

# The Role of Intelligence and Locus of Control to Improve the Competence of Employee Individuals

Andi RirinOktaviani<sup>(1)</sup>, SitiHaerani<sup>(2)</sup>, Muh. Asdar<sup>(3)</sup>, Muh. Ismail P<sup>(4)</sup>

**Abstract:- Intelligence is closely related to the cognitive abilities of individual employees. Management of the company needs to identify differences in intelligence characteristics of each individual employee in order to be able to improve their competence. In addition, the introduction of employee personality in terms of locus of control that influences the tendency of employee work behavior is also considered to play a role in increasing competence. Data analysis used by SEM and consisted of 399 samples of BUMN cement employees. The results of this study indicate that the intellectual, emotional, spiritual, and physical intelligence of employees in state-owned cement companies on average meet competency standards based on the company's competency dictionary. Whereas locus of control proved not to play a significant role in improving the competence of SOE cements employees.**

**Keywords:- IQ, EQ, SQ, PQ, Locus of Control, Competence.**

## I. INTRODUCTION

Employee competence in a company is crucial and social in nature because with the existence of competencies can provide clear and directed identity and visibility in achieving corporate goals so that it becomes the responsibility of management to identify and improve the ability of employees in carrying out their work. Each individual employee has a different level of competence, this is partly influenced by the level of intelligence and different perception of locus of control between one employee and another.

Some experts try to connect intelligence with talent, creativity, and work performance with the assumption that intelligence as a general and potential ability. However, experts do not reach agreement in many ways regarding intelligence. The definitions proposed show limitations that are not similar and there is an disagreement in seeing whether intelligence is heredity or modification. Experts also differ in determining which intelligence dimension is the most important and contributing greatly to improving employee competencies, especially in the successful implementation of their work. Goleman concluded that the highest contribution of intellectual intelligence to one's achievement was 20% while emotional and spiritual intelligence contributed 80%. Zohar in his study emphasized that spiritual intelligence is the highest intelligence and also functions as a mediator between emotional intelligence and intellectual intelligence. Other research results show that 80% of work performance is determined by soft skills (characters) and only 20% hard skills (knowledge and skills). (Goleman, 1966), (Tierney, Farmer and Graen, 1999), and (Zohar, 2002).

The introduction of individual employee personalities is also important for increasing the competence that he has, especially related to one aspect of personality, namely the perception of each individual in seeing the causes of success or failure to carry out work can come from the belief in effort, hard work and persistence (internal locus of control) or comes from factors beyond its control such as luck and good fortune (external locus of control). Employee's belief in the main causes of achieving success in carrying out work is important to study because individuals with internal locus of control believe that their own actions determine the rewards they will get, while individuals with external locus of control believe that their own behavior is not too important and that awards in life are generally beyond their control. The internal control locus is also positively related to high work results, encouragement to carry out tasks well, gain experience, and greater work motivation. Significant differences in the measurement of employee competency levels found that individuals with internal locus of control were higher than individuals with external locus of control (Rotter, 1966), (Pannells and Claxton, 2008), and (Kormanik and Rocco, 2009).

## II. THE ORITICAL REVIEW

### A. Concept of Intelligence

The human brain can be divided into three aspects: the cortex cerebri, the limbic system and the temporal lobe. Cortex cerebri functions to regulate intellectual intelligence (IQ), the limbic system functions to regulate emotional intelligence (EQ) and the temporal lobe functions to regulate spiritual intelligence (SQ). These three intelligences can function synergistically and can also function separately so that it has an impact on the variety of behaviors and differences in the level of competence of each individual employee. Some experts who put forward their theories on intelligence are Goleman, Terman, Spearman, Sternberg, Thurstone, Guilford, Zohar and Marshall and Gardner. This is evident in the different theories put forward by some experts on what intelligence can improve one's competence and success at work. Psychological studies show that emotional intelligence (EQ) is more important and a better predictor of individual success than intellectual intelligence (IQ). This discovery does not mean that IQ is not important but shows that besides IQ, individuals must also have an EQ which is a complement to the success of individual employees at work. EQ is a concept that is increasingly developing not only in the field of psychology and education but also in the field of management science (Goleman, 1996), (Tierney, Farmer and Graen, 1999), (Barling, Slater and Kelloway, 2000), (Palmer et al ., 2001), and (Zohar, 2002).

