

Competency Development and Organizational Culture as Factors Influencing Corporate Performance: The Mediating Role of Employee Performance in Indonesian State-Owned Enterprise Bank

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Abstract: This study seeks to substantiate the assertion that achieving optimal performance levels within an organization necessitates a strategic emphasis on enhancing employee performance. This research adopts the Balanced Scorecard framework, to provide a multidimensional assessment of organizational performance, ensuring a comprehensive evaluation of its operational effectiveness focuses on State-Owned Enterprise Bank in Indonesia using quantitative descriptive methodology. To enhance the reliability of the findings, data was collected by systematically distributing structured questionnaires to a carefully chosen sample of 131 respondents. The study's findings reveal a strong and significant positive relationship between competency development—reinforced by a robust and supportive organizational culture—and a deeper understanding of employee performance, which, in turn, plays a crucial role in enhancing overall corporate performance. The analysis establishes that employee performance serves as a crucial mediating variable.

Background: The importance of optimal performance for the corporate is based on the belief that employee performance is a key factor in achieving it, supported by competency development and organizational culture. This study was conducted to empirically and comprehensively prove the relationship using a balanced scorecard.

Purpose: This study aims to determine that for the corporate to achieve effective performance, it must pay attention to employee performance, which can be influenced by various factors. Two of these factors are competency development and organizational culture, which can directly or indirectly affect the corporate's performance.

Objectives: at one of the State-Owned Enterprise bank in Indonesia

Findings: The study's findings reveal a strong and significant positive relationship between competency development—reinforced by a robust and supportive organizational culture—and a deeper understanding of employee performance, which, in turn, plays a crucial role in enhancing overall corporate performance.

Conclusion: This research provides evidence that to achieve effective corporate performance, companies need to pay attention to employee performance, which can be influenced by competency development and the organizational culture present within the corporate.

Keywords: Competency development, Organizational culture, Corporate performance, Employee performance.

Introduction

The banking sector serves as a crucial driver of economic growth, playing a key role in a nation's development, that is integral to various financial activities associated by banking operations.

As articulated by Hermansyah (2020:6), in the context of Indonesia, a bank is defined as an institution that may operate as either a State-Owned Enterprise or a privately-owned business entity, by its primary functions being the mobilization of public funds through deposits and the provision of loans to individuals and businesses inside of the community. The banking sector holds a strategic position as a driver of a country's economic growth, an implementer of monetary policy, and a stabilizer of the financial system. Therefore, a sound, transparent, and accountable banking sector is needed. In today's digital era, competition in the banking sector has become increasingly intense. Therefore, each bank must be proactive in enhancing its image to the public to achieve its corporate goals optimally. According to Putri and Rahayu (2023), a long-term correlation among a bank and its customers is crucial, as it can generate significant benefits for both parties, both financially and operationally. Furthermore, Zikir, Riza, and Arifin (2019) argue that if a customer is satisfied by the services provided by a bank, it will foster a higher sense of trust, ultimately leading to greater customer loyalty.

Currently, corporate performance growth has become one of the key components in assessing how well a business achieves its desired outcomes in alignment by its targets and objectives. Corporate performance is the outcome of a business's activities and operations, serving as a benchmark for measuring its success (Apriliyani & Dewayanto, 2018). According to Rospandani (2021), corporate performance refers to a business's overall success in achieving its predetermined goals and objectives by utilizing resources effectively and efficiently. The assessment of corporate performance can be approached by both financial and non-financial dimensions. As articulated by Kaplan and Norton (2000:22) in the analysis conducted by Suhada and Hendrayanti (2019), the comprehensive evaluation of corporate performance is multifaceted, encompassing four essential perspectives: the financial perspective, the customer perspective, the internal business process perspective, and the studying and growth perspective.

The phenomenon observed in the corporate performance of the State-Owned Banks in Indonesia can be analyzed through its financial performance in 2022 and 2023, as reported in the bank's Annual Report. It was found that the comparison among the business's financial targets and actual outcomes fluctuated during this period. In the year 2022, the state-owned bank remarkably achieved a net profit amounting to IDR 47.83 trillion, surpassing its established target by attaining an impressive 114.41% of the Work Plan and Budget. Similarly, in 2023, the bank reported a net profit of IDR 53.15 trillion, successfully achieving 101.81% of its financial targets outlined in the Work Plan and Budget. However, in 2022 and 2023 this achievement was not matched by the credit disbursement performance, that only reached 98.12% and 99.77% of the target, falling short of expectations. Despite these challenges, in both 2022 and 2023, the state-owned bank was still able to achieve positive growth in key financial indicators, including the Operational Expenses to Operational Income Ratio, Capital Adequacy Ratio (CAR), Net Credit Cost, and Cost to Income Ratio (CIR), all of that met their respective targets successfully. In light of this discrepancy, the researcher intends to concentrate on a thorough examination of internal factors, particularly those pertaining to competency development, organizational culture, and employee performance, that are posited as critical elements that significantly contribute to the improvement of overall corporate performance.

