

The Influence Of Innovation And Competency On Employee Performance With Competitive Advantage As An Intervening Variable (Study Of Coffee Shop Employees In Limpung District)

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Abstract. *The Effect of Innovation and Competence on Employee Performance with Competitive Advantage as an Intervening Variable (Study of Coffee Shop Employees in Limpung District)" This research aims to measure the Effect of Innovation and Competency on Employee Performance with Competitive Advantage as an Intervening Variable (Study of Coffee Shop Employees in the District dizzy). This research is a quantitative type of research, namely using a research instrument in the form of a questionnaire which has been prepared into several statements and measured using a 1-5 Likert scale. The population used in this research was coffee shop employees in Limpung sub-district. The sampling technique uses the Cochran formula. The results of this study state that the variables used have a significant influence on coffee shop employees in Limpung sub-district. The research results show that there is a significant influence between variables.*

Keywords: *Innovation, Competence, Employee Performance, Competitive Advantage.*

INTRODUCTION

Currently, the growth of small businesses such as micro, small and medium enterprises (MSMEs) plays a very important role in the economy. MSMEs can survive the economic crisis longer, so they can contribute to economic resilience. MSMEs operating in various sectors must be able to face increasingly fierce business competition in this day and age. Increasingly tight business competition encourages MSME business entities to continue to develop product innovation. Currently, the business world is facing an era of increasingly fierce competition. If businesses fail to maintain their market share, they may tend to stagnate or even lose customers.

Coffee shops are a type of business that continues to grow in Indonesia. Increasingly fierce competition means coffee shop owners must continue to innovate to maintain their business. One factor that can influence the success of a coffee shop is employee performance. Good employee performance can improve product and service quality, thereby increasing customer satisfaction and differentiating the coffee shop from its competitors. Sedarmayanti (2017) believes that ability is a basic characteristic of a person that directly influences that person's superior performance. Skills are the ability to translate knowledge into practice so that desired goals are achieved. The most important skills are those that enable managers to help others so they become more productive in the workplace (Sofyang et al., 2017). Skills are a very complementary relationship in that the form of a person who has competence is reflected in the level of skills they possess. A skilled person will show a level of independence in

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working, is reliable in completing work and is professional (expert) in the field he is working in, in accordance with the training produced by employees who are fundamental to quality requirements. Of course, these skills are part of the skills or skills possessed by employees which also influence employee performance in the coffee shop. Skills can include technical and non-technical skills, such as skills in making coffee, skills in communicating with customers, and skills in working in a team. Research shows that work experience and training also influence employee performance and work productivity. This can be explained because work experience and training can improve employee skills and knowledge, as well as increase employee motivation and self-confidence.

Competitive advantage can act as an intervening variable in the relationship between innovation and competence on employee performance in coffee shops. Competitive advantage can mediate the influence of innovation and competence on employee performance. In this context, competitive advantage can be defined as the factors that differentiate a coffee shop from its competitors, such as product quality, price, location and service. Therefore, this research will explore how competitive advantage can mediate the influence of innovation and competence on employee performance in coffee shops.

Based on the research gap in Dewi & Wibawa's research, (2022) states that innovation has an effect on employee performance. Meanwhile, research by Kusuma et al., (2021) states that innovation has no effect on employee performance

Previous research by Latief et al., (2019) shows that competence influences employee performance. Apart from that, other research by Lengkong et al., (2019) shows that competence does not affect employee performance.

Based on the background above, researchers are interested in conducting this research. With the title "The Influence of Innovation and Competency on Employee Performance with Competitive Advantage as an Intervening Variable (Study of Coffee Shop Employees in Limpung District)"

METHOD

This research uses a quantitative approach based on statistical data. The population used in this research was all employees at the Coffee Shop business in Limpung District, totaling 104 people. Data collection techniques in this research used questionnaires and observation methods. This research involved all coffee shop employees in Limpung District. This research uses quantitative analysis methods and statistical analysis techniques to draw conclusions using an analysis tool in the form of a Structural Equation Model (SEM) from AMOS software. Data

collection techniques are ways of collecting information needed to answer the research problem formulation. Questionnaire techniques can be used to collect data. Questionnaires can be in the form of questions (in the form of fields filled in by respondents), checklists (in the form of options for marking columns based on certain levels). In this research, surveys were given to managers or owners of micro, small and medium enterprises.

