Effect of Leadership and Competency to Employee Performance Employee Loyalty Dimedization (Study on Sector Lighting and Sound System Denpasar)

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Abstracts:
Company Sector Lighting & Sound System Denpasar as an event organizer company (EO) has set standard operating procedure (SOP). But in reality there are still many employees who have not been able to apply the standard operating procedure (SOP) is well, it is marked from the quality of work that is set not yet appropriate and cause complain from the user. Disobedience of employees characterized by decreased sense of devotion and decrease the sense of responsibility of employees causing a trans are conducive decline in employee loyalty. The research was conducted at Sector Lighting & Sound System Denpasar with 45 samples as determined by census method. This research uses Partial Least Square (PLS) analysis. The results showed that leadership and competence have a positive effect on the loss of employees. Leadership and competence have a positive effect on employee performance. Loyalty capable of providing leadership influence on employee performance and the influence of competence on employee performance.

Keywords: leadership, competence, employee loyalty, employee performance

1. Introduction:

Every company is certainly trying to create advances that are technological and cultural and scientific, resulting in increasingly fierce competition. The competition has made many organizations realize the importance of having qualified human resources and high commitment to drive long-term organization performance requires a strong carrying capacity in order to achieve its mission and objectives. Human resources are a very important factor in an organization with large and small scale, human resources are seen as a very decisive element in the business development process. Because business development will be realized if supported by qualified human resources.

Company Sector Lighting & Sound System Denpasar is a company that stands in Event Event Organizer (EO) which has 45 employees, has set standard operating procedure (SOP) that must be applied by all employees to improve its performance. But in reality there are still many employees who have not been able to apply the standard operating procedure (SOP) is well, it is marked from the quality of work that is set not yet appropriate, the number or targets of achievement of a job has not been fully implemented by employees so that this raises the problem of complaint from the user or user / stakeholder such as complaints made when the work has been completed, the set targets are not fully achieved even though the employee has used his / her time well to work. It is also characterized by non-compliance of employees in the work, some employees do not feel proud to complete a job.

Based on the interview as a preliminary study as mentioned above, a decrease in the sense of dedication
and decreased sense of responsibility leads employees to decrease employee loyalty decline. To increase employee loyalty and performance and get optimal results from employees can be determined by several factors. One such factor is leadership. K epemimpinan as a science that is used to influence others or a group of individuals to work together, in order to achieve organizational goals will determine the satisfaction of the people he leads. A leader needs to have the advantages of the skills he or she needs to have compared to the other members. With these advantages are expected leaders will have the authority to be obeyed by his followers, d ith it can be said that the leadership will be in touch with a social influence process that will be followed by his subordinates.

This description of leadership will be related to employee loyalty (Thoyib, 2012). Meanwhile, according to research conducted by Widyatmini and Judge (2008), states that the better the leadership factor, the higher the performance of employees who can be expected. Leadership itself as conveyed by Zimmerer and Scarboug (2000) is the process of influencing and inspiring others to work to achieve the ultimate goal and then can give strength and freedom to achieve it.

Based on the phenomenon in the background, it is deemed necessary to conduct research to analyze the influence of leadership, compensation on employee mediated performance and employee loyalty (Stud ipada Sector Lighting & Sound System Denpasar). The formulation of the problem in this study based on the description of the background masala is as follows:

1) Does the leadership affect the employee performance on Sector Lighting & Sound System Denpasar?

2) Does competence affect employee performance at Sector Lighting & Sound System Denpasar?

3) Does leadership affect employee loyalty at Sector Lighting & Sound System Denpasar?

4) Does competence affect employee loyalty at Sector Lighting & Sound System Denpasar?

5) Does employee loyalty affect employee performance at Sector Lighting & Sound System Denpasar?

6) Is the leadership mediated employee loyalty affecting employee performance at Sector Lighting & Sound System Denpasar?

7) Are the competencies mediated by employee loyalty affecting employee performance at Sector Lighting & Sound System Denpasar?

