



Workforce Agility : Improving Employee Performance from the perspective of a Competitive Work Environment

Hamy Wahjunianto

Management, Sekolah Tinggi Ilmu Ekonomi Yapan, Surabaya, Indonesia.

ARTICLE INFO

Article history:

Received Oct 22, 2022

Revised Oct 29, 2022

Accepted Nov 19, 2022

Keywords:

work environment,
workforce agility,
employee performance

ABSTRACT

This study aims to describe and examine the effect of a competitive environment perspective on workforce agility and its impact on employee performance—the population of employees in various branch offices of PT. Kualita Media Tama. Sampling used the Slovin formula with a margin of error of 10% to obtain a quota of 124 samplings. Performance appraisal data was taken from HR Department documents, employee agility was measured from the Scaled Agile Framework (SAFe), and competitive environment perspective data was measured using the environment competitive scale (CES) Thurstone scale model. Data analysis used inferential statistics to describe each variable, and the decision-making hypothesis used linear regression analysis. The study's results prove that a competitive work environment affects workforce agility and employee performance. Workforce agility affects employee performance, and a competitive work environment through workforce agility affects employee performance. Workforce agility can contribute significantly more effectively than a competitive work environment to employee performance. The results of this study recommend that company management improve employee agility by establishing a competitive work environment as a means of organizational learning and through training.

This is an open access article under the [CC BY-NC](https://creativecommons.org/licenses/by-nc/4.0/) license.



Corresponding Author:

Hamy Wahjunianto,
Management,
Sekolah Tinggi Ilmu Ekonomi Yapan,
Jl. IKIP Gunung Anyar, Blok E, No. 152 - 154/197-198, Indonesia,
Email: hamy@stieyapan.ac.id

INTRODUCTION

Employees are a unique resource for the company because of their changing nature. Not only that, but employees are also an essential resource for achieving company goals. In achieving company goals, employees have different thoughts, behaviors, and ways, which impact differences in employee performance (Anissa Karuniawati, 2021). Not only that, the performance or performance of employees is also not impossible to increase or decrease. This challenge must be overcome by the HR management of PT Kualita Media Tama (KMT). As a company engaged in the trading and marketing sector of learning media and school supplies, the company's existence cannot be separated from the education consulting service business. Because for many years, it has been a

partner of primary and secondary education institutions as a supplier of learning media and a consultant for managing BOS funds (Cost School Operations).

The development of IT technology creates a more challenging internal and external work environment, which requires every employee to demonstrate their skills and agility (agile) to achieve the specified work success (performance appraisal). The development of technology and regulations has resulted in a high turnover rate; even dismissing employees who are considered incompetent is also relatively high. During the COVID-19 pandemic, more or less the trend in the world of work is more towards the era of digitalization and the ability to work remotely. For this reason, the company seeks to improve the abilities and skills of employees so that they can face challenges because competency skills are needed, especially in a high-agility workforce (Garrido-Vega et al., 2021).

This research that takes the object of service companies and learning media manufacturers is considered quite urgent with consideration of changes in educational regulations that impact company marketing and requires every human resource in the company to work hard and have agility in dealing with competitors. In addition, the work environment becomes more competitive because the effect of profitability as a measure of company performance will impact various policies that are experienced to be less profitable for employees. So that the potential for turnover and termination of employment is more likely to occur. For this reason, the competitive work environment that is the employee's perspective is predicted to have an impact on increasing agility, and having an impact on employee performance needs to be studied in an empirical study.

RESEARCH METHOD

The population of this research is employees of PT. Quality Media Tama in various regions totals 247 employees. The Slovin formula uses the sample size with a margin of error of 10%, and a quota of 124 samplings is obtained. Employee performance is measured from the assessment by HR PT. Quality Media Tama is a document in the form of interval data. Measuring workforce agility used Scaled Agile Framework (SAFe); the competitive work environment scale was measured using the Thurstone model environment competitive scale (Rusnal et al., 2021), which was designed by researchers and distributed to 124 samples. Analysis of the data used inferential statistics to describe each variable, while the decision-making hypothesis used regression analysis.

