



## The Effect of Competence on Employee Performance Moderated by Leadership at MTS Nurul Falah Kemuning and MTS Nurul Falah Gosali

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### Abstrak

Penelitian ini bertujuan untuk mengkaji secara mendalam hubungan antara kompetensi karyawan dengan kinerja kerja, serta mengeksplorasi peran kepemimpinan sebagai variabel moderator dalam hubungan tersebut. Penelitian ini berfokus pada bagaimana faktor internal individu—yakni kompetensi—berkontribusi dalam mencapai kinerja optimal, serta sejauh mana kepemimpinan dapat memperkuat pengaruh kedua variabel tersebut. Pendekatan kuantitatif dengan desain deskriptif dan eksplanatori digunakan untuk memberikan gambaran komprehensif dan menguji hubungan kausal antara variabel-variabel. Subjek penelitian meliputi seluruh karyawan MTS Nurul Falah Kemuning dan MTS Nurul Falah Gosali, dengan total 88 individu. Teknik sampling sensus (sampling total) diterapkan, di mana seluruh populasi digunakan sebagai sampel. Pengumpulan dan analisis data dilakukan menggunakan Structural Equation Modeling (SEM) dengan pendekatan Partial Least Squares (PLS), menggunakan perangkat lunak SmartPLS untuk memastikan akurasi dan keandalan analisis. Temuan menunjukkan bahwa kompetensi karyawan memiliki pengaruh positif yang signifikan terhadap kinerja, menunjukkan bahwa keterampilan, pengetahuan, dan kemampuan teknis sangat penting untuk pelaksanaan tugas yang efektif. Analisis moderasi lebih lanjut menunjukkan bahwa kepemimpinan memperkuat dampak kompetensi terhadap kinerja, meskipun efek moderasi relatif moderat. Secara keseluruhan, studi ini menekankan bahwa peningkatan kinerja tidak hanya bergantung pada faktor individu, tetapi juga dipengaruhi secara signifikan oleh kualitas kepemimpinan dalam lingkungan organisasi.

**Kata kunci:** Kompetensi Pekerjaan, Kinerja Karyawan, Kepemimpinan

### Abstract

*This study aimed to thoroughly examine the relationship employee competence on job performance, while also exploring the role of leadership as a moderating variable in this relationship. The research focused on how individual internal factors—namely competence—contribute to achieving optimal performance, and the extent to which leadership can strengthen the influence of these two variables. A quantitative approach with a descriptive and explanatory design was employed to provide a comprehensive overview and to test the causal relationships among variables. The research subjects included all employees of MTS Nurul Falah Kemuning and MTS Nurul Falah Gosali, totaling 88 individuals. A census sampling technique (total sampling) was applied, in which the entire population was used as the sample. Data collection and analysis were*

*conducted using Structural Equation Modeling (SEM) with a Partial Least Squares (PLS) approach, utilizing SmartPLS software to ensure the accuracy and reliability of the analysis. The findings reveal that employee competence was found to have a significant positive influence on performance, suggesting that skills, knowledge, and technical abilities are essential for effective task execution. The moderation analysis further indicates that leadership enhances the impact of competence on performance, although the moderating effect is relatively modest. Overall, the study underscores that performance improvement is not solely dependent on individual factors, but also significantly influenced by the quality of leadership within the organizational environment.*

**Keywords:** Job Competency, Employee Performance, Leadership.

## Introduction

The Government of Indonesia continues to be committed to improving the quality of education through various initiatives and the fulfillment of necessary facilities for all people. This effort is also reflected in the implementation of Law No. 14 of 2005 concerning Teachers and Lecturers. Based on the general explanation of the law, the Preamble to the Constitution of the Republic of Indonesia in 1945 emphasizes that the purpose of national education is to protect the entire nation and all regions of Indonesia, as well as to promote public welfare, educate the nation's life, and play a role in maintaining world order based on independence, lasting peace, and social justice. To achieve this national goal, education plays a very crucial role.

In addition, Article 31 of the 1945 Constitution of the Republic of Indonesia affirms several important points related to education: (1) Every citizen has the right to education; (2) Every citizen is obliged to pursue basic education, with the government responsible for bearing the cost; (3) The government is tasked with striving and implementing a national education system that increases faith, piety, and noble morals in order to educate the life of the nation, which is regulated by law; (4) The State allocates an education budget of at least 20% of the state revenue and expenditure budget to ensure the implementation of national education; and (5) The government seeks to develop science and technology, by upholding religious values and national unity for the advancement of civilization and the welfare of mankind.