Along with the current era of globalization, companies are increasingly required to focus on improving the competence of human resources as one of the company's vital assets. To achieve the level of competency required by the company, employees are considered not only to have IQ and EQ but also need to have spiritual intelligence (SQ) and physical intelligence (PQ) because generally IQ produces individual outputs that tend to ignore moral, cultural and religious values it should be maintained, while EQ plays a major role in thinking, decision making and individual success at work. Individual employees are deemed necessary to synergize their IQ and EQ with SQ and PQ in order to become competent employees to be able to face stiff competition in the current era of globalization (Yahaya, 2004), (Purwanto, 2010) (Abd, Masaong and Pd, 2012) , (Bi'ah, 2014).

Strengthening the synergy of the four intelligences can be obtained through two abilities or skills. First, potential skills or capacities are skills that are still hidden, not yet manifested and are innate from birth. Second, real or achievement skills are skills that are already open, manifested in various aspects of life and behavior based on potential skills.

#### *B. Concept of Locus of Control*

Locus of control theory was developed by Rotter (1966) to measure the general expectations of individual employees for perceptions and beliefs of achieving success based on controlling the tendency of internal factors versus external factors. The locus of control leads to a measure that shows how a person perceives the possibility of a relationship between actions performed or results obtained. Individuals with internal locus of control have a perception that the environment can be controlled by themselves so that they can make changes according to their wishes. Individual internal factors which include work ability, personality, work actions related to work success, self-confidence and individual work failure are not caused by relationships with work partners. Whereas Individuals with high external locus of control tend to surrender to what happened to them without trying to make changes, so they tend to like the adaptation behavior to the environment in order to stay in the situation. Individual external factors which include fate, luck, superiors' power and work environment. (Wallston, Wallston and DeVellis, 1978), (Pruessner et al., 2005), (Ng, Sorensen and Eby, 2006), (Pannells and Claxton, 2008), (Kormanik and Rocco, 2009), (Cobb-Clark, 2015), and (Goolkasian, 2017).

#### *C. Concept Of Competence*

The term competency has not been clearly defined in the literature. The two main meanings of the term have been identified which refer to the output or results of training, namely competent performance. While other definitions refer to the underlying input or attribute, one needs to achieve competent performance. Each definition has been used to describe the competence of individuals and organizations. Typology of meaning of competence has been developed to show that the term has several meanings depending on the purpose of its use. Changes in organizational context, job characteristics and industrial

competition encourage changes in the orientation of competency-based corporate objectives. Employee participation in the form of initiatives to develop their potential and support of company management to develop employee competencies is important to be implemented. Changes that occur in the field of human resources are followed by changes in the competence and ability of someone who concentrates on human resource management. The broader competency development of HR practitioners ensures that HR Management plays an important role in the success of the company so that competence has now become part of the development management language (Defillippi and Arthur, 1994), (Mansfield, 1996), (Hoffmann, 1999), (Prahald and Hamid, 2007), and (De Vos, De Hauw and Van der Heijden, 2011).

Competence describes the knowledge base and performance standards required to successfully complete a job or hold a position. The method used to identify competencies to support abilities is concentrated on the results of individual employee behavior. One of the problems related to the concept of competency is that the term is used to refer to the ability to carry out a position or task competently and also how people should behave in a competent role. Further complexity arises with the difference between basic competencies and differentiating competencies. Basic competency is the competence needed to complete a job or run a position, while differentiating competence is a behavior characteristic shown by individuals with high-performance employees who are different from individuals who are below average (Baer, Oldham and Cummings, 2003), (Hood and Lodge, 2004), (Fink and Kraus, 2009), and (Ford and Meyer, 2015).

Specifically the competence of employees in the company can be classified into three. First, core competencies are the result of collective learning within a company that shows the fundamental qualities of each individual employee. Secondly, generic competencies that apply to certain categories of employees and are assigned to occupational groups which are fundamentally the same as the nature of the task but the level of work handled is different. Third, specific competencies are competencies related to specific tasks for individuals or small groups of role holders who are not included in the profile of generic competencies for the role.

### **III. RESEARCH METHODOLOGY**

#### *A. Method of collecting data*

The method used to collect data in this study uses questionnaires and interviews.

#### *B. Types and Data Source*

This study uses an explanatory pattern that intends to explain the position of the variables studied and the relationship between one variable and another. In explanatory, it is carried out in two phases, in the first stage emphasizes quantitative data collection and analysis then continues with a qualitative approach to describe or further explain quantitative findings.

**C. Population and Sample**

The population in this study were all organic or permanent employees of PT Semen Indonesia, PT Semen Padang, PT Semen Tonasa, and PT Semen Gresik totaling 5,122 employees.