In addition to being assessed through financial performance, the measurement of corporate performance can also be seen by the customer perspective. This is in accordance by the data by the Annual Report of the state-owned bank for 2022 and 2023, that shows that a customer satisfaction survey indicated that 57.7% and 69.8% of users or customers were satisfied by the services provided. The measurement of corporate performance can also be assessed by the internal business process perspective, specifically employee satisfaction. This aligns with data from the state-owned bank's 2022 and 2023 Annual Reports, which highlight the corporate's commitment to fostering a conducive, safe, and comfortable work environment. To monitor this aspect, the business measures employee engagement stages through the Employee Engagement Survey (EES). The employee engagement and satisfaction stage at the state-owned bank increased to 3.49 on a scale of 4 in 2023, compared to 3.48 in 2022.

Consequently, in the pursuit of organizational objectives and the attainment of the anticipated stage of corporate performance, it is imperative for the business to conduct a thorough and accurate assessment of its employees' performance outcomes. This particular aspect is categorized inside of the internal business process perspective of corporate performance measurement. This is further evidenced by the business's employee performance data for the years 2021, 2022, and 2023. There are five categories in the employee performance evaluation at the State-Owned Bank: Outstanding, Very Good, Good, Fairly Good, and Poor. It was observed that employee performance in 2021, 2022, and 2023 experienced fluctuations. This is because, by 2021 to 2023, the highest-rated category in the employee performance evaluation at the state-owned bank was the Good category. Therefore, although the Outstanding, Very Good, Fairly Good, and Poor categories did not meet their targets by 2021 to 2023, overall performance can still be assessed through the Good category, that consistently met its targets each year. To improve employee performance and ultimately understand corporate performance, a business must implement competency development and organizational culture. Competency development encompasses the capabilities of organizational members, that are fundamentally rooted in their skills and knowledge. According to the 2023 Annual Report of the state-owned bank, several types of competency development programs have been implemented to understand both employee performance and corporate performance.

In conjunction by competency development, another key factor that plays a vital role in understanding both employee and corporate performance, while also aligning with a perspective of

learning and growth, is organizational culture. As stated in the state-owned bank's Annual Report, the organization has adopted the Core Value, abbreviated as AKHLAK, as its guiding cultural framework. The Core Values AKHLAK organizational culture is implemented across all State-Owned Enterprises in Indonesia and consists of six core values: Amanah (Trustworthy), Kompeten (Competent), Harmonis (Harmonious), Loyal (Loyal), Adaptif (Adaptive), and Kolaboratif (Collaborative). In the unstructured interviews conducted by the researcher by employees at one of the branch offices of the state-owned bank, it was found that these six values have been successfully implemented and well-achieved. Given the phenomenon outlined in this introduction, the researcher seeks to examine the impact of competency development and organizational culture on corporate performance, with a particular focus on the mediating role of employee performance at Indonesia's State-Owned Enterprise Bank.

Literature Review

Competency Development

According to Edison, Anwar, and Komariyah (2017:140), Competency is an individual's capacity to execute tasks efficiently, demonstrating strengths in skills, proficiency, and attributes. According to Dessler (2020:231), training, as a form of competency development, is the process of improving employees' skills needed to effectively perform their jobs. According to Sutrisno & Zuhri (2019), Competency development refers to the ability of organizational members to apply skills, knowledge, and work attitudes in effectively carrying out their tasks and responsibilities. Based on the definitions of competency provided by experts such as Edison, Anwar, and Komariyah (2017:140), Dessler (2020:231), and Sutrisno & Zuhri (2019), the author defines competency development as the process of assessing employees' skills and knowledge to enhance their ability to perform tasks and responsibilities more effectively. This process includes activities such as training, education, and feedback, aimed at preparing employees to face challenges and changes inside of the business. Companies that implement human resource management practices effectively demonstrate their commitment to employees. It can improve the quality of employee performance, such as promising development opportunities and clear career paths (Winarno et al., 2022). Additionally, Edison, Anwar, and Komariyah (2017:143) identify three dimensions of competency development: knowledge, skill, and attitude.

H1. Competency development affects employee performance.

Organizational Culture

As articulated by Robbins and Judge (2018:256), Organizational culture is a unified system of shared values, beliefs, and practices among members, distinguishing the organization from others in the broader environment. It is a system adhered to and upheld by the business to organize governance systems and policies correctly and run them effectively. As posited by Sánchez-Marín et al. (2018), organizational culture is an important concept that is used to guide members of the institution by covering the beliefs and expectations carried out in the organization. According to Kreitner and Kinicki (2014:62), organizational culture is an assumption that is widely accepted inside of a group that determines how it can be applied to a diverse environment. Based on these definitions of organizational culture by experts such as Robbins and Judge (2018:256), Sánchez-Marín et al. (2018), and Kreitner and Kinicki (2014:62), the author interprets organizational culture as a system that is understood, embraced, and upheld by a group, that differentiates it by other organizations in a diverse environment. Implementing organizational culture within a business is essential for decision-making, organizational growth, and policy governance. Robbins and Judge (2018:256) identify several dimensions of organizational culture, including innovation and risk-taking, attention to detail, outcome orientation, people orientation, team orientation, aggressiveness, and stability.