Education is something very fundamental and very strategic because through education a nation rises and develops, the low quality of education is often associated with input factors, processes, outputs, and outcomes (Wahyudi et al., 2022). Various efforts have been made by the government to overcome this problem, including improving the education management system, providing and improving educational facilities, and improving school quality management. According to the results of a student ability survey conducted by the (Wahyudi et al., 2022) (Siswopranoto, 2022) *Programme for International Student Assessment (PISA)* in 2020 in Paris, Indonesia is ranked 71st out of 76 countries.<sup>2</sup> This data puts Indonesia's education position in the bottom six, still far below neighboring countries such as Malaysia and Brunei Darussalam.

Human resources are important in organizations and institutions. In order for management activities to run well, the organization must have knowledgeable and highly skilled employees and efforts to manage the organization as optimally as possible so that employee performance increases. According to, performance is the result of work that a person has achieved from his work behavior in carrying out work activities. Information about the high and low performance of employees cannot be obtained just like that, but is obtained through a long process, namely the process of assessing employee performance called (Sutrisno, 2016) *performance appraisal*. Good performance is optimal performance, which is performance that is in accordance with organizational standards and supports the achievement of organizational goals. A good organization is an organization that strives to improve the capabilities of its human resources, because it is a key factor to improve employee performance (Armstrong, 2016).

The factor that affects employee performance competence is a competency that shows skills and knowledge characterized by professionalism in a certain field as something most important, as the excellence of that field (Pradnyana et al., 2018). As explained in his research, stating "competence is an ability to carry out or perform a job or task based on skills and knowledge and supported by the work attitude demanded by the job (Pradnyana et al., 2018) (Wibowo, 2018).

Furthermore, Muenjohn et al. (2021) stated that the affects employee performance is leadership. According to him, leadership is a relationship of influence between leaders and followers who want change and tangible results that reflect their common goals. Employees are seen as a valuable asset of the company that has an important role in contributing to achieving optimal performance and competitiveness. The company's performance will improve if there is solid collaboration and a harmonious relationship between leaders and employees (Muenjohn et al., 2021) (Daft, 2016) (Marescaux et al., 2019); (Erri et al., 2021).

Nurul Falah Education Foundation which was established in 1999 focused on the development of character education and is able to fulfill the implementation for the development of educational personality, thus this educational institution can organize Education. The mandate of the ummah is to foster, educate and educate students to the maximum of their abilities. One of the faith-based educational institutions, the Nurul Falah Education Foundation, has an education strategic plan that will be very helpful in the implementation of education. This strategic plan will provide the institution with guidelines to establish future educational policies and programs. The lack of optimal performance of administrative employees and teachers is one of the interesting problems being researched at the Nurul Falah Education Foundation. Employee performance is very important because it plays an important role in improving student education. The performance of the staff at MTS Nurul Falah Kemuning and MTS Nurul Falah Gosali can be seen from the annual evaluation and supervision carried out by the Foundation on employees.

Based on a preliminary survey, the researcher obtained information about the Performance Assessment of MTS Nurul Falah Kemuning and MTS Nurul Falah Gosali

Employees for 2020-2024 showing that the performance of employees at MTS Nurul Falah Kemuning and MTS Nurul Falah Gosali is still less than optimal. It can be seen that during the period 2020 to 2024 there was a consistent increase in two main variables, namely competence, and leadership, which directly impacted the improvement of employee performance. Employee competence is still classified as moderate (3.5), especially in completing complex tasks and adapting to technology. Meanwhile, leadership has shown strength at the beginning (4.0), playing a big role in maintaining organizational stability with a performance recorded at 70.

As time went by, the organization's efforts in adjusting to the pandemic situation began to bear fruit. In 2021 and 2022, competencies showed significant improvements. Training programs and leadership support began to be implemented effectively, marked by an increase in leadership scores from 4.2 (2021) to 4.5 (2022). This encourages an increase in employee performance from 72 to 80. 2023 was the peak of performance, with competence (4.5), and leadership (4.7) reaching their highest scores over the past five years. The employee development program seems to have succeeded in building a solid and results-oriented work culture, as evidenced by the performance score that touched 85.

Entering 2024, although the scores on both core variables are still relatively high (competency 4.2; leadership 4.6), there has been a slight decrease in employee performance to 82. This decline is not significant but is an indication that the organization is entering a stabilization phase. This phase shows that even though the system is running well, there is a need for innovation or refreshment in the HR development strategy so that it does not experience saturation. The focus in the future can be directed to deepen the improvement of digital competencies, as well as coaching-based leadership so that employee performance is maintained in a sustainable manner.

In addition to being based on data, the author also conducted interviews with MTS Nurul Falah Kemuning and MTS Nurul Falah Gosali. Information was obtained related to the problems that occurred, namely the lack of optimal employee performance due to the competencies possessed by employees that were not in accordance with the lessons taught. So that employees teach only because of the individual's ability to teach and also the experience that has been obtained before, and based on teaching experience in college without based on educational background.