RESULTS AND DISCUSSIONS

Employee performance appraisal or performance appraisal obtained from the HR Department at PT. Tama's Media Quality with categories: A (Outstanding); B (Good); C (Standard); the value of D (Need Improvement). Employee assessment indicators include work quality, quantity, discipline, work morale, work relations, and responsibility. Based on the information from the HR department, it is known that most employees have relatively high quality and quantity of work. However, discipline and work morale are still relatively limited, and responsibilities still need to be improved.

Table 1. Testing Research Instruments

Variable	Indicator	Mean	SD	r value	α value
Competitive Environment Scale (CES)	a. Work facilities	4.5	0.54	0.424	0.824
	b. Team support	3.6	1.17	0.433	
	c. Managerial system	4.2	0.72	0.571	
	d. IT Utilization	3.8	1.26	0.329	
	e. Competitor Pressure	4.6	1.33	0.674	
Scaled Agile Framework (SAFe)	a. Proactive	3.8	0.14	0.322	0.826
	b. Adaptive	4.3	0.64	0.624	
	c. Resilience	3.8	1.32	0.542	
	d. Flexibility	4.2	0.86	0.763	

e. Speed 4.3 1.52 0.652

The standard deviation value is used in determining the data distribution in a sample and seeing how close the data is to the mean value, which describes the magnitude of the spread of each observation unit (Ghozali, 2016). A comparison of the mean value of each indicator with the SD value (standard deviation) shows a relatively high variation in the response of the entire population, which means that the data distribution or distribution of the data that is the instrument of this research is classified as good.

The Pearson's validity test on the competitive work environment variable (X) obtained rxy values between 0.329 to 0.674, while the workforce agility (Z) variable obtained rxy values between 0.322 to 0.763, where all Pearson coefficient values were more significant than 0.30. It can be said that all statements constructed from each indicator in this study are valid. The reliability value of Cronbach's alpha in a competitive work environment is 0.824 ($\alpha > 0.70$), and on the workforce agility variable, Cronbach's alpha value is 0.826 ($\alpha > 0.70$), which means that all instruments in this study are reliable.

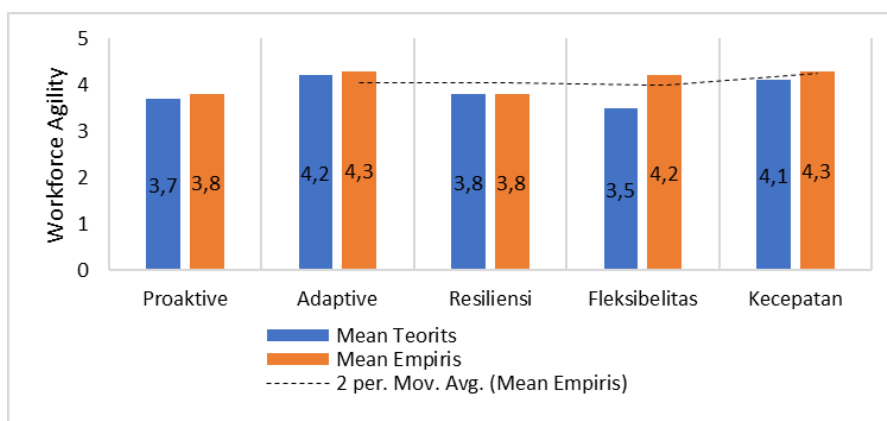


Figure 1. Comparison of empirical and theoretical means

The empirical mean value is greater than the theoretical mean on all indicators, which illustrates that this research sampling has a higher level of agility compared to the entire population of employees at PT. KMT. The value of each agility indicator shows a moving average (moving average value) which calculates the average price for an employee's adaptive and proactive ability during a specific period. The average value starts from the indicators of speed, flexibility, adaptability, resilience, and then proactive. The moving average value for each indicator illustrates that this method is based on previous events and explains information about the employee's workforce agility history data, which serves as a confirmation. Then workforce agility and employee performance can be seen in the following graph.