Based on the subject matter above, then can be prepared the purpose of research as follows: 1) To determine the influence of leadership on employee performance on Sector Lighting & Sound System Denpasar. 2) To know the influence of competence on employee performance at Sector Lighting & Sound System Denpasar. 3) To know the influence of leadership on employee loyalty at Sector Lighting & Sound System Denpasar. 4) To determine the influence of competence on employee loyalty at Sector Lighting & Sound System Denpasar. 5) To determine the effect of employee loyalty on employee performance at Sector Lighting & Sound System Denpasar. 6) To know the influence of leadership mediated employee loyalty to employee performance at Sector Lighting & Sound System Denpasar.

2. Literature Review

2.1 Leadership

Robbins, (2008: 342) states leaders set the direction by developing a vision of the future, then they unite people by communicating this vision and inspiring them to overcome obstacles. Based on that opinion on it can be concluded that leadership is; nature, character, or how someone in an attempt to influence others or subordinates so that they work in accordance with the duties and responsibilities to achieve corporate goals previously set.

2.2 Competence

Competence is a set of knowledge, skills, behaviors that must be possessed by a person in performing the professional (Pramudyo, 2010). While According to Rivai and Sagala (2009: 308), competence is a desire to impact on others and the ability to influence others through persuasion and influence strategies. Sanjaya (2009: 70) competence is a basic characteristic of an employee that allows to provide superior performance in a particular job, role, or situation. According to Trotter in Saifuddin (2004) defines that a competent person is a person who with his skills to do the job easily, quickly, intuitively and very rarely or never make mistakes. According to Grote in Pramudyo (2010), competence can be used to predict performance, ie who performs well and less well depending on the competence it has, measured by the criteria or standard used.

From the above opinion it can be concluded that competence is a human resource so important to achieve organizational goals. Good for executives, managers and workers. Competence also shows the skills or knowledge characterized by professionalism in a particular field as the most important, as the seed of the field.

2.3 Employee Loyalty

Employee loyalty is a tendency for employees not to move to another company. (Siagian, 2005: 57). Loyalty
is reflected by the willingness of employees to maintain and defend the organization inside and outside the work of the irresponsible people. (Hasibuan, 2011: 95). Loyalty is a psychological condition that binds employees and companies. (Meyer and Herscovits in Oei, 2010: 190).

2.4. Employee performance

Performance is the result or success rate of a person as a whole over a certain period of time in carrying out the tasks compared with various possibilities, such as: work standards, predetermined targets or targets or criteria already agreed (Rivai, 2005: 16). According to Mathis and Jackson (2001) employee performance is an activity undertaken by employees who are influenced by the ability, motivation, support received, the existence of work done by employees, and employee relationships with the company.

Performance is an organizational behavior that is directly related to the production of goods or service delivery. Information about the performance of the organization is a very important thing used to evaluate whether the performance process undertaken organization has been in accordance with the goals or not. In line with that opinion, Dharma (2003) defines that performance as something done or product / service produced or given by a person or group of people.

3. Research Methods:

In the preparation of this thesis researchers conducted research on Sector Lighting & Sound System Bali located at Jln. Mandala Sari Gang VI no.24, Renon Denpasar, Telephone + 62831-1774-8555 Bali. The number of samples is 45 people with census method. Analysis using Partial Least Square (PLS) can also be analyzed construct formed with indicator of reflexif and formative indicator.

4. Result and Discussion:

4.1 Structural Model Testing (Inner Model)

Measurement of structural models (inner model) made with two (2) approach which uses Q Square Predictive Relevance (Q²) and Goodness of Fit (GoF). Q² calculation using the coefficient R² while the GoF calculation using R² and Communality. The calculation result R² and Communality shown in Figure 1 b erikut.

The structural model is evaluated by considering Q² predictive relevance models that measure how well the observation values are generated by the model. Q² is based on the coefficient of determination of all dependent variables. Quantity Q² has value with range 0 < Q² < 1, getting closer to value 1 means better model.