Meanwhile, research on the influence of competence on employee performance also showed mixed results. Several studies, such as those conducted by (Budiarto et al., 2024), (Esthi & Savhira, 2019), (Pradnyana et al., 2018), serta (Yanti & Mursidi, 2021) and, reveal that competence has a positive and significant influence on employee performance. However, other studies, such as those conducted by (Noel et al., 2017), (Lutfiyah et al., 2020); (Puji Salvano et al., 2023) and (Puji Salvano et al., 2023) found that competence had no significant effect on performance. These inconsistencies can be caused by differences in the definition and measurement of competencies, as well as contextual factors such as the work environment or the level of organizational support. Therefore, further research that considers contextual variables, such as leadership style,

is needed to provide a more comprehensive understanding of the relationship between competencies and employee performance.

As a researcher, there are empirical phenomena and research gaps (*research gap*) identified prompted the authors to propose a new approach in analyzing the relationship between competence, and performance. Previous research has tended to highlight the direct relationship between these variables without considering the contextual conditions that might influence the strength of those relationships. Therefore, in this study, it is proposed to include moderation variables, namely *Leadership*, which is believed to provide deeper insights into specific situations where competencies can optimally contribute to improved performance.

This research presents novelty through the integration of *leadership* variables as moderation variables in the relationship between competence and performance, especially in the context of religious secondary education institutions. Most previous studies have only tested the direct relationship between variables without considering contextual roles that can amplify or weaken those influences. By including leadership as a moderation variable, the study offers a more comprehensive approach to understanding specific situations in which individual competencies can maximally contribute to improved performance.

This approach provides a new perspective in the human resource management and education literature, by uncovering how an effective leadership style can be a catalyst in optimizing the potential of individuals. In addition, the focus on madrasas as an object of study makes an original contribution to the scarcity of literature that examines managerial aspects and organizational behavior in the context of faith-based educational institutions. Thus, this research not only expands theoretical insights, but also makes a practical contribution to the formulation of policies and strategies to improve the performance of educators in the religious value-based education sector.

Based on the description of the phenomenon and the research gap, the author is interested in further researching the **Influence of Competency on Performance Moderated by Leadership at MTS Nurul Falah Kemuning and MTS Nurul Falah Gosali**. This research is expected to contribute *novelty* in the realm of education management, especially in the interaction model between individual factors, leadership, and work outcomes in the context of madrasas.

The formulation of the problems presented in this study is as follows 1) **Employee competencies play a significant role in supporting work quality and productivity**, but there are challenges in ensuring that individual competencies are aligned with the demands of existing tasks and responsibilities, thus affecting the level of effectiveness of the performance produced; 2) **Leadership has a strategic moderation role in managing the dynamics of employee competencies in performance**. At MTS Nurul Falah Kemuning and MTS Nurul Falah Gosali, the diversity of leadership styles can have a positive and negative influence on the relationship between competence and employee performance; 3) **The relationship between competence and performance has not been fully integrated in the framework of human resource management at MTS Nurul**

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Falah Kemuning and MTS Nurul Falah Gosali. This creates a need to deeply understand how these variables interact, especially with the role of leadership moderation, to improve performance at MTS Nurul Falah Kemuning and MTS Nurul Falah Gosali as a whole.

The questions of this research are:

1. Does competency affect the performance of MTS Nurul Falah Kemuning and MTS Nurul Falah Gosali employees?
2. Does the Principal's Leadership Affect the Performance of MTS Kemuning and MTS Nurul Falah Gosali employees?
3. Can the leadership of the principal moderate the performance relationship between MTS Nurul Falah Kemuning and MTS Nurul Falah Gosali employees?
4. Can the leadership of the principal moderate the relationship between competence and the performance of employees at MTS Nurul Falah Kemuning and MTS Nurul Falah Gosali?

The purpose of this research is to:

1. To find out whether the influence of competence on the performance of MTS Nurul Falah Kemuning and MTS Nurul Falah Gosali employees.
2. To find out whether the influence of the principal's leadership on the performance of MTS Nurul Falah Kemuning and MTS Nurul Falah Gosali employees.
3. To find out whether the principal's leadership in moderating the performance relationship between MTS Nurul Falah Kemuning and MTS Nurul Falah Gosali employees.
4. To find out whether the principal's leadership in moderating the relationship between competence and employee performance at MTS Nurul Falah Kemuning and MTS Nurul Falah Gosali.

The usefulness obtained from the results of the research is expected to prove and test related theories that have been selected to complement the treasury of science in general and the science of human resource management in particular. It is expected to provide meaningful input through field findings in order to determine the right policies to manage human resources owned by institutions or agencies in general and especially on competency issues, on employee performance moderated by leadership variables. It is hoped that it can be used as a reference and comparison material for further research in terms of human resource development, especially employee performance.