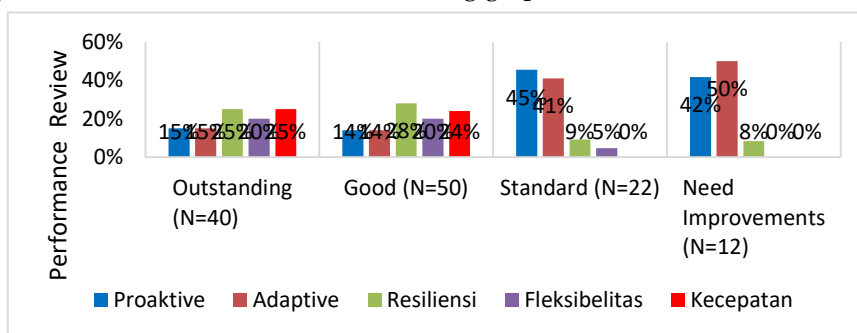


Figure 2. Category Performance Review

The graph maps the potential for workforce agility for employees of PT. KMT is viewed from the performance review or the ability of its performance competence. Of employees classified as having excellent PA (performance appraisal), 25% have resilience and speed in completing work tasks, and 20% show flexibility. Similarly, among employees who have good performance (good), 28% have resilience (resilience) and 24% speed in completing any given work task. On the other hand, employees with low scores (needed improvements) still need further guidance. 50% show the ability to adapt to work, and 42% can be proactive. While resilience is still very low, there is no competence in the form of speed in completing work assignments.

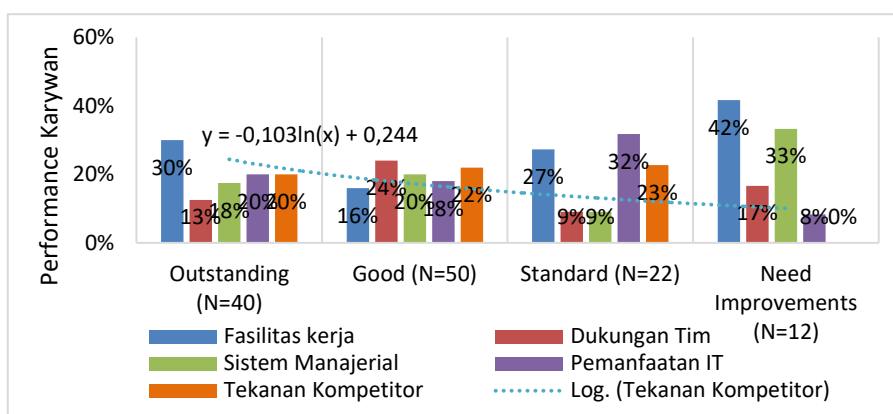


Figure 3. Work Environment Perspective forms Employee Performance

The graph that explains the intercorrelation between a competitive work environment and employee performance on each criterion has a linear relationship with a negative constant ($Y = -0.1031x + 0.244$). When some indicators from the perspective of a competitive work environment are increased to 24% (0.244), it will reduce several indicators on employee performance to the same degree. For example, the indicators for the support of the work team in the group of employees in the outstanding category (outstanding) are the smallest, which is no different from the group of employees in the standard performance category and those with low performance. The difference is in the indicators of competitor pressure that are felt directly by employees, which employees can overcome with outstanding performance and good performance categories. While the perspective of a competitive work environment on the indicators of work facilities, groups of employees with the category of need improvement (low) still require more extensive work facilities and an organizational system that supports their work performance. The results of the hypothesis testing analysis and the practical contribution amount can be seen in the following figure and summary table.

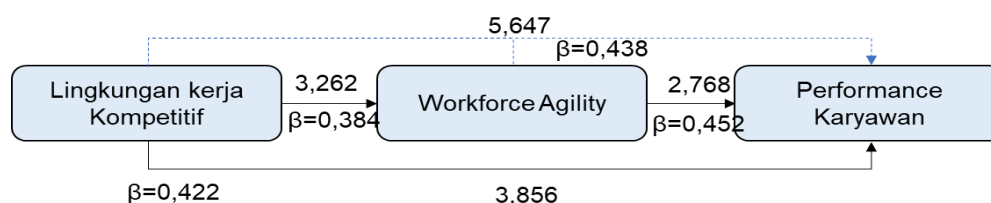


Figure 4. Model of the relationship between variables

The picture of the model of the relationship between the variables mentioned above can be explained in the following summary table.

