

## The Influence of Locus of Control, Work Environment, and Organizational Support on Performance Through Dynamic Capability as An Intervening Variable in Employees of CV. Berkah Abadi Plywood Kendal

Indah Listya Rini<sup>1\*</sup>, Qristin Violinda<sup>2</sup>, Rita Meiriyanti<sup>3</sup>

FEB, PGRI University Semarang, Indonesia

Listyaindah134@gmail.com

\*corresponding author

Article Information		Abstract
Submission date	27 November 2023	<p><b>Research aim:</b> This study aims to determine empirically the effect of locus of control, work environment, and organizational support on performance through dynamic capability as an intervening variable in employees of CV. Berkah Abadi Plywood Kendal.</p> <p><b>Design/Method/Approach:</b> This research is a type of quantitative research that uses primary data in the form of company annual reports. The population in this study was 130 employees of CV. Berkah Abadi Plywood Kendal with all members of the population used as samples using saturated sampling techniques. Techniques used in data collection by distributing questionnaires as data collection instruments. The data analysis technique used in this study is PLS-SEM (Partial Least Square-Structural Equation Modeling) with data processing using Smart PLS 4.0 tools.</p> <p><b>Research Finding:</b> Based on the results of data analysis, the research findings are (1) locus of control has a positive effect on employee performance (2) work environment has no effect on employee performance, (3) organizational support has a positive effect on employee performance, (4) locus of control has a positive effect on dynamic capability, (5) work environment has no effect on dynamic capability, (6) organizational support has a positive effect on dynamic capability, (7) dynamic capability has a positive effect on employee performance, (8) locus of control has a positive effect on employee performance, (9) work environment has no effect on employee performance, (10) organizational support has a positive effect on employee performance mediated by dynamic capability.</p> <p><b>Keywords :</b> Locus of Control, work environment, organizational support, employee performance, dynamic capability</p>
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### 1. Introduction

Human resources in a company play a very important role. Labor has great potential in carrying out Company activities. The potential of every human resource in the company must be utilized properly in order to produce maximum results. The success of the company in achieving its goals depends on the quality of its employees. Every company will certainly always improve the performance of its employees, in the hope that the company's goals will be achieved.

According to (Mangkunegara, 2016), performance is the result of employee work in quality and quantity achieved by an employee in carrying out tasks according to the responsibilities assigned to him. Performance assessment in its work is influenced by certain conditions, namely conditions that come from within the individual called individual factors and conditions that come from outside the individual called situational factors. Some individual factors include locus of control, while situational factors are work environment, organizational support, and dynamic capability.

Locus of control is a person's action in controlling himself against success or failure (Suci Pulungan & Rivai, 2021). Locus of control is divided into two, namely internal and external. Internal locus of control is a self-influence on things related to the personal self. Meanwhile, an external locus of control is something related to oneself that comes from the external environment. Apart from locus of control, the thing that affects employee performance is the work environment.

The work environment is something that is around employees that can affect employees doing the assigned tasks (Jusdiana Ahmad et al., 2022). This work environment cannot be ignored because it can affect employee performance. Another factor that can affect employee performance is organizational support.

In addition, good organizational support will support the running of dynamic capability. Dynamic capability is an organizational routine by which companies achieve new resource configurations as markets emerge, collide, split, develop and die [1].

The dynamic capability has three dimensions, namely strategic sense-making capability (SSMC), timely decision-making capability (TDMC), and change implementation capability (CIC) (Violinda & Jian, 2016).