H2. Organizational culture affects employee performance.

Corporate Performance

Corporate performance encompasses a business's capacity to generate profit, by performance measurement commonly conducted through the balanced scorecard methodology, as articulated by Kaplan and Norton (2000:22). In the perspective offered by Marbun and Saragih (2018), corporate performance is conceptualized as a holistic assessment of an organization's status over a defined timeframe, particularly in relation to the effective utilization of its resources. Corporate performance

ultimately represents an organization's overall success in attaining its strategic objectives and operational goals. Drawing from experts such as Kaplan & Norton (2000:22), Marbun & Saragih (2018), Rospandani (2021), and Harsono & Ary (2020), the researcher defines corporate performance as a reflection of a business's condition, showcasing its achievements over a specific period. Considering the function of performance, the principle that emphasizes the balance between profit and people can also be a reference to strengthen the foundation of the company (Ramdhan et al., 2022). This is of paramount importance for guaranteeing that resources are utilized in the most efficient manner possible in response to the dynamic shifts occurring inside of the environment.

As posited by Kaplan and Norton (2000:22), the assessment of corporate performance is conducted through the utilization of the balanced scorecard framework. This balanced scorecard represents a meticulously designed set of metrics employed to evaluate a business's performance by integrating four distinct perspectives that effectively balance short-term and long-term objectives, alongside the desired outcomes and the underlying drivers that contribute to those outcomes. The framework encompasses four dimensions that are instrumental in measuring corporate performance through the balanced scorecard methodology.

H3. Competency development affects corporate performance.

H4. Organizational culture affects corporate performance.

H5. Employee performance affects corporate performance.

Employee Performance

Employee performance, as articulated by Edison, Anwar, and Komariyah (2017:54), is conceptualized as the outcome of a systematic process that is evaluated over a designated timeframe in accordance by established criteria or agreements. In a similar vein, Dessler (2020:90) characterizes employee performance as an ongoing process aimed at identifying, measuring, and enhancing the performance of individuals or teams, while simultaneously ensuring that their contributions are aligned by the overarching objectives of the organization.

Employee performance has several dimensions, as stated by Edison, Anwar, and Komariyah (2017:54). These dimensions are used to measure indicators of success. The key dimensions of employee performance include Target, Quality, Completion Time, and Adherence to Principles.

H6. Employee performance mediates the correlation among competency development and corporate performance.

H7. Employee performance mediates the correlation among organizational culture and corporate performance.

Based on the explanation provided, the proposed model in Figure 1.

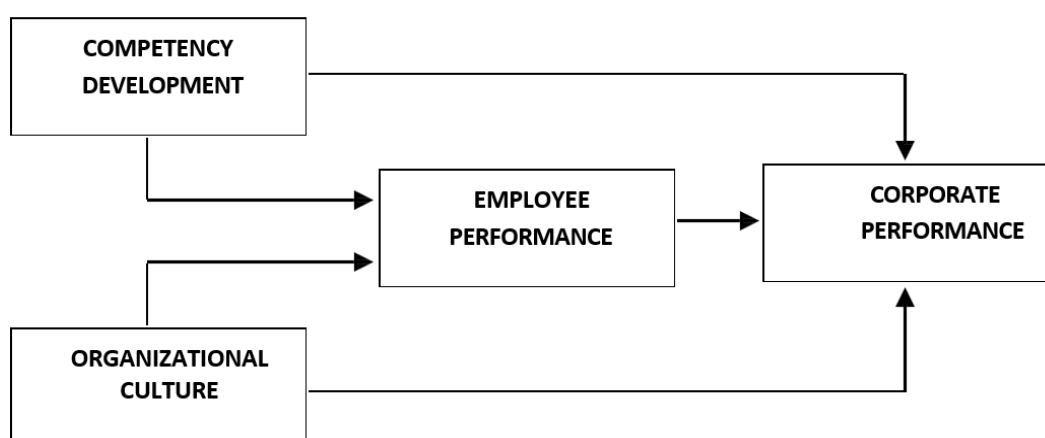


Figure 1. Full Model
Source: Author's on work

Research Method

Data collection

This investigation is characterized as quantitative research, that is particularly adept at evaluating hypotheses and elucidating the phenomenon surrounding the interplay among competency

development and organizational culture in relation to corporate performance, by employee performance serving as a mediating variable. The research was conducted inside of the context of State-Owned Banks located in Indonesia. The process of data collection encompassed primary data sources. Primary data was garnered through the feedback provided by respondents via questionnaires, that employed the likert scale as the measurement instrument.