The sampling technique used in this study uses a quota sampling technique that can ensure that certain groups are

adequately represented in the research through the use of a quota of 399 employees.

**D. Data Analysis**

This type of research can be classified as basic research. The analysis technique used to analyze the data is the analysis of structural equation models (SEM).

**IV. FINDINGS**

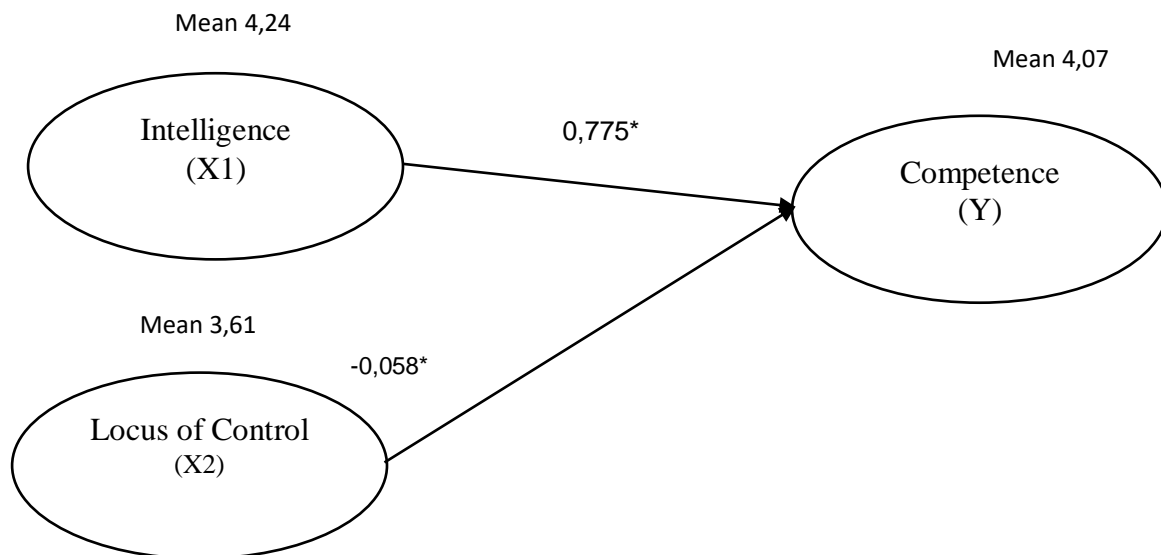


Fig 1:- Research Model Results

Further interpretations of figure 1 can be explained in table 1 as follows:

Role		Estimate	S.E.	C.R.	P	Explanation		
Competence	<---	Intelligence	0,884	0,181	4,884	0,000	Significant	Accepted
Competence	<---	Locus of Control	-0,058	0,160	-0,363	0,717	Not significant	Rejected

Table 1:- Test Result (Source: Processed data 2018)

**A. The Role of Intelligence for Employee Competency Improvement**

Statistical test results obtained p-value value of 0.000 <0.05 (cut of value), and the critical ratio (t-count) value of 4.884 > 1.9. That is, there is a positive and significant contribution of intelligence in improving employee competence with the assumption that other factors that affect competence are stated to be constant. Based on these results, it can be concluded that increasing intelligence has a contribution to increasing competence. The role of intelligence in improving competency based on the estimated value (coefficient) of 0.775 or 77.5%. This value indicates that an increase in intelligence has an impact on increasing competence by 77.5%. Referring to the results of this study, the empirical intelligence variable plays a significant role in increasing competence. Path coefficient values found between the two variables are statistically significant. Direct contribution of intelligence variables to competence is relatively very large and significant, so intelligence is a good predictor of employee competencies in state-owned cement companies in Indonesia.

The dimension of employee intellectual intelligence in terms of the ability of employees to understand and view a problem as a whole, is able to analyze the root of the problem or the pattern of linkages of components of the problem that are abstract (qualitative) systematically based on a logical approach. This is in accordance with the assessment criteria on employee core competency standards in cement companies (integrity, continuous learning), leadership competencies (problem solving, managing decisions), as well as technical competencies (analytical thinking, focus on quality and quantity, innovation).

Verbal intelligence is the attitude and behavior of employees to improve the quality of decisions and actions based on reliable and accurate information and based on experience and knowledge of environmental conditions. This is in accordance with the employee competency assessment standards in cement companies which are seen in the core competency standards (professional attitude), leadership competencies (self-defense ability, ability to manage change, adaptability), and technical capabilities (information seeking).