Human resources also play an important role in carrying out company activities at CV. Berkah Abadi Plywood Kendal. The company is engaged in wood production. The products are plywood, blockboard, and sawmill or wood from fruit trees. Based on the work assessment data that I obtained from CV. Berkah Abadi Plywood Kendal is as follows:

**Table 1 Performance Assessment Of CV. Berkah Abadi Plywood Kendal**

Index Value	Category	February		March		April	
		Total Employee	%	Total Employee	%	Total Employee	%
≤20	Bad	0	0,0%	0	0,0%	0	0,0%
21 – 40	Less	13	10,0%	15	11,5%	11	8,5%
41 – 70	Enough	22	16,9%	21	16,2%	25	19,2%
71 – 80	Good	80	61,5%	85	65,4%	79	60,8%
81 – 100	Very Good	15	11,5%	9	6,9%	15	11,5%
TOTAL WORKERS		130	100%	130	100%	130	100%

*Source*: CV. Berkah Abadi Plywood Kendal

Based on the data above, employee performance appraisals have improved, but not well enough. Employees who have sufficient and insufficient scores are still said to be many above 10%. This shows that employee performance is not good. This can be explained if employees do not have a good locus of control, work environment and organizational support. Then the tasks assigned will be neglected. This can lead to ineffectiveness and efficiency of a person at work and of course can reduce performance.

Based on the description and problems above, this study is to determine whether locus of control, work environment and organizational support affect the performance of employees of CV. Berkah Abadi Plywood Kendal through dynamic capability as an intervening variable.

### 1.1. Statement of Problem

Based on the introduction that has been explained previously, the researcher's statement of the problem as follows:

1. Does locus of control affect employee performance?
2. Does the work environment affect employee performance?
3. Does organizational support affect employee performance?
4. Does dynamic capability affect employee performance?
5. Does locus of control affect dynamic capability?
6. Does the work environment affect dynamic capability?
7. Does organizational support affect dynamic capability?
8. Does locus of control affect employee performance through dynamic capability as an intervening variable?
9. Does the work environment affect employee performance through dynamic capability as an intervening variable?
10. Does organizational support affect employee performance through dynamic capability as an intervening variable?

### 1.2. Research Objectives

This research Objectives are to:

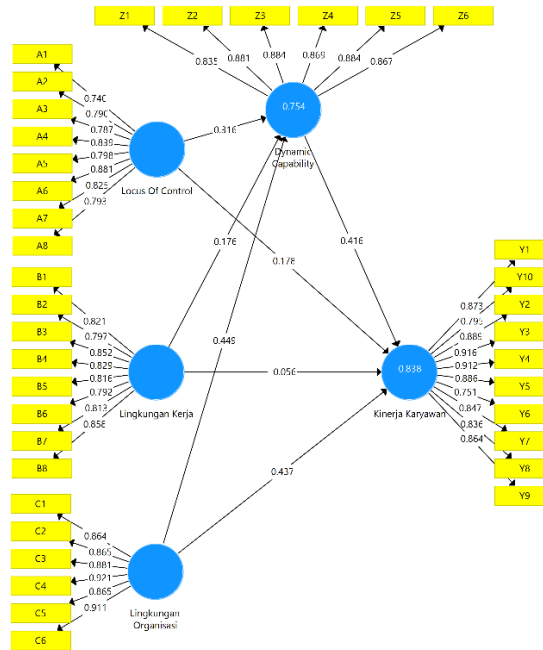
1. Analyzing the effect of locus of control on employee performance
2. Analyzing the effect of work environment on employee performance
3. Analyzing the effect of organizational support on employee performance
4. Analyzing the influence of dynamic capability on employee performance
5. Analyzing the effect of locus of control on dynamic capability
6. Analyzing the effect of the work environment on dynamic capability.
7. Analyzing the effect of organizational support on dynamic capability.
8. Analyzing the effect of locus of control on employee performance through dynamic capability as an intervening variable.
9. Analyzing the effect of the work environment on employee performance through dynamic capability as an intervening variable.
10. Analyzing the effect of organizational support on employee performance through dynamic capability as an intervening variable.