Table 2. Summary of hypothesis testing and coefficient of determination

Model	β value	r_{xy}	Part R ²	t value	Sig.
X-->Y	0,422	0,436	0,184	3,856	0,005
X-->Z	0,384	0,446	0,171	3,262	0,013
Z-->Y	0,452	0,574	0,259	2,768	0,024
X-->Z-->Y	0,438	0,478	0,209	5,647	0,006
Total R ²			0,824		

The results of the hypothesis testing analysis show the value of $t = 3.856$ and $p = 0.005$ ($p < 0.05$), which means there is a significant effect. It can be said that the competitive work environment has a significant effect on employee performance at PT. KMT. The value of $t = 3.262$ with $p = 0.013$ ($p < 0.05$) means there is a significant effect, meaning that a competitive work environment has a significant effect on the workforce agility of PT. KMT. The value of $t = 2.768$ with $p = 0.024$ ($p < 0.05$) shows that workforce agility has a significant effect on PT employees' performance. KMT. While the indirect effect shows the value of $t = 5.647$ with $p = 0.006$ ($p < 0.05$), which means that a competitive work environment through workforce agility affects the performance of PT. KMT. The value of $R^2 = 0.824$ shows that simultaneously a competitive work environment and workforce agility can contribute to employee performance by 82.4%.

A competitive work environment affects employee performance

The results of the hypothesis testing analysis show a probability value of 0.005 ($p < 0.05$), which means a significant influence of a competitive work environment on employee performance at PT. KMT. The coefficient value shows that the competitive work environment can contribute to employee performance by 18.4%. The proof of this hypothesis supports the research of (Das et al., 2022), which concludes that a competitive work environment with much pressure can improve employee performance even though, in the same situation, employees experience higher work stress. (Munteanu et al., 2020) have the same view that the work environment is an organizational learning medium, where the level of competition fosters fighting power and motivation as well as improves employee performance.

The proof of this hypothesis can also confirm the description (Figure 3), which shows that the external work environment, such as competitive pressure that is felt directly by employees, can be overcome by groups of employees who are included in the assessment of outstanding and good performance. While the perspective of a competitive work environment on the indicators of work facilities, groups of employees with the category of need improvements (low) mostly require more extensive work facilities, as well as an organizational system that is seen as being able to support their work performance. Research reported by (Rusnal et al., 2021) explains that the work environment is where employees complete their daily work, and the work environment is not always located at the company location but also far from the domicile of the company. (Ramos, M.A.W., Figueiredo, 2018) suggest that the external work environment has a higher level of competition and work pressure than the work environment where employees are in company buildings. The level of competition can encourage the ability of employees to improve their work performance.

A competitive work environment affects the workforce agility of employees

The results of the hypothesis testing analysis prove the influence of a competitive work environment on workforce agility in employees. This effect is evidenced by the probability value of 0.013 ($p < 0.05$). In addition, the existence of this influence is supported by the value of the coefficient of determination which shows that a competitive work environment can contribute to workforce agility by 17.1%. The proven hypothesis in this study supports the research of Nadhira and Mangundjaya (2020), which explains that the competitive environment is a learning area that can improve the ability of each employee to adapt and have agility and skills following the dynamics of a constantly changing and competitive environment.

The research reported by (Saputra et al., 2021), explains that work culture is one of the conditions in the work environment that has a reasonably large level of competition which is maintained and maintained to form the toughness, skills, and work behavior of employees according to the company's requirements. Furthermore, (Cai et al., 2017) provides the same picture that a competitive company environment is a work culture formed to foster employee competence and agility. This is also in line with the research views of (Saputra et al., 2021), as well as (Doeze Jager-van Vliet et al., 2019), which have the view that a competitive work environment is a condition formed by leadership and becomes a functioning company management system to grow the characteristics of competent and needed employees by the company. Likewise, at PT. KMT, as a service company and sales of learning media products, the company needs the agile character of employees to face business competition. According to (Duanmu et al., 2018), the existence of competition in the work environment is a powerful metaphor and is rooted in daily routines and becomes an organizational culture, and is a way of how organizational reality is formed and developed.