In this structural model there are two endogenous (dependent) variables, namely: Employee Loyalty (Y₁) and employee performance (Y₂). The coefficient of determination (R²) of each of the dependent variable can be presented in Table 1.
Table 1. Evaluation Results Goodness of Fit

<table>
<thead>
<tr>
<th>Structural model</th>
<th>Dependent variable</th>
<th>R-square</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Employee Loyalty (Y₁)</td>
<td>0.978</td>
</tr>
<tr>
<td>2</td>
<td>Employee Performance (Y₂)</td>
<td>0.925</td>
</tr>
</tbody>
</table>

Calculations: $Q^2 = 1 - [(1 - R^2_{1}) (1 - R^2_{2})]$

$Q^2 = 1 - [(0.022) (0.0075)] = 0.99835$

Based on Table 1 above, the results of the evaluation of the structural model gain value $Q^2$ ie 0.991. Thus, the results of this evaluation provides evidence that the model structural compatibility (goodness of fit model) was good. These results can be interpreted that the information contained in the data is 99.83 percent can be explained by the model, while the remaining 0.17 percent explained by errors and other variables that have not been contained in the model.

4. Hypothesis testing

Hypothesis testing is done by t-test by sorting for testing direct and indirect influence or testing of mediation variables. In the following sections are described successively test results of direct influence and testing of mediation variables.

1. Direct Effect Testing:

The results of the path coefficient validation test on each path for direct effect and effect can be presented in Table 2 below.

Table 2. Direct Securities Testing Results

<table>
<thead>
<tr>
<th>No</th>
<th>Relationship between Variables</th>
<th>Path Coefficient (Bootstrapping)</th>
<th>T-Statistic</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Leadership (X₁) → Employee Loyalty(Y₁)</td>
<td>0.795</td>
<td>10,594</td>
</tr>
<tr>
<td>2</td>
<td>Competence (X₂) → Employee Loyalty(Y₁)</td>
<td>0.187</td>
<td>2,324</td>
</tr>
<tr>
<td>3</td>
<td>Leadership (X₁) → Employee Performance (Y₂)</td>
<td>0.378</td>
<td>3,608</td>
</tr>
<tr>
<td>4</td>
<td>Competence (X₂) → Employee performance (Y₁)</td>
<td>0.268</td>
<td>5,092</td>
</tr>
<tr>
<td>5</td>
<td>Loyalty (Y₁) → Employee Performance (Y₂)</td>
<td>0.374</td>
<td>3,989</td>
</tr>
</tbody>
</table>

Information from Table 2 above, it can be determined the results of hypothesis testing described in the following description:

1) Leadership (X₁) proved to have a positive and significant effect on Employee Loyalty (Y₁). This result is shown by path coefficient with positive value of 0.795 with T-statistic = 10,594 (T-statistic > 1.96), so hypothesis-1 (H₁): Leadership positively influence to Employee Loyalty provable. The results obtained can be interpreted that the better Leadership treated in a company, it can increase Employee Loyalty the.

2) Competence (X₂) have a positive and significant effect on Employee Loyalty (Y₁). This result is shown by the positive path coefficient of 0.187 with T-statistic = 2,324 (T-statistic > 1.96). These results suggest that the hypothesis-2 (H₂): Competence (X₂) positive effect on Employee Loyalty proven empirically. Based on these results can be stated that the more Competence employees treated in a company, it can increase Employee Loyalty.

3) Leadership (X₁) proved to have a positive and significant effect on Employee Performance (Y₂). These results Indicated by the
path coefficients are positive for 0.378 with T-statistic = 3.608 (T-statistic > 1.96), so the hypothesis-3

(H3): Leadership positive effect on employee performance can be proved. The results obtained can be interpreted that the better Leadership is treated in a company, it can improve the employee's performance.