## 2. Method

The type of data used in this research is quantitative data, which is data measured on a numerical scale that can be processed and analyzed using statistical calculations (Sugiyono, 2009). Where the scope of the research was conducted to determine the effect of locus of control, work environment, and organizational support on performance through dynamic capability as an intervening variable. The population in this study was 130 employees of CV. Berkah Abadi Plywood Kendal with all members of the population used as samples using saturated sampling techniques. The sampling method uses the saturated sample method (census). Techniques used in data collection by distributing questionnaires as data collection instruments ... The data analysis technique used in this study is PLS-SEM (Partial Least Square-Structural Equation Modeling) with data processing using Smart PLS 4.0 tools.

2. Results and Discussion /Hasil dan Pembahasan

Measurement model results/ outer model



Picture 1 measurement model results

Source: primary data processed by the author using Smart PLS 4.0

Table 2 Outer loading value

Variable	Indikator	Nilai	Keterangan
Locus Of Control	A1	0,764	Valid
	A2	0,807	Valid
	A3	0,805	Valid
	A4	0,844	Valid
	A5	0,818	Valid
	A6	0,889	Valid
	A7	0,843	Valid
	A8	0,808	Valid
Lingkungan Kerja	B1	0,811	Valid
	B2	0,812	Valid
	B3	0,866	Valid
	B4	0,835	Valid
	B5	0,833	Valid
	B6	0,814	Valid
	B7	0,833	Valid
	B8	0,872	Valid
Dukungan Organisasi	C1	0,870	Valid
	C2	0,859	Valid

	C3	0,893	Valid
	C4	0,923	Valid
	C5	0,882	Valid
	C6	0,916	Valid
Kinerja Karyawan	Y1	0,881	Valid
	Y2	0,887	Valid
	Y3	0,915	Valid
	Y4	0,909	Valid
	Y5	0,887	Valid
	Y6	0,772	Valid
	Y7	0,854	Valid
	Y8	0,844	Valid
	Y9	0,874	Valid
	Y10	0,811	Valid
Dynamic Capability	Z1	0,851	Valid
	Z2	0,881	Valid
	Z3	0,886	Valid
	Z4	0,879	Valid
	Z5	0,886	Valid
	Z6	0,877	Valid

Source : primary data, 2023

Based on the results in table 2, it is stated that all questions totaling 38 question items show valid because they have a value of  $> 0.70$ . Therefore, the study included all question items for further testing

**Table 3 AVE Value Results**

Variabel	Nilai	Keterangan
Dukungan Organisasi	0,794	Valid
Lingkungan Kerja	0,697	Valid
Locus Of Control	0,677	Valid
Kinerja Karyawan	0,747	Valid
Dynamic Capability	0,769	Valid

Source: primary data, 2023

The description of Table 4.5 above shows that all indicators already have an AVE value of 0.50 so all variables can be said to be valid.

**Reliability Test**

**Tabel 4 Cronbach's Alpha Result**

Variable	Nilai	Keterangan
Dukungan Organisasi	0,948	Reliabel
Lingkungan Kerja	0,938	Reliabel
Locus Of Control	0,932	Reliable
Kinerja Karyawan	0,962	Reliabel
Dynamic Capability	0,940	Reliable

Source: primary data, 2023

Based on the data above, it proves that all indicators have a value of > 0.70 so the data is said to be reliable.

**Evaluasi Model Struktural (Inner Model)**

**1. R-Square Test**

**Tabel 5 Hasil R-square**

Variabel	<i>R Square</i>
Kinerja Karyawan	0,853
<i>Dynamic Capability</i>	0,767

Source: primary data, 2023

Based on the table, the R-square value of the Employee Performance variable is  $0.853 > 0.50$ , it can be concluded that the Locus of Control variable, work environment, and organizational support can explain the employee performance variable by 85.3%, which means it is in the moderate model category. If the R-square value of the Employee Performance variable is  $0.767 > 0.50$ , it can be concluded that the Locus of Control variable, work environment, and organizational support can explain the employee performance variable by 76.7%, which means it is in the moderate model category.