Sample

The sampling methodology employed in this study was the saturated sampling technique, that is particularly applicable in scenarios where the entirety of the population can be utilized as the research sample, as articulated by Sugiyono (2019:133). Consequently, this approach facilitated the inclusion of 131 participants, all of whom are employed inside of State-Owned Banks across Indonesia.

Data Analysis

This study implemented a quantitative analytical framework utilizing the Partial Least Squares (PLS) approach, that is recognized for its robustness as it operates independently of numerous underlying assumptions typically associated by other statistical methods. This evaluation was executed utilizing data processed via PLS-SEM, that encompassed a comprehensive array of outer model assessments, including tests for convergent validity, discriminant validity, and composite reliability. In addition, an examination of the inner model was conducted, that involved the calculation of R-square, Q-square, and hypothesis testing. The entire data processing procedure was facilitated through the utilization of Smart PLS version 4.1.0.9 software.

Measurement Model (Outer Model)

The measurement model, also known as the outer model, defines the relationships between latent variables and their respective indicators. This model serves as a critical tool for evaluating both the construct validity and reliability of the responses provided by participants in relation to the administered questionnaire. The assessment is conducted to ascertain the consistency by that respondents address each item inside of the research questionnaire, as noted by Ghozali and Latan (2020:67). Moreover, Ghozali and Latan (2020:68) categorize the various types of measurement into three distinct classifications, that can be systematically evaluated through the framework of the measurement model (outer model), as outlined below:

Convergent Validity

This validity assessment is employed to evaluate a construct characterized by strong correlations among its associated indicators. The analysis of convergent validity is conducted utilizing SmartPLS software, wherein the evaluation is based on the cross-loading values attributed to each individual indicator, thereby facilitating a comprehensive understanding of the construct's measurement integrity.

Discriminant Validity

Discriminant validity is affirmed when two separate instruments are utilized to measure two constructs that, according to theoretical underpinnings, are not expected to be correlated; this outcomes in empirical scores that demonstrably reflect a lack of correlation among the constructs in question.

Composite Reliability

Beyond validity testing, the measurement model, also known as the outer model, includes reliability testing as a crucial component. This process ensures the accuracy, consistency, and precision of the measurement instrument used to assess the variables under study. The Rule of Thumb, as proposed by Ghozali and Latan (2020:71), is presented in Table 1.

Table 1. Rule of Thumb for the Outer Model

Criteria	Parameter	Rule of thumb
Convergent Validity	Average Variance Extracted (AVE)	> 0.5
Discriminant Validity	Cross Loading	> 0.7 for each variable
	Cronbach's Alpha	> 0.7
Reliability	Composite Reliability	> 0.7

Source: Ghozali and Latan (2020:71)

Structural Model (Inner Model)

According to Ghozali and Latan (2020:73), the structural model, also known as the inner model, depicts the relationships between latent variables or constructs based on theoretical foundations. The guidelines known as the Rule of Thumb for the structural model (inner model), as articulated by Ghozali and Latan (2020:75), are delineated in Table 2.

Table 2. Rule of Thumb for the Inner Model

Criteria	Rule of Thumb
R-Square	0.75, 0.50, and 0.25 indicate a strong, moderate, and weak model, respectively.

Source: Ghozali and Latan (2020:75)

Results

Characteristic Respondents

This research was conducted at the state-owned enterprise bank in Indonesia, with questionnaires distributed to 131 employees. Respondent characteristics were classified based on gender, age, highest education level, and length of employment. In the gender category, the majority comprised 80 men (61.1%), while 51 women (38.9%) participated. A detailed summary of respondent characteristics is provided in Table 3.

Table 3. Characteristic Respondents

Characteristic	Frequency (N = 131)	Percentage
Gender		
Men	80	61.1%
Women	51	38.9%
Age		
20-29 years	25	19.1%
30-39 years	38	29%
40-49 years	47	35.9%
> 49 years	21	16%
Education		
D3	21	16%
D4	13	9.9%
S1	95	72.5%
S2	2	1.5%
Length of work		
1-5 years	30	22.9%
6-10 years	14	10.7%
11-20 years	39	29.8%
> 20 years	48	36.6%

Source: Primary data processed (2025)

Outer Model Test

The outer model test is performed to derive insights by the responses provided by participants in the distributed questionnaire, by the aim of ascertaining the presence and nature of any effects among the variables examined in this study. This comprehensive outer model assessment encompasses three integral components: convergent validity, discriminant validity, and reliability testing. The outcomes pertaining to the outer model are illustrated in Figure 2.