4) Competence (X2) has a positive and significant effect on employee performance (Y2). This result is shown by the positive path coefficient of 0.268 with T-statistic = 5.092 (T-statistic > 1.96). These results indicate that hypothesis-4 (H4): Competence (X1) has a positive effect on empirically proven employee performance. Based on these results can be stated that the better Competence employees treated in a company, it can improve employee performance.

5) Employee Loyalty (Y1) have a positive and significant effect on employee performance (Y2). This result is shown by the positive path coefficient of 0.374 with T-statistic = 3.989 (T-statistic > 1.96). This result shows that hypothesis-5 (H5): Employee Loyalty positive and significant effect on employee performance can be proved. In accordance with these results can be stated that the increasing employee loyalty in working, then able to improve employee performance.

6) Based on the results of the analysis can be presented images of research models in accordance with the analysis of PLS as follows:

2. Indirect Influence Testing Through Mediation Variables

In testing the following hypotheses will be studied the role of mediation of Leadership (X1) and Competence (X2) variables on the indirect effect of employee performance (Y2). The hypothesis testing of indirect effect in this research can be presented the results of its analysis in Table 3

Table 3. Recapitulation of Mediation Variable Testing Results

<table>
<thead>
<tr>
<th>No</th>
<th>Mediation Motivation (Y1) on:</th>
<th>Effect</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Leadership (X1) → Employee Performance (Y2)</td>
<td>(A) 0.378 (Sig.)</td>
<td>Partial Mediation</td>
</tr>
<tr>
<td></td>
<td>Competence (X2) → Employee Performance (Y2)</td>
<td>(A) 0.268 (Sig.)</td>
<td>Partial Mediation</td>
</tr>
</tbody>
</table>

Description: Significant (Sig.) = T-statistic > 1.96 on α: 5%

The information that can be obtained from Table 3 above is the result of testing the mediation variables that can be submitted are as follows:

Leadership (X1) is able to mediate positively and significantly on the indirect influence of Leadership (X1) on employee performance (Y2). This result is shown from the mediation test conducted, it appears C effect; D and A has a significant value. The results of this test determine that Leadership (X1) can affect employee performance (Y2) through Employee Loyalty (Y1) can be proven empirically. Based on these results can be interpreted, the better the company to apply good Leadership (X1) to employees and Employee Loyalty the good from the boss, then the performance of employees become increasingly. Other information that can be submitted, variable mediation effect Employee Loyalty (Y1) on the indirect influence of Leadership (X1) on employee performance (Y2) is partial (mediate). These findings provide clues, Employee Loyalty variables (Y1) is not as a determinant variable on the influence of Leadership (X1) on employee performance (Y2).

Competence (X2) is able to mediate positively and significantly to the indirect influence of Competence (X2) the employee performance (Y2). This result is shown from the mediation test conducted, it appears C
effect; D; and A has a significant value. The results of this test determine that Competence (X₂) can affect employee performance (Y₂) through Employee Loyalty (Y₁) can be proven empirically. Based on these results can be interpreted, the higher the competence (X₂) owned by employees and Employee Loyalty the better of the employees, the performance of employees becomes increasingly increasing. Other information that can be submitted, variable mediation effect Employee Loyalty (Y₁) on indirect influence Competence (X₂) the employee performance (Y₂) partial (partial mediation). These findings provide clues, Employee Loyalty variables (Y₁) is not as a determinant variable on the influence of Competence (X₂) on employee performance (Y₂).

In order to know the overall effect for each relationship between the variables studied, it can be presented calculations of direct effects, indirect effects, and total effects in Table 4 below.

Information obtained from Table 4 the effect of labor mediation loyalty variable (Y₁) in the indirect influence of Leadership (X₁) on employee performance (Y₂) is greater, by the path coefficient of 0.414. Thus overall, the Leadership path (X₁) \(\rightarrow\) job satisfaction (Y₁) \(\rightarrow\) employee performance (Y₂) with total effect gained of 1.09. These findings provide clues that Leadership (X₁) is able to improve employee performance. However, the indirect effect of Leadership (X₁) has an effect on employee performance through job satisfaction mediation capable of giving greater impact to employee performance. This indicates the higher Leadership of treatment to employees in the organization can provide employee job satisfaction in work. So that ultimately further improve the performance of employees.