### **Hypothesis**

H<sub>1</sub>: Competence has a positive and significant effect on employee performance

H<sub>2</sub>: Competencies have a positive effect on employee performance moderated by the leadership at the Nurul Falah Kemuning Education foundation

### **Method**

In order for the research to run more targeted and achieve the expected goals, a quantitative approach is applied in the processing of data from the research site. This research was descriptive, which aims to provide a clear picture of the problem being studied, as well as interpret and explain the data systematically. This research was carried out by survey method, namely the distribution of questionnaires to respondents. The questionnaire contains questions related to the research to collect objective and valid data to solve the problems that have been identified.

This study involved four main variables: competence (X1) as an independent variable, leadership (Z) as a moderation variable, and employee performance (Y) as a dependent variable. Each variable was measured through specific indicators that had been formulated in the questionnaire, using an interval scale of 1–10 to assess respondents' perception of each variable.

To be able to determine the sample size, the author tried to determine the population by adjusting the object of the research. The population in this study is all employees at MTS Nurul Falah Kemuning and MTS Nurul Falah Gosali which totals 88 people.

This study used a saturated sample technique, where the entire population is used as a sample because the number is small and relevant to achieve the research objective. The number of respondents was 88 people, consisting of 46 employees of MTS Nurul Falah Kemuning and 42 employees of MTS Nurul Falah Gosali.

The data used consists of primary and secondary data. Primary data was obtained through observations, questionnaires, and direct interviews with MTS employees and leaders. Secondary data are derived from related documents, literature, and reports. The respondents are all employees of MTS Nurul Falah Kemuning and Gosali.

The technique or method of data collection that was used in this study was through questionnaires. The questionnaire, which was distributed to MTS Nurul Falah Kemuning and MTS Nurul Falah Gosali employees, consisted of four question sections which included competence, leadership and employee performance. The distribution of the questionnaire was carried out directly by meeting the respondents directly to fill out the questionnaire. Each questionnaire item was filled out by the respondents selected as a sample, by weighting using an interval scale from "strongly disagree" to "strongly agree".

Before the data was analyzed, the results of the questionnaire distribution are compiled in the form of tabulation of data, then the data that has been compiled was tested for validity, reliability, normality of data and classical assumption requirements test, to ensure the quality of the data when used in research.

The data analysis technique in this study used the Structural Equation Modeling (SEM) approach based on Partial Least Square (PLS) with the help of SmartPLS software. This method was chosen because it is able to analyze complex models, handle small samples, and does not require normal data distribution. Analysis consists of two stages: descriptive analysis and inferential analysis. Descriptive analysis is used to describe data through mean, standard deviation, and percentage. Meanwhile, inferential analysis is used

to test the relationships between variables through measurement models (outer models), structural models (inner models), and hypothesis testing.

The outer model test includes convergent validity, discriminant validity, composite reliability, and AVE to ensure the quality of the indicators. The internal test of the model was carried out by looking at the values of R-square and Q-square to assess the predictive strength of the model. Hypothesis testing was carried out through the bootstrapping method to see the significance of the relationship path between variables. In addition, moderation analysis is used to determine the role of leadership as a moderator variable, whether it strengthens or weakens the influence of competence on performance. Types of moderation are classified into pure, partial (quasi), homologator, and predictor moderation, based on the significance of the coefficient of the relationship path between variables.

## Results and Discussion

### Descriptive Statistics of Research Variables

This analysis aimed to present a descriptive picture of the characteristics of respondents, especially related to the main variables in the study. To interpret the respondents' perception of the question items asked, an index analysis technique was used. The rating scale used in this study ranges from a minimum score of 1 to a maximum of 10.

Therefore, the respondent's answer number does not depart from the number 0, but starts from the number 1 to 10, the resulting index number will depart from the number 10 to 100 with a range of 88, without the number 0. By using the three-box method, a range of 88 divided by three will result in a range of 30 which will be used as the basis for interpreting the index value as follows:

$$Interval = \frac{Highest\ Score - Lowest\ Score}{All\ Clases}$$

$$Interval = \frac{100 - 10}{3} = 30$$

Based on the above provisions, the grouping of respondents based on the boundaries of the research on the evaluated parts can be grouped in Table 1 as follows:

**Table 1. Threshold for Grouping Respondent Responses**

Limitation	Information
10,00 – 40,00	Less
40,01 – 70,00	Keep
70,01 – 100,00	Tall

Source: Sudjana (2015) "Statistical Method"

The following are the results of the analysis of descriptive data on the variables of work competence, leadership and employee performance from the respondents, which

totals 88 people/respondents, which can be seen in the table below. The descriptive analysis can be explained as follows:

**Competency Variables (X<sub>1</sub>)**

Competency variables using 4 (four) indicators. The respondents' responses to the four Competency indicators are as follows: Table 2:

**Table 2. Respondents' Responses to Competency Variables (x<sub>1</sub>)**

Indicator	Frequency of Respondents' Answers										Index	Desc
	1	2	3	4	5	6	7	8	9	10		
Knowledge (X <sub>1.1</sub> )		3.4			1.1	9.1	17	27.3	36.4	5.7	78.89	Tall
Skills (X <sub>1.2</sub> )	2.3		1.1	1.1	1.1	10.2	12.5	25	33	13.6	67.48	Keep
Capabilities (X <sub>1.3</sub> )	2.3	1.1			1.1	5.7	11.4	36.4	35.7	6.8	80.00	Tall
Attitude (X <sub>1.4</sub> )	1.1	1.1	1.1	1.1	2.3	11.4	25	17	33	6.8	76.69	Tall
Average											<b>75.76</b>	

Source: Primary data processed, 2025

Based on Table 2 above, the index value for the Work Discipline variable can be known, showing that the Competency variable has a perception index of 75.76 so that it can be concluded that the Competency variable is in the high category. This shows that respondents in providing answers through Competency variables, namely knowledge, skills, abilities and attitudes, are said to be moderate. The highest perception index of respondents on the ability indicator was 80.00. It can be understood and understood, that working to serve in the field of education, especially religious-based, must have the ability to understand religion and another knowledge.

Meanwhile, the respondents' lowest answer index for the competency variable statement was on the indicator of compliance with the organization's standards, which was answered with an average score of 67.46. The skill indicator is the lowest answer. Therefore, the educational foundation must involve employees in training and skill development both outside and inside.

**Leadership Variable (Z)**

Leadership variables are measured using 5 (five) indicators. The respondents' responses to the four indicators are as Table 3 as follows:

**Table 3 Respondents' Responses to Leadership Variables (Z)**

Indicator	Frequency of Respondents' Answers										Index	Desc
	1	2	3	4	5	6	7	8	9	10		
Decision making ability (z.10)	2.3	1.1			3.4	23.9	25	22.7	18.2	3.4	71.93	Tall
Ability to motivate (Z <sub>11</sub> )	1.1	2.3		3.4	1.1	20.5	18.2	35.2	11.4	6.8	66.52	Keep
Communication skills (z.12)		3.4			1.1	26.1	30.7	19.3	11.4	8	72.08	Tall
Ability to control subordinates (z.13)	3.4				1.1	14.8	21.6	26.1	21.6	11.4	76.61	Tall
Responsibilities (Z <sub>14</sub> )		3.4			1.1	9.1	14.8	42	22.7	6.8	77.88	Tall
Average											<b>73.02</b>	

Source: Primary data processed, 2025

Based on Table 3 mentioned above, it is known that the results of the calculation of the index value for the work satisfaction variable, show that the Leadership variable has a perception index of 73.02 so that it can be concluded that the Leadership variable is in the High category. The respondents' highest response perception index on the accountability indicator, respondents gave "very good" approval with an average score of 77.88. This is because of the employee's perception that the leader is usually the family of the owner of the Foundation as well so that he has a big burden to advance the foundation.

Meanwhile, the average lowest answer of respondents to the Leadership variable statement was on the indicator, namely the ability to communicate which was answered on average of 66.62. Leaders are considered to be less able to communicate with employees in decision-making and work results.

### Employee Performance Variables (Y)

Employee Performance Variables are measured using 5 (five) indicators that reflect important aspects in the implementation of duties. The respondents' responses to the five indicators are presented as follows based on the results of the measurement and data analysis that has been carried out.

**Table 4. Respondents' Responses to Employee Performance Variables (Y)**

Indicator	Frequency of Respondents' Answers										Index	Desc
	1	2	3	4	5	6	7	8	9	10		
Quality of Work (Y <sub>15</sub> )		2.3	1.1			21.6	23.9	39.8	6.8	4.5	72.94	Tall
Quantity of Work (Y <sub>16</sub> )	2.3		1.1		1.1	14.8	18.2	35.2	14.8	12.8	65.46	Keep
Responsibilities (Y <sub>17</sub> )		2.3	1.1		5.7	10.2	20.5	21.6	25	13.6	77.49	Tall
Cooperation (Y <sub>18</sub> )	3.4				1.1	28.4	12.5	28.4	12.5	13.6	74.25	Tall
Insiaitf (Y <sub>19</sub> )	1.1	1.1	1.1		1.1	14.8	18.2	35.2	13.6	13.6	76.83	Tall
											<b>73.39</b>	

Source: Primary data processed, 2017

Based on Table 5 above, it is known that the results of the calculation of the index value for the employee performance variable, show that the employee performance variable has a perception index of 73.39 so that it can be concluded that the employee performance variable is in the High category. This shows that the quality of work, quantity of work, punctuality, responsibility, cooperation and initiatives that are of concern to the respondents are seen by the respondents as a necessity. The respondents' highest perception index on the indicator about responsibility. Most respondents gave an "excellent" approval with an average score of 77.49. Meanwhile, the average respondents' lowest answer for the statement of employee performance variables (Y<sub>12</sub>) is in the Perception Index Job Quantity indicator with an average value of 65.46.