Practical intelligence is demonstrated through the behavior of employees who are always trying to achieve the best work performance by setting challenging goals and using a better way consistently. This is in accordance with employee competency assessment standards in cement companies which are seen in core competency standards (team collaboration, service orientation), leadership competencies (ability to plan and organize, develop subordinates), as well as technical competence (acts for the greater good, holding people accountable).

Emotional intelligence of employees is shown through the attitude and behavior character or willingness and ability to master themselves and understand the environment objectively and morally because emotional patterns are relatively stable when facing various pressures in the workplace that are formed from synergies between character, self-concept, internal motivation, and mental/emotional capacity.

Spiritual intelligence is important to have employees of cement companies because each individual employee has different characteristics, desires characteristics and intensity of needs between one another. Human needs are not only material but also psychological, mental and even spiritual. Employees who have spiritual intelligence are able to build self-integrity consistently because spiritual intelligence is the foundation needed to effectively function intellectual intelligence and emotional intelligence.

Physical intelligence that is intended in this study is the ability of employees of state-owned cement companies to maintain their physical health and strength. This is important because even though employees have all three other intelligences, they will not be able to do a good job if they are tired, sick, or disturbed by their physical condition.

This finding indicates that intelligence variables can predict competency variables. The positive role of intelligence variables in relation to human resource strategies and the performance of knowledge-based innovations can be a source of sustainable benefits because of the knowledge and social complexity of human assets that are difficult to imitate. Intellectual, emotional, spiritual, and physical intelligence which is the variable dimension of intelligence in this study is formed from the synergy of competency indicators based on views (Lyle Spencer & Signe Spencer, 1993), namely: character, motives, self-concept, knowledge, and expertise. Competency assessment is carried out by superiors based on behavioral indicators revealed by subordinates, then matching them with behavioral indicators in the company's competency dictionary. The supervisor evaluate the level of requirements in the position, then moves to a higher level.

#### *B. The Role of Locus of Control for Increasing Employee Competence*

Statistical test results obtained p-value value of  $0.717 > 0.05$  (cut of value), and the value of the critical ratio (t-count) of  $-0.336 < 1.9$ . That is, there are negative and insignificant implications between locus of control and competence with the assumption that other factors that

affect competence are stated to be constant. Based on these results, it can be concluded that an increase in the individual locus of control does not contribute to improving competence. The role of locus of control on competence based on the estimated value (coefficient) of  $-0.058$  or  $-5.8\%$ . This value indicates that an increase in locus of control has an impact on decreased competency by  $5.8\%$ .

Referring to the data from this study, the locus of control variable empirically did not have a significant role in improving competence. The path coefficient value found between the two variables is not statistically significant. The locus of control variable's contribution to the competence is relatively small and even negative and insignificant, so locus of control is a bad predictor of employee competency in state-owned cement companies in Indonesia.

Empirically, especially for a state-owned cement company in Indonesia already have knowledge-based workers so that the competencies of employees are able to compete and excel compared to employees of foreign cement companies and national cement companies. It also ignores the comparative advantage approach or paradigm that relies on many and cheap employees who are no longer relevant to globalization. The paradigm of comparative advantage that relies on skills will be the demands of the company's needs in the future because the quality of an item and service will greatly depend on its human competence.

This finding indicates that competence in the context of this study is not caused by locus of control. This means that empirically, especially for a state-owned cement company in Indonesia, employee competence is not affected by locus of control. Based on the statistical tests of respondents' perceptions of their beliefs about what can determine successes and failures, it shows that in this study employees have good competence not because of locus of control but because in a cement company, each employee's job involvement has been adjusted to the employee formation planning standards according in the company so that employees psychologically demonstrate the attitude that work is an important thing in their lives. Employees feel that work is a manifestation of their lives and many interests and life goals are related to their work. Therefore employees see their success at work as an indication of success in life as a whole.

This study also shows that there are several aspects of locus of control variables that still need attention such as individual employees in a particular socioeconomic class representing part of a value system where the fact that the employee social class intended in this study is not only about economic status but also has a broad meaning including the level of education, habits, income and lifestyle of each individual employee.



## V. CONCLUSION

Intelligence shows a positive and significant direct impact on competence. This study proves that the higher the level of intelligence of individual employees, the more likely it is to do a task that demands a lot of ratios and reason in carrying out tasks that are complex.

Locus of control does not show a significant role in improving employee competencies, because most employees have the awareness to carry out their work responsibly.

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