<table>
<thead>
<tr>
<th>No</th>
<th>Relationship Variable</th>
<th>Direct Effects</th>
<th>Indirect Effects</th>
<th>Total Effects</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Leadership (X₁) (\rightarrow) Employee performance (Y₁)</td>
<td>0.378 $^S$</td>
<td>-</td>
<td>0.414</td>
</tr>
<tr>
<td>2</td>
<td>Competence (X₂) (\rightarrow) Employee performance (Y₁)</td>
<td>0.268 $^S$</td>
<td>-</td>
<td>0.519</td>
</tr>
<tr>
<td>3</td>
<td>Leadership (X₁) (\rightarrow) Loyalty (Y₂)</td>
<td>0.795 $^S$</td>
<td>0.30 $^S$</td>
<td>1.09</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0.795 * 0.374</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Competence (X₂) (\rightarrow) Loyalty (Y₂)</td>
<td>0.187 $^S$</td>
<td>0.07 $^S$</td>
<td>0.260</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>0.187 * 0.374</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Loyalty (Y₁) (\rightarrow) Employee Performance (Y₂)</td>
<td>0.374 $^S$</td>
<td>-</td>
<td>0.374</td>
</tr>
</tbody>
</table>

Information:
$S$: Significant  
NS: No Significant

Information obtained from Table 4 above loyalty variables mediating effect of work (Y₁) on indirect influence Competence (X₂) the employee performance (Y₂) is greater, by the path coefficient of 0.268. Overall, therefore, Competence path (X₂) \(\rightarrow\) work loyalty (Y₁) \(\rightarrow\) employee performance (Y₂) with total effect gained of 0.260. These findings provide clues that Competence (X₂) is able to improve employee performance. However, the indirect effects of Competence (X₂) effect on employee performance through the mediation of job satisfaction is able to provide a greater impact on employee performance. This indicates the higher Competence of treatment of employees in the organization can provide employee job satisfaction in work. So that ultimately further improve the performance of employees. Based on the results of testing the hypotheses that have been described above, then compiled the path diagram as a serving of Figure 2 below:
4.3 Research Discussion

1) The Effect of Leadership on Employee Loyalty

The result of hypothesis testing shows that leadership ($X_1$) has a positive and significant effect on employee loyalty. These results give meaning that the better the leadership in the company, then the employee loyalty will be better. The findings of this study provide an illustration that leadership can increase job satisfaction as reflected by good communication with employees, leaders able to direct employees, leaders capable of taking decisions of the leader able to control the positive power.

Agarwala, Tanuja (2003) suggests that employee loyalty, recognition and appreciation, cooperation and cooperation, working conditions and relationships with superiors. Scores for relationships with superiors, strongly correlated with all with three dimensions of employee loyalty. (Agarwala, 2003). Similar research results are also conducted by Dwipayoga and Adyani (2013) who expressed his opinion that the existing leadership in the organization gives a significant influence on employee loyalty. Employees who are not satisfied because they are not promoted even though the employee's performance is quite good. The lack of structuring the workplace of employees, so that employees are less comfortable in doing their work.

The results of this study support the findings of Thoyib (2012), concluding that the transformational leadership style and transactional is needed in order to increase employee loyalty. Another study conducted by Agarwala, Tanuja (2003), suggests that employee loyalty, recognition and appreciation, cooperation and cooperation, working conditions and relationships with superiors. Scores for relationships with superiors, strongly correlated with all with three dimensions of employee loyalty. The results of research conducted by Dwipayoga and Adyani (2013), argued that the existing leadership in the organization gives a significant influence on employee loyalty.

2) Influence Competence Against Employee Loyalty:

The result of hypothesis testing shows that competence has a positive and significant effect to employee loyalty. These results provide an illustration that the higher the competence of the employee is able to increase the loyalty of the better employees as well. These results also provide evidence that improving employee competence with increased employee understanding of work can speed up employment completion by employees.