RESULTS AND DISCUSSION

Variabel	Construct Reliability	Keterangan
Inovasi	0,84	Reliabel
Kompetensi	0,83	Reliabel
Kinerja Karyawan	0,88	Reliabel
Keunggulan Bersaing	0,84	Reliabel

Based on the table above, it can be seen that the values in this study are said to be reliable because the construct reliability (CR) value is > 0.7 , namely Innovation (0.84), Competency (0.83), Employee Performance (0.88), and Competitive Advantage (0.84) which means that the instrument value for all variables can be said to be reliable.

Tabel 2
Loading Factor Variabel Eksogen

			Estimate
INV1	<---	INV	,580
INV2	<---	INV	,482
INV3	<---	INV	,629
INV4	<---	INV	,494
INV5	<---	INV	,538
INV6	<---	INV	,556
INV7	<---	INV	,576
KMP7	<---	KMP	,449
KMP6	<---	KMP	,588
KMP5	<---	KMP	,488
KMP4	<---	KMP	,471
KMP3	<---	KMP	,460
KMP2	<---	KMP	,601
KMP1	<---	KMP	,310
INV8	<---	INV	,458

Based on the test results in the table, it can be seen that each indicator of entrepreneurial intention has a loading factor value of < 0.70 . So it can be concluded that each indicator together presents the dimensionality of the latent variables of entrepreneurial intention and subjective norms. Below are the results of factor weight testing:

Tabel 4. 8
Bobot Faktor Variabel Eksogen

			Estimate	S. E	C.R	P
INV1	<---	INV	1,000			
INV2	<---	INV	,787	,196	4,023	***
INV3	<---	INV	1,285	,262	4,903	***
INV4	<---	INV	,806	,196	4,104	***
INV5	<---	INV	1,170	,267	4,382	***
INV6	<---	INV	1,109	,247	4,489	***
INV7	<---	INV	1,077	,234	4,607	***
KMP7	<---	KMP	1,000			***
KMP6	<---	KMP	1,305	,342	3,819	***
KMP5	<---	KMP	1,193	,345	3,462	***
KMP4	<---	KMP	1,228	,362	3,391	***
KMP3	<---	KMP	1,133	,339	3,345	***
KMP2	<---	KMP	1,453	,376	3,860	***
KMP1	<---	KMP	,743	,292	2,545	***
INV8	<---	INV	,969	,251	3,864	***

Tabel 4. 10
Loading Factor Variabel Endogen

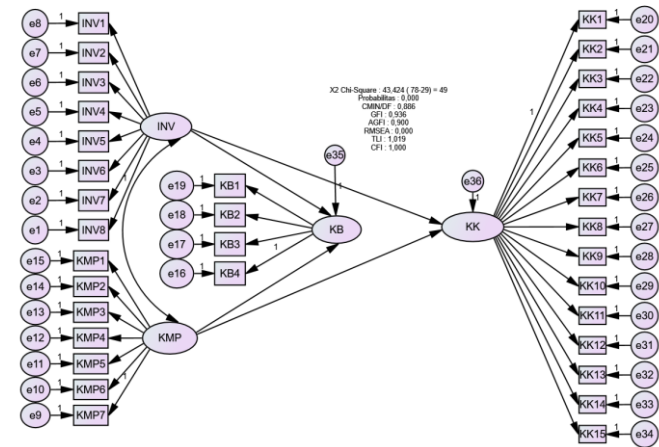
			Estimate
KB4	<---	KB	,412
KB3	<---	KB	,463
KB2	<---	KB	,679
KB1	<---	KB	,736
KK1	<---	KK	,461
KK2	<---	KK	,610
KK3	<---	KK	,650
KK4	<---	KK	,678
KK5	<---	KK	,580
KK6	<---	KK	,555
KK7	<---	KK	,665
KK8	<---	KK	,589
KK9	<---	KK	,532
KK10	<---	KK	,475
KK11	<---	KK	,483
KK12	<---	KK	,370
KK13	<---	KK	,417
KK14	<---	KK	,376
KK15	<---	KK	,578