**F-square Test or Effect Size**

**Tabel 6 Hasil *F-square***

	A	B	C	Y	Z
A				0,387	0,230
B				0,002	0,024
C				0,054	0,221
Y					
Z				0,248	

Source: primary data, 2023

Based on the data above, it shows that the locus of control variable on employee performance has a strong level of influence because the f-square value is 0.387. The work environment variable on employee performance has a weak structural level influence because it has a value of 0.002. The organizational support variable on employee performance has a weak level of influence because the value is 0.054. The dynamic capability variable on employee performance has a moderate level of influence because the value is 0.248. The locus of control variable on dynamic capability has a moderate level of influence. The work environment variable on dynamic capability has a value of 0.024 which means it has a weak influence. The organizational support variable on dynamic capability has a moderate structural level influence because it has a value of 0.221.

**3. Uji Hypotesis**

a. Path Coefficient Test

1) Direct Effect Test

**Table 7 Direct Effect Results**

	O	M	STDEV	T Statistic	P Values	Kesimpulan
Dynamic Capability→Kinerja Karyawan	0,416	0,433	0,111	3,744	0,000	Diterima
Lingkungan Kerja→ Dynamic Capability	0,176	0,180	0,116	1,516	0,130	Tidak diterima
Lingkungan Kerja→Kinerja Karyawan	-0,056	0,049	0,084	0,664	0,507	Tidak diterima
Dukungan Organisasi →Dynamic Capability	0,449	0,435	0,122	3,683	0,000	Diterima
Dukungan Organisasi →Kinerja Karyawan	0,437	0,419	0,100	4,385	0,000	Diterima
Locus Of Control →Dynamic Capability	0,316	0,323	0,073	4,325	0,000	Diterima
Locus Of Control →Kinerja Karyawan	0,178	0,170	0,076	2,339	0,020	Diterima

Source : primary data, 2023

Based on the P-Value tab above, it shows that there is a value  $< (0.05)$  which means that there is a significant influence of exogenous variables on endogenous variables, namely the variables (Locus Of Control  $\rightarrow$  Employee Performance), (Organizational Support  $\rightarrow$  Employee Performance), (Dynamic Capability  $\rightarrow$  Employee Performance), (Organizational Support  $\rightarrow$  Dynamic Capability), and (Locus Of Control  $\rightarrow$  Employee Performance).

As for the variables (Work Environment  $\rightarrow$  Dynamic Capability) and (Work Environment  $\rightarrow$  Employee Performance) there are hypotheses that are not accepted or have no effect because they have a value  $> 0.05$ . The table above is the result of the path coefficient test, but what is used to assess whether the hypothesis is acceptable or not is the P-value.

b) Indirect Effect Test

**Table 8 Direct Effect Results**

	O	M	STDEV	T Statistic	P Values	Kesimpulan
Lingkungan Kerja $\rightarrow$ Dynamic Capability $\rightarrow$ Kinerja Karyawan	0,075	0,051	1,439	0,151	0,075	Tidak diterima
Dukungan Organisasi $\rightarrow$ Dynamic Capability $\rightarrow$ Kinerja Karyawan	0,192	0,082	2,270	0,024	0,192	Diterima
Locus Of Control $\rightarrow$ Dynamic Capability $\rightarrow$ Kinerja Karyawan	0,140	0,050	2,608	0,009	0,140	Diterima

Source: primary data, 2023

Based on the P-value table above, it shows that two hypotheses have a value  $< 0.05$ , which means that there is a significant effect of the independent variable on the dependent variable mediated by dynamic capability, namely organizational support and locus of control. There is one hypothesis that has a value  $> 0.05$ , which means that there is no influence from the independent variable on the dependent variable mediated by dynamic capability, namely the work environment.