Workforce agility affects employee performance

The results of the hypothesis testing analysis prove that workforce agility affects employee performance, as evidenced by the probability value of 0.024 ($p < 0.05$). In addition, the value of the coefficient of determination shows that workforce agility can contribute to the performance of employees of PT. KMT is 25.9%. The acceptance of the hypothesis in this study supports several previous researchers, as reported by (Anissa Karuniawati, 2021) and research by (Lai et al., 2021), both of which have the same view that workforce agility or agile of employees influences company performance as well as the performance of the employees themselves. (Paul et al., 2020) view that workforce agility in each employee that is maintained and grown will lead employees to professional competence in their respective fields.

In the research of (Lai et al., 2021), Agile and performance management are mentioned as a more comprehensive performance management system that prioritizes the involvement and cooperation of various parties, especially superiors and subordinates, and lasts throughout the year. There is a continuous and comprehensive feedback mechanism for effectively managing employee performance. So agile with performance management focuses more on the process as the end goal. Likewise, at PT KMT, it can be described that the key to employees' success is a continuous improvement mindset. An agile performance management system is more collaborative and involves effective communication and continuous feedback throughout the year to support employee work performance. *There is an influence of workforce agility on employee performance appraisal and agile performance management according to (Paul et al., 2020); and (Das et al., 2022) can also be referred to as continuous performance management because of its continuous nature.

A competitive work environment through workforce agility affects employee performance

The results of the hypothesis testing analysis, as stated (Table 3), prove that a competitive work environment mediated by workforce agility affects the performance of employees of PT. KMT. The proof of this hypothesis is known from the probability value of 0.006 ($p < 0.05$) and the coefficient of determination which shows the effective contribution of a competitive work environment mediated by workforce agility to employee performance of 20.9%. The proof of this hypothesis illustrates the performance of employees of PT. KMT in adapting to a competitive environment is one of the keys to the company's success in increasing employee agility.

Workforce agility employees at PT. KMT has become increasing urgency and needs companies to manage PT. KMT continues to encourage the speed and ability of employees to adapt to environmental conditions that have a high level of competition by implementing agility learning strategies for senior to junior employees as a learning process. Research by (Aliyyah & Idham, 2020) states that a competitive work environment is an effective organizational learning medium to

form employee agility. Employees with relatively high agility can show their increasing work competence. (Dehghani, H; Rostami, A.R; dan Mashali, 2020);(Hidayat, 2022), also stated that in an agile or agile company environment, employees would tend to communicate well for the company's success.

Workforce agility or employee agility is considered crucial to be owned by employees in the company PT. KMT. This is because workforce agility is expected to increase the ability to adapt, speed, innovation, flexibility, and the ability of employees to respond to new changes. (Garrido-Vega et al., 2021) explain that companies with agile employees will adapt quickly to changes and market fluctuations and can respond appropriately and flexibly to customer demands. (Anissa Karuniawati, 2021); (Muduli & Pandya, 2018) concluded that employees who have an interest that leads to the outside rather than high self-experience are not necessarily agile or agile in a workplace with highly competitive conditions. Being agile or agile at work is someone who can pay attention, learn, and can also respond to environmental changes in his work situation.

CONCLUSION

Based on the results of the analysis of hypothesis testing, it is known that the competitive work environment has a significant effect on employee performance; a competitive work environment has a significant effect on the workforce agility of employees; workforce agility has a significant effect on employee performance, and a competitive work environment mediated by workforce agility affects employee performance. Calculating the coefficient of determination is also known as the effective contribution given by workforce agility to the performance of employees of PT. KMT is relatively the largest compared to employees' perspective in a competitive work environment.

Considering that workforce agility has a significant and crucial role for companies in dealing with and adapting to the changes they face, it is recommended that companies create a working environment for employees with solid potential and competitive conditions. It is also recommended that the company's management can condition the company's environment as a learning organization that conditions every employee to train agility skills, or the company can provide direct training to every employee.

References

- Aliyyah, I. H., & Idham, R. A. (2020). Hubungan Learning Agility dan Perilaku Kolaborasi Pada Pekerja di Jakarta. *Biopsikosial: Jurnal Ilmiah Psikologi Fakultas Psikologi Universitas Mercubuana Jakarta*, 4(1), 179. <https://doi.org/10.22441/biopsikosial.v4i1.8293>
- Anissa Karuniawati, S. (2021). *Peran Workforce Agility dan Perceived Organization Support terhadap Job Performance Karyawan* [Universitas Gadjah Mada]. <http://etd.repository.ugm.ac.id/penelitian/detail/199342>
- Cai, Z., Huang, Q., Liu, H., & Wang, X. (2017). Improving the agility of employees through enterprise social media: The mediating role of psychological conditions. *International Journal of Information Management*. <https://doi.org/10.1016/j.ijinfomgt.2017.09.001>
- Das, K. P., Mukhopadhyay, S., & Suar, D. (2022). Enablers of workforce agility, firm performance, and corporate reputation. *Asia Pacific Management Review*. <https://doi.org/10.1016/J.APMRV.2022.01.006>
- Dehghani, H; Rostami, A.R; dan Mashali, B. (2020). The Model Of Workforce Agility Dependent On Drivers, Strategies, Practices, And Results. *AD-Minister. Article Research*. <https://doi.org/10.17230/Ad-minister.37.5>
- Doeze Jager-van Vliet, S. B., Born, M. P., & van der Molen, H. T. (2019). Using a portfolio-based process to develop agility among employees. *Human Resource Development Quarterly*, 30(1), 39-60. <https://doi.org/10.1002/HRDQ.21337>
- Duanmu, J. L., Bu, M., & Pittman, R. (2018). Does market competition dampen environmental performance? Evidence from China. *Strategic Management Journal*, 39(11), 3006-3030. <https://doi.org/10.1002/SMJ.2948>
- Garrido-Vega, P., Sacristán-Díaz, M., Moyano-Fuentes, J., & Alfalla-Luque, R. (2021). The role of competitive

- environment and strategy in the supply chain's agility, adaptability and alignment capabilities. *European Journal of Management and Business Economics*. <https://doi.org/10.1108/EJMBE-01-2021-0018>
- Ghozali, I. (2016). *Aplikasi Analisis Multivariate dengan Program IBM SPSS 23 (VIII)*. Universitas Diponegoro. <https://docplayer.info/56882028-Ghozali-i-2016-aplikasi-analisis-multivariate-dengan-program-ibm-spss-23-viii-semarang-badan-penerbit-universitas-diponegoro.html>
- Hidayat, A. (2022). *Work Engagement: Main Factors and Supporting Factors (Study at PT. ACS Surabaya)*. 12(2), 1299-1308.
- Lai, H., Pitafi, A. H., Hasany, N., & Islam, T. (2021). Enhancing Employee Agility Through Information Technology Competency: An Empirical Study of China. *SAGE Journal Published, Open Journal*, 11(2). <https://doi.org/10.1177/21582440211006687>
- Muduli, A., & Pandya, G. (2018). Psychological Empowerment and Workforce Agility. *Psychological Studies Article*, 63(3), 276-285. <https://doi.org/10.1007/S12646-018-0456-8>
- Munteanu, A. I., Bibu, N., Nastase, M., Cristache, N., & Matis, C. (2020). Analysis of Practices to Increase the Workforce Agility and to Develop a Sustainable and Competitive Business. *Sustainability*, 12(9), 3545. <https://doi.org/10.3390/SU12093545>
- Paul, M., Jena, L. K., & Sahoo, K. (2020). Workplace Spirituality and Workforce Agility: A Psychological Exploration Among Teaching Professionals. *Journal of Religion and Health*, 59(1), 135-153. <https://doi.org/10.1007/S10943-019-00918-3>
- Ramos, M.A.W., Figueiredo, P. S. and P.-G. C. (2018). Antecedents of innovation in industry: The impact of work environment factors on creative performance. *Innovation & Management Review*. <https://www.redalyc.org/journal/5375/537559314003/html/>
- Rusnal, F., Masyita, D., Febrian, E., Rahman Nidar, S., Nurmartiani, E., & Huda, M. (2021). Business Environment and Competitive Strategy in Improving Sharia Bank Performance in Indonesia. *Journal of Hunan University Natural Sciences*, 48(12). <http://jonuns.com/index.php/journal/article/view/896>
- Saputra, N., Kuncoro, E., & Sasmoko. (2021). Pengaruh Learning Culture Terhadap Learning Agility : Apakah Berdampak Langsung Ataupun Tidak? *Jurnal Mebis: Manajemen Dan Bisnis*, 6(1), 53-61.