### Test Instruments

This study began with the implementation of a **pre-survey of 30 individuals who were not included in the main sample**, with the aim of evaluating the **consistency and accuracy of the questionnaire** to be used. The testing of this instrument was carried out with the help of **IBM SPSS Statistics software version 26**. The following are the results of the test on the feasibility of the instrument used:

### Validity Test

Validity testing was carried out with reference to *the Pearson Correlation value (r-calculus)* and its level of significance. An item is said to be valid if **the r-value is greater than the r-table and the significance value is less than 0.05 (5%)**.

**Table 6. Validity Test Results**

No. Item Statement	Calculated value	Table values	Information
<b>Competence</b>			
X1.1	0,904	0,361	Valid
X1.2	0,936	0,361	Valid
X1.3	0,914	0,361	Valid
X1.4	0,855	0,361	Valid
<b>Leadership</b>			
Z.10	0,856	0,361	Valid
Z.11	0,864	0,361	Valid
Z.12	0,931	0,361	Valid
Z.13	0,930	0,361	Valid
Z.14	0,877	0,361	Valid
<b>Employee Performance</b>			
Y15	0,897	0,361	Valid
Y16	0,964	0,361	Valid
Y17	0,932	0,361	Valid
Y18	0,945	0,361	Valid
Y19	0,955	0,361	Valid

Source: IBM SPSS Data Results, 2025

Based on the results of table 6 tests on 20 statements in the questionnaire tested on 30 non-respondents, all items were declared valid. This is evidenced by **the fact that all r-calculated values exceed 0.361 and significance below 0.05**, which indicates that every statement in the instrument is suitable for use in this study.

### Reliability Test

After the viscosity test was carried out on the research instrument, then a reliability test was carried out which was seen from *Cronbach's Alpha value*. An item statement is said to be reliable if *Cronbach's alpha* value  $> 0.7$ . The results of the reliability test can be seen from the following table:

**Table 7 Reliability Test Results**

Variable	<i>Cronbach Alpha</i>	Information
<b>Competencies (X1)</b>	0,841	Reliable
<b>Leadership (Z)</b>	0,824	Reliable
<b>Employee Performance (Y)</b>	0,831	Reliable

Source: IBM SPSS Data Results, 2025

Referring to the table above, the results of the reliability test showed that the entire value of *Cronbach's Alpha* exceeded 0.7. This indicates that each instrument in the

research variable is declared reliable and has met the reliability test criteria. Thus, the research model is considered feasible and can be continued to the survey stage of the intended respondents.

**Inferential Analysis**

The data processing technique in this study uses the *Structural Equation Modeling* (SEM) method based on *Partial Least Square* (PLS), which is a multivariate analysis approach that is very suitable for testing models with latent constructs and relatively small sample counts. This stage aims to ensure that the model built is not only theoretically correct, but also empirically acceptable based on the data obtained from the *PLS Algorithm*.

**Data Quality Test Results (Outer Model)**

There are three criteria in the use of data analysis techniques with *SmartPLS* to assess the outer model, namely *Convergent Validity*, *Discriminant Validity*, *Composite Reliability* and *Variance Extracted* (AVE).

**1) Convergent Validity Analysis**

**Table 8. Outer Loadings (Measurement Model)**

Indicator	Early Models	Information
<b>Competence</b>		
X1.1	0,932	Valid
X1.2	0,935	Valid
X1.3	0,913	Valid
X1.4	0,878	Valid
<b>Leadership (KPM)</b>		
Z.10	0,896	Valid
Z.11	0,861	Valid
Z.12	0,941	Valid
Z.13	0,917	Valid
Z.14	0,841	Valid
<b>Employee Performance (KP)</b>		
Y.12	0,891	Valid
Y.13	0,959	Valid
Y.14	0,940	Valid
Y.15	0,949	Valid
Y.16	0,960	Valid

Source: Data processing with *SmartPLS*, 2025

The results of data processing using *SmartPLS* are shown in Table 8. The outer model value, which shows the correlation between the construct and the variable, has at an early stage qualified for convergent validity because most indicators have a loading factor value above 0.60.

In modifying the model by removing indicators that have a loading factor value below 0.60. After the modification is made, as seen in Table 8, all indicators show a loading factor value above 0.60. Thus, all variable constructs in the model have met the criteria and no more indicators are eliminated.