Effective management of employees by means of skill enhancement and employee skills or enhancement of competence will provide an opportunity for employees to improve work performance and develop more advanced, if the competencies are given appropriately and the improvement of competencies tailored to the education owned by employees is expected employees can do their work with good, increased work productivity and provide the best service to customers then this will consider the existence of a high morale.
tendency and also increase employee loyalty to the company (Wicaksono, 2014).

The results of this study in accordance with research conducted by Thoyib (2012) of an educational institution, suggests that the loyalty desired by the organization should be based on the competence of employees and services provided employees to the organization.

3) The Influence of Leadership on Employee Performance:

The results showed that leadership has a significant effect on employee performance. These results provide meaning that the better the leadership in the company can improve employee performance is getting better. The findings of this study provide an illustration that the leadership of the company is able to contribute to the performance of employees as reflected in the ability of leaders to make decisions.

According to Gibson, in Widyatmini, (2008) there are variables that affect employee performance, one of which is organizational variable, consists of resources, leadership, structure and job design. According to research conducted by Widyatmini, (2008), states that the better the leadership factor, the higher the performance of employees who can be expected.

The results of this study support the results of research that Rahayu, Ariyani, & Kurniawan, (2013) can show that leadership factors, physical work environment, and Spirituality Work together affect the employee's performance, then it can be explained that good leadership factors, a good physical work environment, and a Fair Work Spirituality can affect employee performance.

According to research conducted by Widyatmini, (2008) states that the better the leadership factor, the higher the performance of employees who can be expected. Another researcher, Riyadi, (2011) found that leadership style significantly influenced work motivation and employee performance. Similar research conducted by Darendehe, Albert, (2013) gives the result that leadership significantly affects employee performance.

4) Effect of Competence on Employee Performance:

The results of this study support the results of a study by Widyatmini (2008) states that the higher the competence of employees then their performance is also getting better. Therefore, existing employees should further enhance the existing competencies and should more demonstrate skills in the work, and must have a deeper knowledge of the work that he lived, so that the competencies will be more complete. With the best competencies possessed by every employee then expected employees can run the job well and can produce good performance and satisfy consumers. Good service to the consumer will be realized optimally if every personnel personnel have sufficient competence, especially in the field that they do.

According to research conducted by Sudarma, (2012) shows that the ability of individuals have a significant positive effect on performance. Other researchers, Yossa and Zunaidah, (2013) have slightly different conclusions, namely that the ability of employees does not have a significant effect on employee performance. While the research conducted by Kasim, (2012) concluded that the ability of individuals to have a real effect on performance.

5) Influence Employee Loyalty to Employee Performance

The results of hypothesis testing showed that employee loyalty has a positive and significant effect on employee performance. These results provide an idea that employee loyalty is higher can improve employee performance. Higher employee loyalty is reflected in the low willingness of employees to move, employees are proud and responsible to the company, able to keep the assets of the company and employees are very instrumental in promoting and upholding honesty in work.

The results of this study in line with research conducted by Adiwibowo (2012) found that there is influence of employee loyalty to employee performance is positive meaning can be concluded that the performance of employees can be influenced significantly by loyalty or with increased loyalty then the employee performance will experience a real improvement. Other researchers, Ardianto and Mariaty Ibrahim (2014), found that loyalty had a positive effect on employee performance. While the Alwarabdeh study, (2014), found that of the eight loyalty factors studied, only six were found to affect organizational performance in Jordanian banks, among others; financial rewards, employee satisfaction, performance appraisal, training and development, motivation, and internal communication.
6) The Role of Employee Loyalty mediates the Influence of Leadership on Employee Performance

The results of hypothesis testing showed that employee loyalty is able to mediate the influence of leadership on employee performance. These results provide evidence that employee loyalty is increasingly high with the leadership in the company that the better able to improve employee performance is getting better too. These results also provide an idea that employee loyalty is reflected in the increasingly employee role in promoting and upholding honesty and also supported by the leadership ability in communicating with employees can improve employee performance.