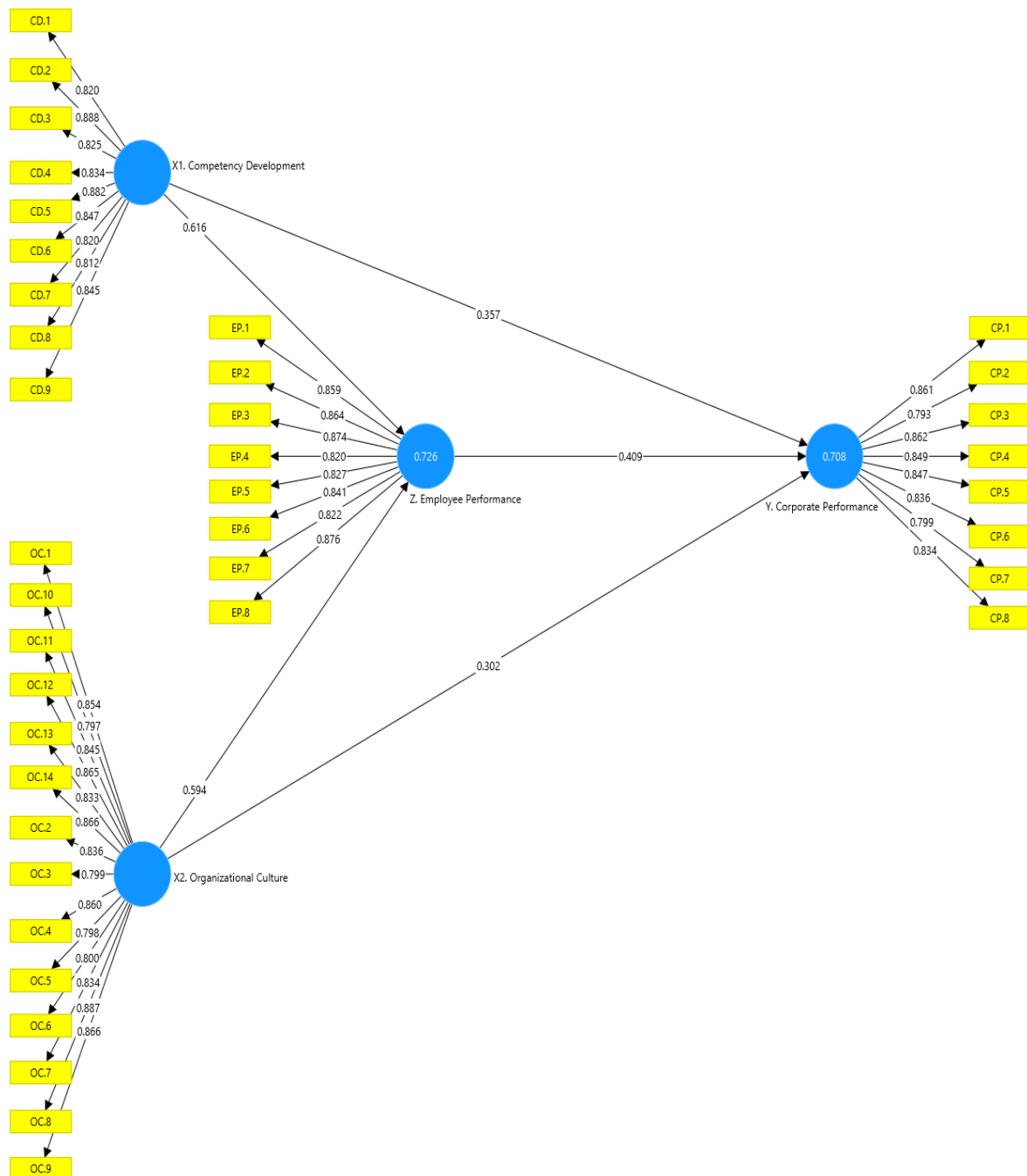


Figure 2. Outer Model
Source: Author's on work

Convergent Validity Test

An indicator can be considered valid if the convergent validity calculation outcomes, represented by the outer loading calculation, have a value > 0.7 . The results of the convergent validity analysis in this study are shown in Table 4.

Table 4. Convergent Validity Test

Variable	Dimensions	Indicator	Outer Loading
Competency Development	Knowledge	CD.1	0.820
		CD.2	0.888
		CD.3	0.825
	Skill	CD.4	0.834
		CD.5	0.882
		CD.6	0.847
	Attitude	CD.7	0.820
		CD.8	0.812
		CD.9	0.845
Organizational Culture	Innovation and Risk-Taking	OC.1	0.854
		OC.10	0.797
	Attention to Detail	OC.11	0.845
		OC.12	0.865
	Outcome Orientation	OC.13	0.833
		OC.14	0.866
	People Orientation	OC.2	0.836
		OC.3	0.799
	Team Orientation	OC.4	0.860
		OC.5	0.798
	Aggressiveness	OC.6	0.800
		OC.7	0.834
	Stability	OC.8	0.887
		OC.9	0.866
Corporate Performance	Financial	CP.1	0.861
		CP.2	0.793
	Customer	CP.3	0.862
		CP.4	0.849
	Internal Business Process	CP.5	0.847
		CP.6	0.836
	Learning and Growth	CP.7	0.799
		CP.8	0.834
Employee Performance	Target	EP.1	0.859
		EP.2	0.864
	Quality	EP.3	0.874
		EP.4	0.820
	Completion Time	EP.5	0.827
		EP.6	0.841
	Adherence to Principles	EP.7	0.822
		EP.8	0.876

Source: Author's on work

The outer loading values presented in Table 4 satisfy the established validity criteria, as they all exceed the threshold of 0.7, thereby signifying that each indicator associated by the respective variables is considered valid.

Discriminant Validity Test

Inside of this section, an indicator is deemed valid if the calculations pertaining to discriminant validity, as evidenced by the cross-loading outcomes for each variable, yield a value that exceeds 0.5. The outcomes related to discriminant validity for this study are comprehensively detailed in Table 5.

Table 5. Discriminant Validity

Variable	AVE
Competency Development	0,709
Organizational Culture	0,704
Corporate Performance	0,698
Employee Performance	0,719

Source: Author's on work

Upon conducting the cross-loading calculations, it is observed that all indicators associated by each variable exhibit values exceeding 0.5, thereby qualifying them as valid and permitting the continuation of subsequent calculations. Furthermore, the acbusinessing table illustrates that the square root of the AVE for each indicator surpasses the correlation values among the respective variables, thereby indicating that the indicators fulfill the necessary criteria for discriminant validity testing.

Reliability Test

Subsequent to the execution of validity assessments, the next phase involves the implementation of reliability tests, that are conducted to compute essential metrics such as composite reliability, Cronbach's alpha, and Average Variance Extracted (AVE). The Composite Reliability is presented in Table 6.

Table 6. Composite Reliability

Variable	Cronbach's Alpha	Composite Reliability
Competency Development	0.948	0.950
Organizational Culture	0.968	0.969
Corporate Performance	0.938	0.940
Employee Performance	0.944	0.945

Source: Author's on work

The reliability testing results demonstrate that all variables have met the required minimum thresholds for both Cronbach's alpha and composite reliability, with values surpassing 0.7. Additionally, the Average Variance Extracted (AVE) for each variable meets the required criterion of exceeding 0.5. The evaluation of latent variables is conducted through an assessment of composite reliability, convergent validity, and discriminant validity, all of which contribute to the analysis of the outer model. A construct is considered reliable when its composite reliability value exceeds the 0.7 threshold. As shown in Table 6, all constructs in this study meet or surpass the required minimum value, confirming their reliability.

Inner Model Test

The next step in analyzing latent variables involves using the structural model, also known as the inner model. Within this framework, a thorough assessment is performed by calculating R-Square, Q-Square, and path coefficients, all of which are essential for evaluating the model's accuracy and validity. Figure 3 illustrates the path diagram of the inner model relevant to this study.

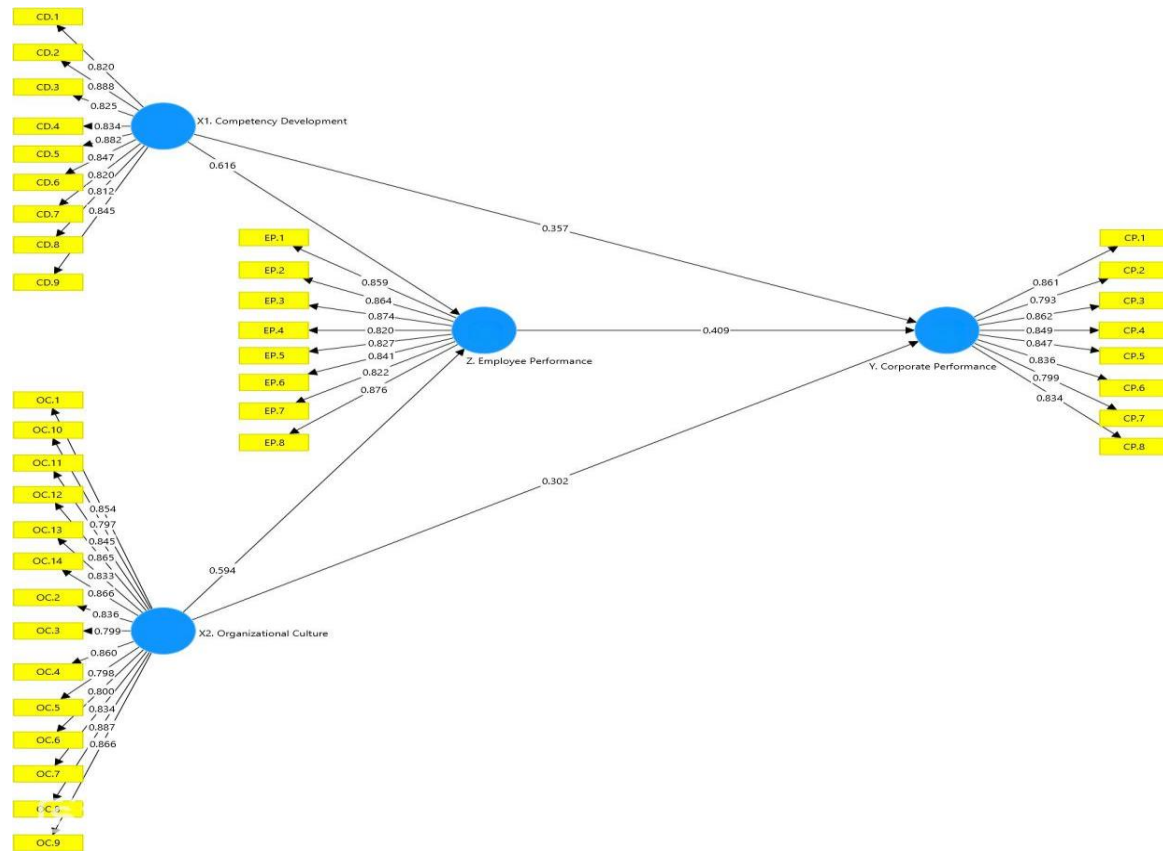


Figure 3. Inner Model

Source: Author’s on work

The outcome of R-square

As articulated by Ghozali and Latan (2020), the coefficient of determination serves a dual purpose: it is employed to evaluate the correlation among dependent and independent variables, as well as to quantify the extent to that the independent variables elucidate the variations observed in the dependent variables. The R-Square outcome is presented in Table 7.

Table 7. R-Square outcome

Variable	R ²	Composite Reliability
Employee Performance	0.722	0.940
Corporate Performance	0.701	0.945

Source: Author’s on work

As delineated in Table 7, the R-Square value associated by the employee performance variable (Z) is calculated to be 0.722, signifying that the dimensions of competency development and organizational culture collectively account for 72.2% of the variance in employee performance. Conversely, the residual 27.8% of this variance is attributable to other factors that were not scrutinized inside of the confines of this study. In a similar vein, the R-Square value for the corporate performance variable (Y) is determined to be 0.701, that indicates that competency development and organizational culture exert an influence on corporate performance amounting to 70.1%, while the remaining 29.9% is influenced by other factors not examined in this study.

The outcome of Q-square

The Q² statistic is a key metric used to assess the model's out-of-sample predictive power or relevance. As articulated by Sholihin and Ratmono (2020:10), the Q-square test possesses the capability to accurately forecast data that was not incorporated into the model estimation, contingent upon the model exhibiting a demonstrable stage of predictive relevance. Presented below are the outcomes of the Q² test as they pertain to the current study:

$$\begin{aligned}
 \text{Q-Square} &= 1 - (1 - R^2) \times (1 - R^2) \\
 &= 1 - (1 - 0,722) \times (1 - 0,701) \\
 &= 1 - 0,083 \\
 &= 0,917
 \end{aligned}$$

Through the implementation of the Predictive Relevance test, researchers are afforded the opportunity to evaluate the model's capacity to accurately forecast the dependent variable. Upon conducting the calculation for the Q-Square statistic, a outcomeant value of 0.917 is obtained, indicating that the model accounts for an impressive 91.7% of the variance observed inside of the dataset utilized in this study. This leaves a residual 8.3% of the variance attributable to extraneous factors that were not incorporated into the analytical framework of the research.

Hypothesis Test outcome

The hypothesis testing procedure is employed to elucidate the directional nature of the correlation among variables, discerning whether the effect is positive or negative in magnitude. This analytical process hinges on the examination of several critical statistical metrics, including the P value, T statistic, and the predetermined significance stage. The interplay among the T statistic and the P value is particularly pivotal in assessing the validity of the hypothesis under scrutiny. Specifically, if the computed T statistic exceeds a threshold of 1.96, and the corresponding P value is found to be less than 0.05 (indicating a 5% significance stage), while the beta coefficient assumes a positive value, these conditions collectively support the acceptance of the hypothesis inside of the context of the study. The results of this hypothesis testing are thoroughly presented in Table 8, which provides a comprehensive summary of the statistical findings.

Table 8. Hypothesis Test outcome

Hypothesis	Correlation	T Statistics	P Value	Result
H1	CD → EP	13.949	0,000	Accepted
H2	OC → EP	12.653	0.000	Accepted
H3	CD → CP	4.376	0.000	Accepted
H4	OC → CP	3.595	0.000	Accepted
H5	EP → CP	3.706	0.000	Accepted
H6	CD → EP → CP	3.460	0.001	Accepted
H7	OC → EP → CP	3.486	0.001	Accepted

Source: Author’s on work

The analysis of Table 8 strongly indicates that all hypotheses in this study are supported, as they demonstrate a P-value below 0.05 and a T-statistic value exceeding 1.96.

Discussion

Based on the results of data analysis and hypothesis testing, it can be conclusively determined that competency development has a positive and statistically significant impact on employee performance. This study elucidates the notion that competency development serves to understand employee performance, an outcome that is in alignment by the conclusions reached by Syahrums et al. (2016), who similarly asserted that competency development positively and significantly effects employee performance. Furthermore, it can be affirmed that organizational culture has a positive and statistically significant impact on employee performance. This study confirms that organizational culture plays a crucial role in shaping employee performance, a finding

supported by Njugi and Nickson (2014), whose research also demonstrated a positive and significant impact of organizational culture on employee performance.

Competency development is demonstrated to exert a positive and statistically significant influence on corporate performance. This outcome is consistent by the assertions made by Kadir and Nasrul (2018), who indicated that work competency significantly effects employee performance, suggesting that an enhancement in work competency directly contributes to the improvement of employee performance inside of an organization. Consequently, a synthesis of various studies indicates that competency development not only serves to augment individual skills but also has a direct and substantial effect on the overall performance of the corporation. Moreover, it can be asserted that organizational culture exerts a positive and statistically significant influence on corporate performance. This conclusion is in alignment by the outcomes of Gallagher and Brown (2008), whose research revealed that a substantial majority of studies indicate a positive correlation among a robust organizational culture and understandd performance, thereby underscoring the critical role that culture plays in the attainment of organizational objectives. Collectively, a plethora of empirical studies bolster the argument that a strong organizational culture not only serves to elevate employee satisfaction and motivation but also exerts a direct and meaningful effect on corporate performance.

Employee performance has a positive and statistically significant impact on corporate performance. This finding aligns with Wildan (2016), who emphasized the critical role of employee performance in a business's overall success. The presence of high-quality, high-achieving employees is instrumental in bolstering a business's competitive edge, consequently improvements in employee performance are likely to outcome in corresponding enhancement in corporate performance. Moreover, it is noteworthy that employee performance also serves as a positive and significant mediating variable in the correlation among competency development and corporate performance, further underscoring its critical role in the dynamics of organizational effectiveness. This conclusion is consistent by the outcomes of Prastiwi and Hamid (2021), who assert that competency development facilitated through job training exerts a significant influence on employee performance, while simultaneously positing that employee performance acts as a mediating factor that understands the correlation among competency development and corporate performance. The present study further substantiates the notion that the enhancement of employee competencies via training initiatives can lead to a direct improvement in their performance, that, in turn, positively effects overall corporate performance. Additionally, it is important to note that employee performance also serves as a positive and significant mediating variable in the correlation among organizational culture and corporate performance. Thereby indicating that this study elucidates the manner in that organizational culture can effectively understand corporate performance through the intermediary role of employee performance.

Conclusion

This study was conducted by the objective of elucidating the premise that, for a business to attain effective performance, it is essential to focus on employee performance, that can be influenced by a variety of factors, among that competency development and organizational culture are particularly significant. The outcomes of the study revealed a noteworthy positive correlation among competency development, bolstered by a supportive organizational culture, and the improvement of employee performance, that in turn has a consequential effect on overall corporate performance. Through the application of Partial Least Squares Structural Equation Modeling (PLS-SEM) analysis, it was determined that both competency development and organizational culture exerted a measurable influence on employee performance. Moreover, it was established that competency development, organizational culture, and employee performance each independently contributed to the improvement of corporate performance. The outcomes of this study demonstrated that employee performance significantly and positively mediates the correlation among competency development and corporate performance, while also serving as a crucial intermediary in the influence of organizational culture on corporate performance, thereby facilitating the attainment of effective corporate performance outcomes. Therefore, the findings of this study provide empirical evidence highlighting the importance of continuously prioritizing competency development through comprehensive employee training and education, along with the effective establishment of a strong organizational culture. This dual focus is essential not only for enhancing employee performance but also for achieving optimal corporate performance outcomes, that are vital for fostering prosperity

and ensuring sustainable growth inside of an increasingly dynamic business landscape. Furthermore, it is anticipated that this study will stimulate greater interest among future researchers who seek to delve deeper into the intricate correlation among employee performance and corporate performance, thereby offering fresh insights and perspectives on this critical area of inquiry.

Ethical statement

The Research Directorate of Telkom University Indonesia's Ethics Committee approved this study. Consent was obtained before respondents were involved in the survey. Respondents were informed that their answers were confidential and would only be used for research.

Declaration of Competing Interest

All authors declare that we have no conflicts of interest.

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