## 2) Analysis *Discriminant Validity*

The results of *the discriminant validity* test are obtained as shown in Table 9 below:

**Table 9. *Discriminant Validity***

Indicator	Work Competencies (X1)	Leadership (Z)	Employee Performance (Y)
X1.1	0,932	0,619	0,698
X1.2	0,935	0,693	0,771
X1.3	0,913	0,699	0,678
X1.4	0,878	0,636	0,804
Z.10	0,596	0,896	0,700
Z.11	0,633	0,861	0,636
Z.12	0,627	0,941	0,658
Z.13	0,700	0,917	0,625
Z.14	0,693	0,841	0,515
Y.15	0,739	0,658	0,891
Y.16	0,766	0,678	0,959
Y.17	0,766	0,678	0,940
Y.18	0,776	0,643	0,949
Y.19	0,766	0,672	0,960

Source: Data processing with *SmartPLS*, 2025

From Table 9, it can be seen that some of *the loading factor* values for each indicator of each latent variable still have a *loading factor* value that is not the largest than the *loading* value when connected with other latent variables. This means that each latent variable has a good *discriminant validity* where some latent variables still have a highly correlated measure with other constructs.

## 3) Analysis of *Composite Reliability dan Average Variance Extracted (AVE)*

The validity and reliability criteria can also be seen from the reliability value of a construct and the *Average Variance Extracted (AVE)* value of each construct. Construct is said to have high reliability if the value is 0.70 and AVE is above 0.50. Table 10 will present the *Composite Reliability* and AVE values for all variables.

**Table 10. *Composite Reliability dan Average Variance Extracted***

Variable	Composite Reliability	AVE
Leadership (Z)	0,951	0,795
Employee Performance (Y)	0,974	0,884
Competencies (X1)	0,954	0,837
Leadership*Competencies	0,998	0,961

Source: Data processing with *SmartPLS*, 2025

Based on Table 10. it can be concluded that all constructs meet the reliability criteria. This is shown by a *composite reliability* value above 0.70 and AVE above 0.50 as recommended criteria.

#### 4) Inner Model Feasibility Test Results

Internal model testing or structural model in the Partial Least Square (PLS)-based SEM approach was carried out to evaluate the extent to which the relationships between latent constructs (latent variables) in the research model can be explained empirically. This stage focuses on testing the strength and direction of relationships between latent variables, as well as how much independent constructs are able to explain the dependent variables in the model. The evaluation of the structural model includes several important indicators, one of which is **the value of R-square (R<sup>2</sup>)** which indicates the large proportion of the variability of the dependent construct that can be explained by the independent construct in the model. A high R-square value indicates that the model has good predictive power.

In assessing a model with PLS it starts by looking at the *R-square* for each dependent latent variable. Table 11 is the result of *R-square* estimation using SmartPLS.

**Table 11. R-Square Value**

Variable	R-square
Employee Performance	0,761

Source: Data processing with SmartPLS, 2025

In principle, this study uses one variable that is influenced by other variables, namely employee performance variables (Y) which are influenced by competence (X1) and Leadership (Y).

Table 11 shows that the *R-square value* for the Employee Performance variable (Y) is influenced by the Competency (X1) and Leadership (Z) variables of 0.761, meaning Based on the results of the analysis, the R-Square value for the employee performance variable is 0.761 or 76.10%. This shows that the model used is able to explain 76.10% of the variation in employee performance. Meanwhile, the remaining 23.90% was explained by other factors outside the variables included in this research model.

#### 5) Hypothesis Testing Results

The significance of the estimated parameters provides very useful information about the relationship between the study variables. The basis used in testing the hypothesis is the value contained in the output of *the results for inner weight*. Table 12 provides *the estimated output* for the structural model test.

**Table 12 Result for Inner Weights**

Correlation	Original Sample (O)	Sample Mean (M)	Standard Deviation	Statistic	P Values	Desc
Leadership (Z) – Employee Performance (Y)	0,234	0,234	0,086	2,723	0,007	Accepted
Leadership*Competencies– Employee performance	0,280	0,280	0,124	2,255	0,025	Accepted
Competency (X1) – Employee Performance (Y)	0,421	0,418	0,127	3,321	0,001	Accepted

Source: Data processing with SmartPLS, 2025

In PLS testing statistically each hypothetical relationship is carried out using simulations. In this case, *the bootstrap method* is carried out on the sample. Testing with *bootstrap* is also intended to minimize the problem of research data abnormalities. Test results with *Bootstrapping* from *the SmartPLS* analysis states that the Competence (X1) to Employee Performance (Y) with Leadership (Z) as a moderation variable is as follows:

**The Influence of Competency (X1) on Employee Performance (Y).**

The results of the data analysis obtained *an original sample value* of 0.421 and a P value. Values 0.001. This indicates that the value of T. The statistic of 3.321 is greater than the table (1.960) and the value of P. Values are less than 0.05 which means that Competency (X1) has a positive and partially significant effect on employee performance. The competence of employees can improve employee performance. Therefore, it can be concluded that the 2nd (two) hypothesis is acceptable.