A number of previous studies supporting this research are studies that look at the relationship between the richness of loyalty to performance such as Ariyani's research, et al. (2010) there is a positive influence between employee loyalty and employee performance. Similarly, research conducted by Megawati (2015), Arifin (2015), Mayasari (2014), Saptra (2016) through the identification of employee loyalty variables giving results all affect employee performance. Research Shaw et al. (2003) on the influence of leadership and organizational culture on employee performance mediated employee loyalty found employee loyalty have a significant positive effect on employee performance. Employee loyalty as a full mediator between leadership on performance (Mappamiring, 2015), Employee loyalty as a partial mediator between leadership and performance (Yeh and Hong, 2012).

7) The Role of Employee Loyalty mediates Competence with Employee Performance:

The results of hypothesis testing showed that employee loyalty is able to mediate the influence of competence on employee performance. These results provide evidence that higher employee loyalty is supported by high employee competence within the company, able to improve employee performance is getting better. These results also illustrate that employee loyalty reflected in employees is increasingly instrumental in promoting and upholding honesty and is also supported by employee understanding of employment, working skills able to improve employee performance.

This research is in line with research related to employee loyalty able to mediate competence to employee performance performed by (Patulak, 2013); Ana (2015) states that employee loyalty as a full mediation between competence and performance. Employee loyalty significantly mediates competence to performance (Handoko et al., 2011). Employee loyalty as a partial mediator between competence and performance (Widianingrum, ME, 2011). Employee loyalty is not as significant as a mediator between performance competencies. (Sriekarningsih and Setiadi, 2015). Employee loyalty is significant as a mediator between competence and performance (Judge, 2015).

5. CLOSING

5.1 Conclusion

Based on the results of analysis and discussion that has been done in this study, it can be concluded as follows:

1. Leadership positively affects employee loyalty at Sector Lighting & Sound System Denpasar, this means the better the leadership in the company then semaking good loyalty also owned by employees. Similarly, the less good leadership in the company then the loyalty of employees will also experience a decline.

2. Leadership has a positive and significant effect on employee performance in Sector Lighting & Sound System Denpasar, this means that the better leadership in the company can improve employee performance. Similarly, inadequate leadership can degrade employee performance.

3. Competence has a positive effect on employee's loyalty to Sector Lighting & Sound System Denpasar, this means that the higher competence owned by employees can increase employee loyalty, and vice versa low competence in employees can decrease loyalty to the employees themselves.

4. Competence has a positive effect on employee performance in Sector Lighting & Sound System Denpasar, this means that the higher competence of employees can improve employee performance, as well as the lower competence of employees then the employee performance will also decrease.

5. Loyalty has a positive effect on employee performance in Sector Lighting & Sound System Denpasar, it means that employee loyalty is higher and able to improve employee performance, vice versa, low employee loyalty can decrease employee performance.

6. Employee loyalty is able to mediate leadership with Employee Performance, meaning better leadership with high loyalty supported to improve employee performance at Sector Lighting & Sound System Denpasar.
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7. Employee loyalty is able to mediate the competence with Employee Performance, meaning better leadership with the support of high employee competence able to improve employee performance at Sector Lighting & Sound System Denpasar

5.2 Suggestions:

Some suggestions that can be given related to the results of this study, among others:

1) To the Management Company

In optimizing the implementation of employee performance, management management Sector Lighting & Sound System Denpasar should pay more attention to the leadership of the leadership must be able to communicate well to employees in addition to also provide job training for employees in improving knowledge owned by employees so that both components are able to contribute in improve employee loyalty and performance.

2) To the next researcher

For future researchers it can replicate this research model through a longitudinal approach (from time to time), and allow it to be used in other institutions. In addition, future researchers can modify the research model by adding or developing indicators or other variables. This is based on the determinants of employee performance quite a lot and different from the conditions of each other's institutions.

Bibliography:


