

**EMPLOYEES' COMPETENCY TO EMPLOYEE LOYALTY
IN RURAL BANKS (BPR) OF WEST BANDUNG REGENCY
(Employee Survey at BPR in West Bandung Regency)**

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ABSTRACT

This research examines the effect of employee competency to employee loyalty. The purpose of this research is to know, examine and analyze about employee competency and employee loyalty Rural Banks (BPR) West Bandung regency. The research used quantitative method that is descriptive survey method and explanatory survey, descriptive and verification research. Data obtained by spreading questionnaires to 92 employees of BPR West Bandung District. The results showed that there is a positive influence and signifikan employee competency to employee loyalty with obtained value R^2 (coefficient of determination) of 0.390 or 39.0% and values outside the model or errovar 0.610 or 61.0%.

Keywords: *employee competency, and employee loyalty.*

A. INTRODUCTION

1.1 Research Background

Rural Banks (BPR) is a lot of distributing Credit for Business Program (KUR), the reach of most rural communities, with the aim of the community to obtain ease with low interest, KUR Program that has become a viral phenomenon across the whole of Indonesia can be assured directly has taken the market share owned by BPR. With the programs launched by the government will automatically end the existence of BPR in the midst of society that they try to empower through the products they have. BPR builds customers from small ones to becoming big entrepreneurs.

The banking services industry is a trust institution that serves as an intermediary institution, helping the smoothness of the payment system. Because with its function, then the existence of a sound bank will able to be trusted both individually and as a whole as a system, Santoso (2011).

**Condition of Total BPR, Customer and Funds Compiled
Of Bank Perkreditan Rakyat in West Bandung Regency**

No	City/Regency	Number of BPR	Number of Customer	Sort of Funding	Number of Funding *)
1	West bandung Regency	5	12.334 517 9.770	- Savingsn - Time Deposit - Loan Given	14.050.952 44.612.689 105.154.803
	Jumlah	5			

*) 000 in rupiah

Source: Bandung Financial Services Authority (2015)

Based on the above data BPR in West Bandung Regency is quite positive existence, with the number of 5 BPR serving the form of savings 12,334 customers, Time Deposit 517 and Loan provided as many as 9,770 creditors.

Based on Banking Law number 10 year 1998, where one of bank type that is Rural Bank functioned to collect fund from society in the form of savings, time deposits, and channeled to society in the form of credit and or form like financing of small and medium enterprises.

Business Development Banks including BPRs are very fast, many BPRs are popping up in big cities as well as in the regions. In West Bandung Regency there are 5 BPR.

The results of initial research to 30 respondents regarding the performance of BPR employees in Bandung and Cimahi city which consists of five dimensions According to Newstrom (2011) Quantity Of work, Quality of work, Job Knowledge Creativeness, Cooperation (Cooperation), Dependability, Initiative, and Personal quality.

The result of the research using Likert scale (Sugiyono, 2012) are: very good with score 5 (five), good with score 4 (four), good enough with score 3 (three), not good with score 2 (two), and very not good with score 1 (one). The results of the initial assessment can be seen in Figure 1.1 below.

The result of preliminary research to 30 respondents concerning employee loyalty of BPR in Bandung City, Bandung Regency and Cimahi City according to Bilson Simamora (2005) consists of rational factor, emotional factor, and spiritual factor. The result of preliminary assessment can be seen in Figure 1.1 below.

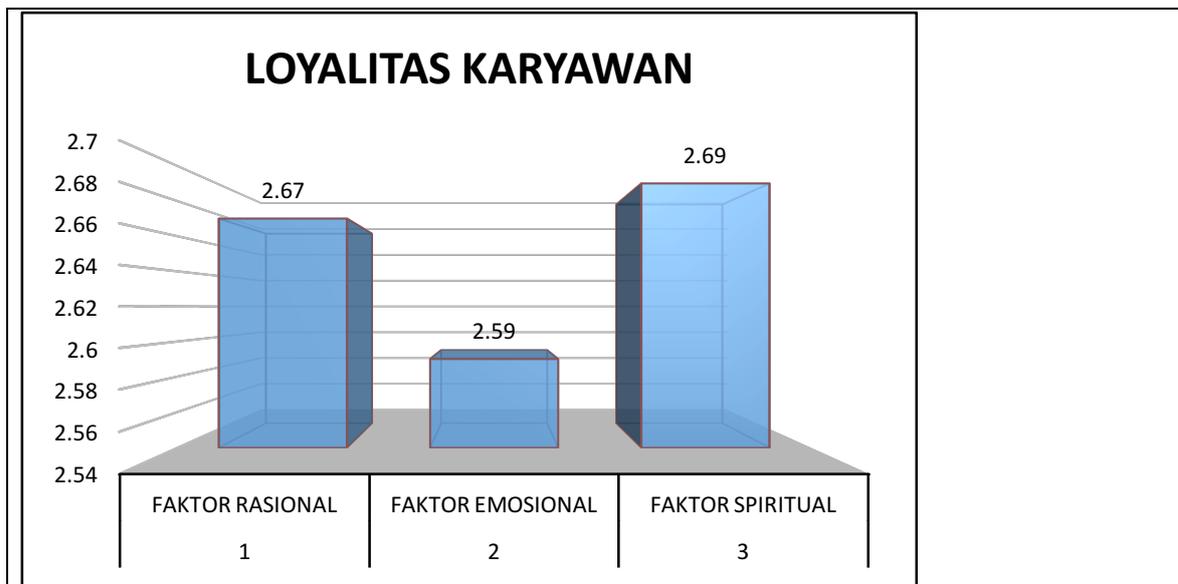


Figure 1.1
Employee Loyalty

Based on Figure 1.1 above can be seen that the three dimensions of loyalty has not been optimal so it needs to be improved. The greatest sequence of the three dimensions is the spiritual factor and the lowest order on the emotional, and in addition to being obtained based on the dimensions as well as employee loyalty seen from the turnover rate at BPR in West Bandung Regency, it can be seen that on average 3 to 4 people out of place of work each year for various reasons.

Furthermore, interviews were conducted to uncover the reasons for turnover retention of employment, the reasons for wanting to move to work for several factors, among others: (1) Working elsewhere is better than in BPRs; (2) The places where they work are less prestigious than in commercial banks or other financial institutions, and (3) Leaders policies that lack attention to employee career development.

The high turnover of employees in the banking industry, especially Rural Banks (BPR) in West Bandung can be an indication that employees of Rural Banks (BPR) in Bandung Raya have less loyalty to the bank where they work. Loyal employees will always be in the company and will not move to another organization (Poerwadarminta, 2002). Employee loyalty aspect is an important aspect in an organization, loyalty is important to protect the transfer of employees to other organizations. Aspects of employee loyalty need to be managed and get the attention of the leadership of the organization or company to maintain and defend the organization where employees work, such as loyalty and willingness of employees to maintain and defend the organization inside or outside the work of irresponsible parties (Robbins, 2003).

Abdul Jumaat Bin Mahajar; Jasmani Bin Mohd Yunus, journal (2014); the focus of their research on the relationship between demography and competence to the environmental, organizational commitments. Their research results show that demography and competence have an influence on loyalty.

Employee loyalty will determine the improvement of employee performance, and factors increase employee loyalty one of which is supported by the competence of employees, to strengthen the competence of employees, the authors conduct pre-research, preliminary results of research on 30 respondents status of permanent employees, about their perception of BPR employee competence aspects, according to Law No. 13 of 2013, competence includes three dimensions of knowledge, skills and attitudes. As seen in Figure 1.2.

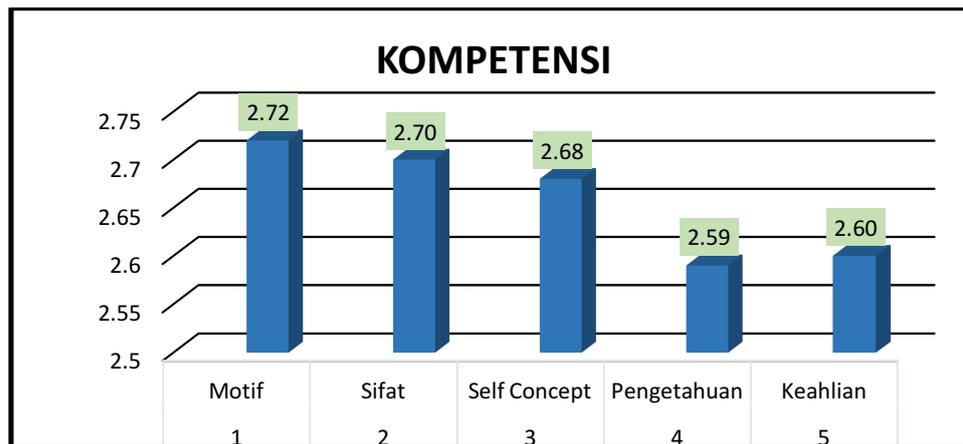


Figure 1.2
Competency

Based on table 1.4 can be explained that the competence of employees at BPR in Bandung City, Bandung Regency and Cimahi City has not been optimal, according to the Sugiyono "2012" average is still in the category quite well.

According Wibowo (2014: 278) can be seen on individuals on various levels. Competencies include the deepest human characteristics such as: motives, traits, and attitudes or are easily observable characteristics such as skills or knowledge.

Competency requires professional learners through training in seminars, workshops, and conferences, and always serves the personal development goals that must be achieved. From that statement every employee in an organization must develop competency in accordance with their respective work, while the development can be done by the organization that is by conducting training, formal education, seminars, workshops, conferences, and others whose purpose is how organizational goals can be achieved as well as increased organizational performance.

Optimal competency will encourage employee loyalty in BPR West Bandung Regency. Competence either directly or indirectly can affect employee loyalty, as research result of Setyaningdyah, et al. (2013) which finds an influence relationship between competency and employee commitment through job satisfaction. Although not clearly stated the influence of competence on loyalty, but implied that employees who have a high commitment tend to have a high loyalty as well.

Increased employee competency will affect the increase of employee loyalty. Setyaningdyah, et al. (2013) and Lotunani, et al. (2014) also found that competence also not only affects the loyalty or commitment of employees, but also the competency can have a positive effect to the employee performance

Based on the existing problems of employee competency, employee commitment and employee loyalty in BPR Cimahi City and Bandung Regency are still not optimum, so the author's is interested in take research on employee competency and Affective commitment in an effort to increase Employee Loyalty.

1.2 Problem Formulation

Based on the existing background then made the of the problem formulation as follows:

1. How employee competency, and Employee Loyalty in BPR West Bandung Regency.
2. How big the influence of employee competency to Employee Loyalty either partially in BPR West Bandung Regency.

1.3 Research Purposes

The purpose of this research is to know, analyze and study about:

1. Employee Competency and Employee Loyalty at BPR West Bandung Regency.
2. The amount of influence employee competency on Employee Loyalty in BPR West Bandung Regency.

B. LITERATURE REVIEW

According Wibowo (2014: 271) Competency is an ability to perform or perform a job or task based on skills and knowledge and supported by the attitude demanded by the job. David Mc Clelland in Sedarmayanti (2015: 126) Competency is a fundamental characteristic of a person who directly affects, or can predict excellent performance. In other words, competency is what the outstanding performers do more often, in more situations, with better results, than what the policy appraiser does.

Arifin and Zailani (2011: 189) competency is defined as a characteristic of an employee that contributes to successful job performance and the achievement of organizational result. Competence is a characteristic of employees who have contributed to improve performance and achieve organizational outcomes. Arifin at.all also asserted that these competencies include knowledge, skill and abilities plus other characteristic as values, motivation an initiative and self-control. These competencies include knowledge, skills and abilities added with other characteristics such as values, motivation, and initiative, as well as self-control.

Schuler, Jackson and Werner (2010: 205) states that competence is a pattern of knowledge, that competence is a pattern of knowledge, skills, abilities, behaviors and other characteristics required in performing job roles. Furthermore, in achieving the goals of the organization of course need to be supported by the skills of human resources in various work units, this will show the capacity of each organization in achieving the target.

An organization must develop competencies in accordance with their respective occupations, while the development can be done by the organization that is by conducting training, formal education, seminars, work shops, conferences, and others whose purpose is how organizational goals can be achieved as well as organizational performance increases.

The development of competency analysis from David Mc. Clelland developed by Spencer and spencers in Wibowo (2014: 272) who popularized individual competencies in relation to fundamental work on the broader idea that competence shows characteristics and the personality of a person related to the various criteria for the effectiveness of performance or work under certain circumstances. There are five types of competence characteristics, as follows:

1. Motives, are things that are consistently thought of or desired by people who cause action. Motives encourage, direct and choose behaviors toward a particular action or purpose.
2. Nature, is a physical characteristic and a consistent response to a situation or information.
3. Self-concept is the attitude, values or self-image of a person. Confidence is the belief that they can be effective in almost every situation is part of the person's self-concept.
4. Knowledge, is information that people have in a specific field. Knowledge is a complex competency. Scores on knowledge tests often fail to predict job performance because it fails to measure knowledge and skills in the way that is actually used at work.
5. Skill, is the ability to perform certain physical or mental tasks. Mental competence or cognitive skills include analytical and conceptual of thinking.

Purchase of opinion to Abdullah, at, (2011: 150) employee loyalty will be built if there is strength and employee satisfaction is achieved, appreciation, teamwork that supports, working conditions and partnering with the leadership is a dominant factor of building quality of employees. According to Poerwadarminta, (2012: 609) Loyalty is obedient, faithful means that employees will not move to another company. Mean while, according to Pina e Cunha in Gill (2011: 24) employee loyalty is defined as the commitment of the employee to the success of an organization, and the recognition that working for that organization is their best option. Employee loyalty is defined as the employee's commitment to the success of an organization, as well as the recognition that work for the organization is their best choice. Such connections and support are influenced by how employees identify with the combination of culture, structure and leadership within the organization.

Utomo in Tommy et al. (2010) loyalty can be regarded as the loyalty of a person to a thing that is not merely a purely physical loyalty, but rather a non-physical allegiance like mind and attention. The higher the employee loyalty, the easier it will be for the organization to achieve its objectives.

Based on the definitions stated by Poerwadarminta (2002); Cunha (2002); Cohen (2002: 40); Tommy et al, (2010); it can be developed that employee loyalty is the loyalty of employees to the organization reflected in the individual commitment to their work, colleagues and organizations, which causes them will not move to other companies, maintain and defend the organization and not just carry out the job according to job description, but do as optimal as possible to produce the best of the organization.

Dimensions of employee loyalty according to Simamora (2005), namely: 1) Rational factors with indicators (a) Salary, (b) Bonus, (c) Career level, (d) Facilities provided by the company; 2) Emotional factors with indicators: (a) Challenging work, (b) Supportive working environment, (c) Feelings of security because the company is a long-term worker, (d) Charismatic Leader, (e) proud of work (f) award given by the company, (g) Work culture; 3) Spiritual factors with indicators: (a) Spiritual satisfaction, (b) Spiritual work, (c) Religious leaders, (d) Opportunities for spiritual activities.

C. RESEARCH METHODOLOGY

1. Research Methods

The method used in this research is descriptive method and verification method. Given this research using descriptive and verifikatif hence research method used is descriptive survey method and explanatory survey. This study examines cross-sectional data, is information from some populations (sample respondents) is collected directly from the location empirically over a period of time. This research will examine the influence of employee competence on employee loyallitas in BPR West Bandung Regency.

2. Research Variable

The variables studied in this study were divided into 3 (three groups) as follows:

- 1) The first variable (independent variable/causal variable) consists of, employee competency variables with dimensions used are: 1) motives 2) traits 3) self concept 4) knowledge 5) expertise
- 2) The second variable (dependent variable) are: Employee loyalty (Y) with dimension used: 1) rational factor 2) emotional factor 3) Spiritual factor.

3. Data Collection Techniques

Examining the effect of employee competency to employee loyalty.

1. Population and Sample Research

Based on the result of the research, the number of employees of BPR West Bandung regency as many as 119 employees to use sample size in the research used slovin formula, with 5% errovar rate and 92 respondents of employees of BPR West Bandung regency.

4. Data Collection Techniques

To examine the effect of employee competency and employee loyalty required primary data. To obtain the primary data used data collection techniques as follows:

1) Population and Sample Research

Based on the results of research the number of employees BPR West Bandung regency as many as 119 employees. To determine sample size in research used Slovin formula, with errovar level 0,05 or 5%, with result of 92 respondents respondent.

2) Data Analysis Design

Instrument testing is done by validity test, reliability test/reliability test of measuring instrument, normality test

1. Examining Validity Test Instrument

Validity Variable Employee Competency Test

Statement	r _{count}	r _{critical}	Information
X _{1.1}	0,484	0,300	Valid
X _{1.2}	0,776	0,300	Valid
X _{1.3}	0,636	0,300	Valid
X _{1.4}	0,654	0,300	Valid
X _{1.5}	0,655	0,300	Valid
X _{1.6}	0,800	0,300	Valid
X _{1.7}	0,714	0,300	Valid
X _{1.8}	0,717	0,300	Valid
X _{1.9}	0,794	0,300	Valid
X _{1.10}	0,650	0,300	Valid
X _{1.11}	0,738	0,300	Valid
X _{1.12}	0,773	0,300	Valid
X _{1.13}	0,694	0,300	Valid
X _{1.14}	0,668	0,300	Valid
X _{1.15}	0,541	0,300	Valid
X _{1.16}	0,711	0,300	Valid

Source: processing results by SPSS 22

Based on the data above shows that the validity test of all statements of 16 statements of employee competence variables show valid that is $r_{count} \geq r_{table}$, where the smallest validity value in the statement X_{1.1} is equal to 0.484 and the largest validity value in the statement X_{1.6} that is equal to 0.800.

the Validity of Employee Loyalty Test (Y)

Statement	r _{count}	r _{critical}	Information
Y.1	0,714	0,300	Valid
Y.2	0,485	0,300	Valid
Y.3	0,645	0,300	Valid
Y.4	0,726	0,300	Valid
Y.5	0,791	0,300	Valid
Y.6	0,670	0,300	Valid
Y.7	0,700	0,300	Valid
Y.8	0,627	0,300	Valid
Y.9	0,636	0,300	Valid
Y.10	0,576	0,300	Valid
Y.11	0,473	0,300	Valid
Y.12	0,632	0,300	Valid
Y.13	0,702	0,300	Valid
Y.14	0,708	0,300	Valid
Y.15	0,430	0,300	Valid
Y.16	0,747	0,300	Valid

Source: processing results by SPSS 22

Based on the data above shows that the validity test of all statements from 16 statement of commitment variable shows valid that is $r_{count} \geq r_{table}$, where the smallest validity value in the Y.15 statement is 0.430 and the largest validity value in the Y.5 statement is 0.791.

D. RESEARCH AND DISCUSSION RESULT

1. Descriptive and Verification Analysis Result

a. Descriptive Analysis

To measure the level of interpretation according to J. Supranto 2001 as follows, 4.2 -5.0 is very good, 3.4 -4.1 good, 2.6-3.3 is fair, 1.8 -2.5 bad, 1.0 -1.7 is poor.

1. Competency

**Respondents Response Recapitulation
About Competencies**

NO	Dimension	ΣScore	Number of Statement	Average	Criteria
1	Knowledge	371	2	4,03	Good
2	Traits	353	2	3,83	Good
3	Motif	374	2	4,06	Good
4	Self Concept	359	2	3,90	Good
5	Banking knowledge	354	5	3,85	Good
6	Banking Skills	354	3	3,85	Good
Kompetensi karyawan		2163	16	3,91	Good

Source: Data Processing

Based on the results of the analysis of each the question item of competency is measured by six dimensions: the overall result indicates the number of competence score 2163, with the average of 3.91 indicates the good criterion, from the six dimensions to the smallest average dimension on the dimension of the nature, and the largest average on the motif, meaning that the dimensions of the smallest averages need to be continuously improved, and the largest ones need to be maintained even more enhanced, because each dimension is interconnected, in the opinion of David Mc Clelland in Sedarmayanti (2015: 126) "Competency is a fundamental characteristic of someone who directly affects, or can predict excellent performance. In other words, competency is what the outstanding performers do more often, in more situations, with better results, than what the policy assessor does. "

2. Employee Loyalty

**Respondents Response Recapitulation
About Employee Loyalty**

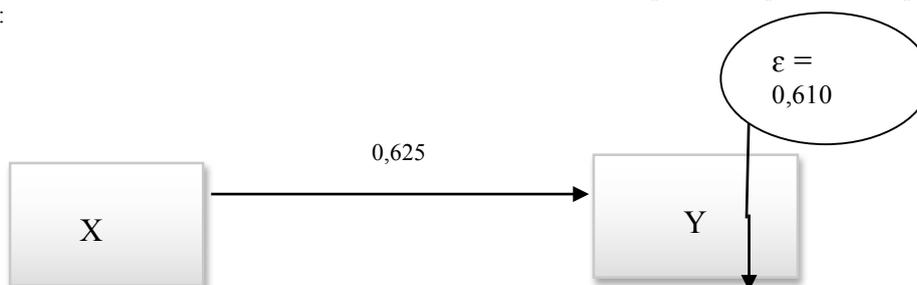
NO	Dimension	ΣScore	Number of Statement	Average	Criteria
1	Rasional Factor	325,8	5	3,54	Good
2	Emotional Factor	338,5	6	3,68	Good
3	Spiritual Factor	341,5	6	3,71	Good
Employee Loyalty		1005,8	17	3,64	Good

Source: Results of Data Processing

Based on the results of analysis of each employee loyalty statement item is measured by three dimensions that the overall results show employee loyalty score with a score of 1005.8 with an average of 3.64 indicates good criteria, of the three dimension of the smallest average on the dimension of rational factors, and the largest average on the spiritual factor, of these three dimensions need to be improved, so that employee loyalty can increase. According to Meyer and Allen (2007), states that employee commitment is a psychological construct that is a characteristic of the relationship of members of an organization with its organization that affects individual decisions to continue membership in the organization.

2. Verification Analysis

Based on the results of verification analysis indicate that the influence of employee competence to employee loyalty (Y) as shown below:



Based on the results of data processing using SPSS 22 program, shows the value of employee competency regression coefficient (X_1) to employee loyalty of 0.625 or 62.5%, with coefficient of determination (R^2) of 0.390 or 39.0%, and value outside the model or error 0.610 or 61.0%.

Based on the data above shows that employee competency variable has a positive and significant effect on employee loyalty. This means that increased employee competence will affect the increased employee loyalty.

E. CONCLUSIONS AND SUGGESTIONS

1. Conclusions

Based on the results of both descriptive and verification analysis of research conducted at BPR Cimahi City and Bandung Regency as follows:

- a) The condition of employee competency and employee loyalty as follows:
 1. Competency of employees as a whole is in good criteria, but there is still a weaknesses that is in the dimensions of the character that related to competency that requires speed.
 2. Employee loyalty as a whole is on the good criteria, but there is a weakness factor in the rational dimension that is: "the facilities needed are less adequate and For employees who achievers of less give the award by providing career ladder increase to a higher stage
- b) The influence of employee competency to employee loyalty as follows:
 1. Employee competency has a positive and significant impact to employee loyalty, meaning that the formation of employee competency will affect employee loyalty.

2. Suggestion

Based on the conclusions of the research results, in improving employee competency, organizational commitment and employee loyalty, suggestions that need to be considered as follows:

- a. Employee competency needs to be strengthened through the dimension of the traits, which is "BPR Leader in my place of work must show high confidence" and "The leader and all employees in BPR place must have high willingness in running the organization.
- b. Employee loyalty should be improved through the dimensions of rational factors that is: the necessary facilities need to be adequate and For employees who excel need to be awarded by providing career ladder hikes to a higher stage

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