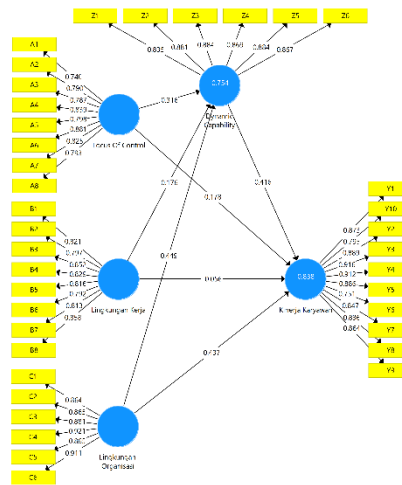


**Table 4.13 Research Hypothesis Test Results**

Hipotesis	Pengaruh	T Statistic	P Values	Kesimpulan
H1	Diduga variabel <i>locus of control</i> berpengaruh terhadap kinerja karyawan	2,339	0,020	Diterima
H2	Diduga variabel lingkungan kerja berpengaruh terhadap kinerja karyawan	0,664	0,507	Ditolak
H3	Diduga variabel dukungan organisasi berpengaruh terhadap kinerja karyawan	4,385	0,000	Diterima
H4	Diduga <i>locus of control</i> berpengaruh terhadap <i>dynamic capability</i>	4,325	0,000	Diterima
H5	diduga lingkungan kerja berpengaruh terhadap <i>dynamic capability</i> .	1,516	0,130	Ditolak
H6	Diduga dukungan organisasi berpengaruh terhadap <i>dynamic capability</i> .	3,683	0,000	Diterima
H7	Diduga variabel <i>dynamic capability</i> berpengaruh terhadap kinerja karyawan	3,744	0,000	Diterima
H8	Diduga <i>locus of control</i> berpengaruh terhadap kinerja karyawan melalui <i>dynamic capability</i>	2,608	0,009	Diterima
H9	Diduga Lingkungan kerja berpengaruh terhadap kinerja karyawan melalui <i>dynamic capability</i>	1,439	0,151	Ditolak
H10	Diduga dukungan organisasi berpengaruh terhadap kinerja karyawan melalui <i>dynamic capability</i>	2,270	0,024	Diterima

Source : primary data, 2023

**Figure 2 Measurement Model Results**



Based on Figure above, it can be concluded that all question items are declared valid because the outer loading value is  $> 0.07$ . Locus of Control → Employee Performance has an effect of 0.178, Work Environment → Employee Performance has an effect of 0.056, Organizational Support → Employee Performance has an effect of 0.437. Locus of Control → Dynamic Capability has an effect of 0.316. Work Environment → Dynamic Capability has an effect of 0.176. Organizational Support → Dynamic Capability has an effect of 0.445. Dynamic Capability → Employee Performance has an effect of 0.416.

#### 4. Conclusion

Based on the discussion previously described, the following conclusions can be drawn:

1. The results in this study state that the locus of control variable has a positive effect on employee performance in employees of CV. Berkah Abadi Plywood Kendal.
2. The results in this study state that the work environment variable does not affect employee performance in employees of CV. Berkah Abadi Plywood Kendal.
3. The results in this study state that the organizational support variable has a positive effect on employee performance in employees of CV. Berkah Abadi Plywood Kendal.
4. The results in this study state that the locus of control variable has a positive effect on dynamic capability in employees of CV. Berkah Abadi Plywood Kendal.
5. The results in this study state that the work environment variable does not affect dynamic capability in employees of CV. Berkah Abadi Plywood Kendal.
6. The results in this study state that the organizational support variable has a positive effect on dynamic capability in employees of CV. Berkah Abadi Plywood Kendal.
7. The results in this study state that the dynamic capability variable has a positive effect on employee performance in employees of CV. Berkah Abadi Plywood Kendal.

8. The results in this study state that the locus of control variable has a positive effect on employee performance mediated by dynamic capability in employees of CV. Berkah Abadi Plywood Kendal.
9. The results in this study state that the work environment variable has no effect on employee performance mediated by dynamic capability in employees of CV. Berkah Abadi Plywood Kendal.
10. The results in this study state that the organizational support variable has a positive effect on employee performance which is mediated by dynamic capability in employees of CV. Berkah Abadi Plywood Kendal.

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