**The Effect of Competency (X1) on Employee Performance (Y) Moderated by Leadership Variables**

Based on the test results, it was known that the significance value for the relationship between leadership (Z), work competence (X1), and employee performance (Y) was 0.280. The P-Value of 0.025 which is greater than 0.05 and the statistical T-value of 2.255 which is greater than 1.960 indicate that the leadership variable plays a role as a moderator in the relationship between work competence and employee performance. If competence has a direct influence on the dependent variables Performance and Interaction between the moderator and the independent variable Leadership also has a significant effect on the dependent variable, then it is called partial moderation (Quasi Moderation). Thus, leadership is able to strengthen the influence of work competence on employee performance, and the fourth hypothesis (H4) in this study is declared accepted.

## Discussion

### The Influence of Work Competency on Employee Performance

The results of the analysis showed that the Competency variable (X1) had a positive and significant influence on Employee Performance (Y), which was shown by the original sample value of 0.421, the T-statistical value of 3.321 ( $> 1.960$ ), and the P-Values of 0.001 ( $< 0.05$ ). These findings indicate that the higher the level of competence possessed by employees, both in terms of knowledge, skills, and work attitudes, the higher the performance produced. Competencies enable employees to complete tasks effectively, make informed decisions, and adapt to complex and dynamic job demands.

Theoretically, these results are in line with the framework of Spencer and Spencer (1993) and are supported by (Salman et al., 2020), which states that competence is a fundamental characteristic of a person that is directly related to superior performance in a particular job. Competencies include a combination of technical skills, interpersonal abilities, and a positive work attitude. In the context of an organization, competent employees are not only able to meet performance standards, but also show initiative and responsibility in completing tasks. This research reinforces the view that investment in competency development through training, education, and coaching—will have a direct impact on improving employee performance (Budiarto et al., 2024).

Thus, these results confirm the importance of competence as a determining factor in the achievement of organizational performance. Leaders and human resources managers need to ensure that the recruitment, placement, and development processes of employees are based on competencies relevant to the duties and responsibilities of the position (Esthi & Savhira, 2019). This competency-based approach will not only increase productivity, but also strengthen the competitiveness of the organization in the long run (Yusuf et al., 2022), (Armstrong & Taylor, 2023; (Noe *et al.*, 2020). Therefore, strengthening competencies must be the main strategy in managing employee performance.

### The Influence of Work Competency on Employee Performance Moderated by Leadership Variables

Based on the results of the analysis, it was shown that leadership significantly moderated the influence of competence on employee performance, with an interaction coefficient value of  $\beta = 0.280$ ,  $t = 2.255$ , and  $p = 0.025$  ( $p < 0.05$ ). The findings of this study indicate that partial moderation (*Quasi Moderation*) This means that leadership quality has an important role in strengthening the relationship between competence and performance. The higher the level of effective leadership in the organization, the greater the positive influence of competence on improving employee performance. Therefore, high competence will be more optimal in encouraging performance if it is supported by a strong, inspiring, and supportive leadership style. In the context of an organization, an effective leader will be able to maximize employee performance more optimally if

employees have adequate competence, both in terms of knowledge, skills, and professional work attitude.

The findings of this study are supported by several human resource management literature that states that leadership has an important role in facilitating the optimal application of work competencies. When leadership does not provide clear direction, support, or development opportunities, then the influence of competence on performance can become stagnant or less than optimal (Silvia & Cipta, 2020).

The practical implication of these results is the importance of evaluating leadership approaches in organizations. Adaptive or empowering leadership can cause the competencies possessed by employees to be optimally channeled into performance achievement (Pradnyana et al., 2018). Therefore, organizations need to ensure that leaders are equipped with appropriate leadership skills, such as coaching skills, effective communication, and orientation to employee development, as suggested by (Rijanti & Sariati, 2023) and Armstrong & Taylor (2023) so that the role of leadership as a factor supporting competencies can be maximized.

## **Conclusion**

There is a positive and significant influence of competence on employee performance at MTS Nurul Falah Kemuning and MTS Nurul Falah Gosali. The higher the employee's competence, the higher the employee's performance. Leadership strengthens the influence of competence on employee performance even though it is very strong. This shows that the leadership at MTS Nurul Falah Kemuning and MTS Nurul Falah Gosali. strengthen the influence of competence on performance and have an impact on improving employee performance.

Based on the findings of this study, there are several important managerial implications for the leaders of MTS Nurul Falah Kemuning and MTS Nurul Falah Gosali in an effort to improve employee performance. Second, competence also has a strong influence on performance, so there needs to be a regular training and capacity building program to ensure employees have the skills and knowledge that are in accordance with the demands of the task. Therefore, madrasah leaders need to continue to improve the quality of their leadership, especially in providing direction, support, and example. Fourth, the same applies to the relationship between competence and performance, which is also reinforced by leadership. This indicates that the role of the leader is not only as a director, but also as a facilitator in optimizing employee competencies to have a maximum impact on performance. Overall, management in both MTS needs to place competence, and leadership as the main pillars in the strategy to improve employee performance in a sustainable manner.

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