Tabel 4. 1
Bobot Faktor Variabel Endogen

			Estimate	S. E	C.R	P
KB4	<---	KB	1,000			
KB3	<---	KB	1,341	,426	3,146	***
KB2	<---	KB	1,357	,381	3,558	***
KB1	<---	KB	1,763	,477	3,699	***
KK1	<---	KK	1,000			
KK2	<---	KK	1,369	,330	4,150	***
KK3	<---	KK	1,598	,384	4,167	***

			Estimate	S. E	C.R	P
KK4	<---	KK	1,479	,354	4,180	***
KK5	<---	KK	1,488	,371	4,006	***
KK6	<---	KK	1,217	,307	3,970	***
KK7	<---	KK	1,537	,360	4,275	***
KK8	<---	KK	1,340	,337	3,976	***
KK9	<---	KK	,976	,264	3,701	***
KK10	<---	KK	,780	,223	3,494	***
KK11	<---	KK	1,018	,293	3,470	***
KK12	<---	KK	,563	,186	3,024	***
KK13	<---	KK	,785	,242	3,239	***
KK14	<---	KK	,800	,264	3,033	***
KK15	<---	KK	1,498	,389	3,848	***

Gambar 4. 1
Full Model Struktural Fit



			Estimate	S. E	C.R	P
KB	<---	KMP	-,936	,818	-1,144	***
KB	<---	INV	1,908	,918	2,079	***
KK	<---	INV	-,420	,553	-,760	***
KK	<---	KMP	1,000			***
KK	<---	KB	,607	,559	1,085	***

Tabel 4. 2
Standardized Regression Weight

Estimate			
KB	<---	KMP	0,936
KB	<---	INV	0,994
KK	<---	INV	0,355
KK	<---	KMP	0,851
KK	<---	KB	0,516

Quotation & Figures

The Effect of Innovation on Employee Performance

Hypothesis testing is a reference for the values produced in SEM estimation. Hypothesis 1 produces a standardized parameter coefficient on the relationship between innovation and employee performance with a C.R value of $0.177 < 2$, meaning that innovation has a significant and significant effect on employee performance, in other words the first hypothesis (H1) is accepted. This means that innovation has an effect on employee performance, it is proven that the research hypothesis is accepted. The research results that have been tested and hypothesized in the research correspond to the reality experienced by the subjects.

The influence of innovation on employee performance is strengthened by research which shows that innovation has a significant positive effect on employee performance (Hartono & Puspitowati, 2019).

The Influence of Competency on Staff Performance

Hypothesis testing is a reference for the values produced in SEM estimation. Hypothesis 2 produces a competency value on employee performance with a C.R value of $0.851 < 2$, meaning that competency has an effect on employee performance and is significant, in other words the second hypothesis (H2) is accepted. This means that competency has an influence on employee performance and it is proven that the research hypothesis is accepted. The research results that have been tested are in accordance with the hypothesis in the research and are in line with the reality experienced by the subjects. The results of research conducted by Purwanto, (2023) stated that there is a significant influence between competency on employee performance

The Influence of Competency on Staff Performance

Hypothesis testing is a reference for the values produced in SEM estimation. Hypothesis 2 produces a competency value on employee performance with a C.R value of $0.851 < 2$, meaning that competency has an effect on employee performance and is significant, in other words the second hypothesis (H2) is accepted. This means that competency has an influence on employee performance and it is proven that the research hypothesis is accepted. The research results that have been tested are in accordance with the hypothesis in the research and are in line with the reality experienced by the subjects. The results of research conducted by Purwanto, (2023) stated that there is a significant influence between competency on employee performance.

The Influence of Innovation on Competitive Advantage

Hypothesis testing is a reference for the values produced in SEM estimation. In hypothesis 3, there is a relationship between innovation and competitive advantage with a C.R value of $1,000 < 2$, meaning that innovation has a significant and significant effect on competitive advantage, in other words the third hypothesis (H3) is accepted. This means that innovation norms influence competitive advantage, it is proven that the research hypothesis is accepted. The significant research results hypothesized in the research correspond to the reality experienced by the subjects. The results of research conducted by Gunarto, (2023) state that innovation has a positive effect on competitive advantage.

