2</sub>) and work discipline (X<sub>3</sub>) variables simultaneously to employees' performance (Y).

To prove that hypothesis, it is conducted the test of correlation coefficient, especially to recognize the strength of positive effects of X<sub>1</sub> (Competence), X<sub>2</sub> (Training) and X<sub>3</sub> (Work Discipline) towards bound variable Y (Employees' Performance):

**Table 10.** The value of R value and R square

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,751 <sup>a</sup>	,565	,552	2,85283

a. Predictors: (Constant), discipline, training, competence  
Source: The result from SPSS Data Process

According to Table 10 above, it can be explained that the correlation coefficient is 0.751. In other words, there is a strong relationship between variable X<sub>1</sub> (Competence), X<sub>2</sub> (Training) and X<sub>3</sub> (Work Discipline) towards variable Y (Employees' Performance). Meanwhile, the determinant coefficient is 0.565, which shows that the amount of contribution of Competence, Training and Work Discipline influence



Employees' Performance for about 56.5%, the rest 43.5% is caused by other factors.

According to Table 2, the result of regression test simultaneously on the influence of the three independent variables towards employees' performance obtain  $F_{count} = 43.665$  (larger than  $F_{table}$ ). The result of this test explains that the three variables Competence, Training and Work Discipline have significant effect towards Employees' Performance variable.

## **V. THE DISCUSSION OF THE RESULT OF THE STUDY**

### **5.1 The effect of Competence towards Employees' Performance**

According to the study conducted, it is gained the result which shows that Competence variable ( $X_1$ ) has significant effect towards Employees' Performance variable (Y). The result of the study is in line with the theory of Palan (2008) that competence refers on characteristic that underlies behavior which describes motives, personal characteristic, self concept, values, knowledge and expertise that are embedded on superior performers in work site. Every employee has a different competence because of their personal nature and it is hard to be guessed. Therefore, every employee would get different result of performance depends on their competence. The result of the study supports empirical review of Ilman and Ariyanto (2015) who stated that competence has positive and significant effect towards performance.

### **5.2 The Effect of Training towards Employees' Performance**

The result of the study shows that Training variable ( $X_2$ ) has significant effect towards Employees' Performance (Y). The result of the study is in line with the theory of Hamalik (2007) which stated that the function of training is to improve performance of the respondents. Employees who are not optimal in performing their jobs or do not have good skills, would be given training program in order to improve their skills that automatically can improve their performance. The result of the study supports the empirical study of Sahanggamu and Mandey (2014) which stated that training partially influence employees' performance.

### **5.3 The Effect of Work Discipline towards Employees' Performance**

The result of the study shows that work discipline variable ( $X_3$ ) has significant effect towards employees' performance variable (Y). The result of the study is in line with the theory of Rivai and Sagala (2013) which stated that the better discipline performed by employees in a company, the bigger work achievement could be achieved. In contrast, without good discipline, it is hard for the company to achieve optimum results. Thus, with better employees' discipline, the employees' performance would increase. The result of the study supports empirical study of Safitri (2013) which stated that work discipline influence employees' performance significantly.

## **VI. CONCLUSION AND SUGGESTION**

### **6.1 Conclusion**

According to the result of the study and the discussion of the effect of Competence, Training and Work Discipline towards Employees' Performance, it can be concluded that:

- 1) According to the result of hypothesis test conducted, it is obtained that Competence has positive and significant effect towards Employees' Performance at PT. Krakatau Argo Logistics and the correlation occurs between Competence and Employees' Performance is strong correlation. With this significance influence and strong correlation, management of PT. Krakatau Argo Logistics should care and perform the steps of improving employees' individual abilities and skills, such as provision of training, workshop, seminar and the addition of employees' working facilities and other work activities in order to improve employees' performance.
- 2) The second variable that is Training has positive and significant effect towards Employees' Performance at PT. Krakatau Argo Logistics and the correlation occurs between Training and Employees' Performance is strong correlation. With this significant influence and strong correlation, the management of PT. Krakatau Argo Logistics should care and create training program for the employees based on the existing competence gap in structured way, and the implementation is monitored as well the procurement of training implementation evaluation to ensure that the training that is implemented is effective to improve employees' performance.
- 3) The third variable that is Work Discipline has positive and significant effect towards Employees' Performance at PT. Krakatau Argo Logistics and the correlation occurs between Work Discipline and Employees' Performance is strong correlation. With this significance influence and strong correlation, the management of PT. Krakatau Argo Logistics should care and perform some efforts or create policies that support the implementation of Work Discipline of all its employees by applying strict rules as well discipline punishment. It is expected to influence attitude and working spirit of the employees in order to improve Employees Performance on an ongoing basis.

- 4) Simultaneously, the three independent variables that consist of Competence, Training and Work Discipline have significant effect towards Employees' Performance at PT. Krakatau Argo Logistics and the correlations occurs between the three independent variables and Employees' Performance are strong correlations. With this significance influence and strong correlation, the management of PT. Krakatau Argo Logistics should care and perform improvement in all working activities related to those three variables in order to improve Employees' Performance.

## 6.2 Suggestion

In this study, the writer has several recommendations to improve Employees' Performance at PT. Krakatau Argo Logistics. The recommendations are as follows:

- 1) Company must have high commitment on the policy to improve its employees' competence, particularly factors that support motive owned by the employees in working (in accordance with the dimension of motive that has the highest correlation coefficient among the other dimensions of Competence variable).
- 2) Company must perform change and improvement on an ongoing basis to all aspects related to training issues, particularly on factors that support the evaluation of the implementation of employees' training (in accordance with the dimension of training implementation evaluation that has the highest correlation coefficient among the other dimensions of training variable). Thus, the training program conducted can give significant effect towards the change of employees' competence and skill, so it can improve employees' individual ability and company's performance.
- 3) Company must determined policies related to the work discipline of all its employees, particularly of factors that support the policy about corrective discipline (in accordance with the corrective dimension that has the highest correlation coefficient among the other dimensions in work discipline variable), so that the employees can understand more the important meaning of work discipline for themselves and company.

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