The Influence of Competency on Competitive Advantage

Hypothesis testing is a reference for the values produced in SEM estimation. Hypothesis 4 produces a standardized parameter coefficient value on the relationship between competence and competitive advantage with a C.R value of $0.936 < 2$, meaning that competence has a significant and significant effect on competitive advantage, in other words the fourth hypothesis (H4) is accepted. This means that competence influences competitive advantage, it is proven that the research hypothesis is accepted. The results of this research are in line with the presentation (Tri Atmaja, 2016) which states "the higher the individual's competence in complying with the views or roles of other people in entrepreneurship, the higher the competitive advantage".

The Effect of Competitive Advantage on Employee Performance

Hypothesis testing is a reference for the values produced in SEM estimation. Hypothesis 5 produces a standardized parameter coefficient value on the relationship between competitive advantage and employee performance with a C.R value of $-0.155 < 2$, meaning that competitive advantage has a significant and significant effect on employee performance, in other words the fifth hypothesis (H5) is accepted. This means that competitive advantage has an effect on employee performance, it is proven that the research hypothesis is accepted. The results of research conducted by (Wahyu et al., 2014) show that there is a partial influence of competitive advantage on employee performance

The Effect of Innovation on Employee Performance Mediated by Competitive Advantage

Hypothesis testing is a reference value produced in SEM estimation using the Sobel test. Hypothesis 6 produces a standardized parameter coefficient value on the relationship between innovation and employee performance which is mediated by competitive advantage of a calculated t value of $1.246 < 1.96$. So the results of these calculations show that competitive advantage is able to mediate innovation on employee performance. This means that the results of this test on innovation on employee performance through competitive advantage show that there is a mediation effect and (H6) is accepted. Research conducted by Millennia, (2023) shows that the influence of innovation is an important predictor of employee performance. Competitive advantages resulting from innovation can provide a boost to employee productivity.

The Influence of Competency on Employee Performance Mediated by Competitive Advantage.

Hypothesis testing is a reference value produced in SEM estimation using the Sobel test. Hypothesis 7 produces a standardized parameter coefficient value on the relationship between competency and employee performance which is mediated by competitive advantage of a calculated t value of $0.240 < \text{from t table } 1.96$. So the results of these calculations show that competitive advantage is able to mediate competence on employee performance. The results of this test on competence on employee performance through competitive advantage show that there is a mediation effect, which means (H7) is accepted.

The influence of competence is an important predictor of employee performance. Employees who have relevant competencies may feel more motivated and engaged at work. The competitive advantage resulting from high competence can be an additional motivational factor. (Pratama, 2019).

CONCLUSION

This research aims to determine the influence of innovation and competency on performance and competitive advantage. This research uses the Structural Equation Model test method. Based on the results of the analysis and discussion previously explained, the following conclusions can be drawn:

1. The results of this research state that the innovation variable influences employee performance among coffee shop employees in Limpung sub-district. The research results show that the higher the innovation implemented, the higher the employee performance.

2. The results of this research state that the competency variable influences employee performance among coffee shop employees in Limpung sub-district. The research results show that the higher the competency provided, the employee performance also increases.
3. The results of this research state that the competitive advantage variable affects employee performance among coffee shop employees in Limpung sub-district. These results show that the higher the influence of competitive advantage, the higher employee performance will also increase.
4. The results of this research state that innovation variables influence competitive advantage. These results indicate that the higher the innovation of coffee shop employees in Limpung sub-district, the greater the competitive advantage of employees
5. The results of this research state that the competency variable influences the competitive advantage of coffee shop employees in Limpung sub-district. These results show that the higher the employee's competence, the higher the competitive advantage.
6. The results of this research show that the innovation variable influences employee performance which is mediated by competitive advantage among coffee shop employees in Limpung sub-district. This shows that high innovation will improve employee performance and employee competitive advantage.
7. The results of this research show that the competency variable influences employee performance which is mediated by competitive advantage among coffee shop employees in Limpung sub-district. This shows that increasing the competence and performance of employees will increase competitive advantage.

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