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Employee Competence and Performance in a Rattan Craft Enterprise: Evidence from UD Meubel Sarira, Central Maluku

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ABSTRACT

Employee competence is crucial for labor-intensive craft enterprises, yet evidence from micro-businesses in island regions remains limited. This study examines the effects of knowledge, skills, and attitudes on employee performance at UD Meubel Sarira, a rattan-furniture enterprise in Waitatiri, Central Maluku. A quantitative census design involved all 14 employees. Data were collected using a five-point Likert questionnaire, observation, and interviews, and were reanalyzed from respondent-level records using multiple linear regression. The measurement items were valid, while Cronbach's alpha ranged from 0.617 to 0.843. The regression model was significant ($F = 8.216$; $p = 0.005$) and explained 71.1% of performance variation. Skills had a positive and significant effect on performance ($B = 1.072$; $p = 0.006$), whereas knowledge ($B = -0.172$; $p = 0.476$) and attitudes ($B = 0.011$; $p = 0.974$) were not significant after controlling for the other predictors. The findings indicate that practical mastery—especially equipment operation, product design, and task accuracy—is the most immediate competence lever in this craft-business setting. Due to the small, single-firm sample, the results should be interpreted as contextual evidence rather than broad population estimates.

Keywords: employee competence; skills; attitude; employee performance; craft enterprise

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INTRODUCTION

Rattan craft enterprises rely heavily on people's ability to transform raw materials into functional, precise, and marketable products. Unlike mass production, the quality of handcrafted goods depends directly on tool mastery, technical accuracy, design creativity, and coordination among workers. Knowledge, skills, and work attitudes therefore represent forms of human capital that can shape the productivity and continuity of a small business. Competency research regards knowledge and skills as foundational capabilities needed to perform work effectively (Cao et al., 2024). Small firms with stronger performance also tend to adopt a broader and more active range of human resource practices than their lower-performing counterparts (Moake et al., 2021).

UD Meubel Sarira is a family-owned enterprise in Waitatiri, Central Maluku, producing chairs, tables, shelves, flowerpots, curtains, partitions, and other rattan products. Internal records show that production attainment rose from 80% of the target in 2016 to 88% in 2018. Despite this improvement, several product categories-including chairs, shelves, and gift baskets-still fell short of their targets. Internal assessments of the firm's 14 employees also indicate that some remained in the "adequate" performance category and that improvements were uneven. This issue matters in a micro-enterprise, where each employee's contribution has an immediate effect on product quality, production time, and output volume.

Conceptually, employee performance reflects the quantity and quality of work, timeliness, attendance, and the ability to collaborate (Bangun, 2012). Work ability is partly built on knowledge and skills, while attitude influences how an individual responds to workplace situations (Mangkunegara, 2007). Earlier evidence generally suggests that knowledge management, skills, and attitude are associated with employee performance (Kandou et al., 2016). However, the contribution of each competency dimension is not always consistent. In the leather craft industry, skills emerged as the strongest predictor (Suhartini, 2015), whereas Ardiana et al. (2010) reported that knowledge did not significantly affect SME performance. These contrasting findings suggest that the relevance of a competency dimension may depend on the nature of the work and the organizational setting.

Most studies of competence and performance have focused on larger organizations or relatively large samples. Evidence from micro-scale craft enterprises in island regions remains scarce, even though their

production processes rely on manual expertise and learning by doing. This study therefore examines the partial and simultaneous effects of knowledge, skills, and attitude on employee performance at UD Meubel Sarira. Its contribution lies in offering context-specific evidence about the competency dimension most closely connected with performance in a resource-constrained rattan craft enterprise.

Knowledge refers to an employee's understanding of the theories, procedures, information, and training materials relevant to the job. It helps workers recognize standards, understand why a procedure is required, and choose an appropriate course of action. From a knowledge-based perspective, value comes not merely from possessing information, but from being able to apply it in the work process (Abubakar et al., 2019). Better job knowledge should therefore increase the likelihood of completing work correctly. Accordingly, H1 proposes that knowledge has a positive and significant effect on employee performance.

Skills represent the practical ability to operate equipment, develop designs, carry out tasks within one's area of responsibility, and work accurately. In rattan production, skills are visible in the speed, precision, and quality of the finished product. Competency development has also been linked to creativity and employee performance in craft-based industries (Martini et al., 2024). Because the work at UD Meubel Sarira is predominantly technical, skills are expected to be the strongest predictor. H2 therefore proposes that skills have a positive and significant effect on employee performance.

Attitude is a behavioral orientation reflected in responsibility, honesty, discipline, workplace relationships, and participation. A constructive attitude can support coordination and strengthen employees' willingness to meet work standards. In small firms, the relationship between human resource practices and performance is also shaped by employee attitudes and commitment (Lai et al., 2017). H3 proposes that attitude has a positive and significant effect on employee performance. Taken together, knowledge, skills, and attitude represent a broader configuration of work competence; H4 therefore proposes that the three variables simultaneously have a significant effect on performance.

Employee competence is best understood as a combination of what employees know, what they can do, and how they approach their work. These dimensions are analytically distinct but operationally connected. Knowledge enables workers to recognize materials, standards, and procedures; skills allow them to execute those procedures; and attitude influences whether the work is performed responsibly and consistently. In a small craft enterprise, the separation among these dimensions is especially important because formal job descriptions and specialized support functions are often limited. One employee may select materials, operate tools, assemble components, inspect quality, and interact with customers within the same production cycle. Competence must therefore be examined as a practical configuration embedded in everyday work rather than as an abstract personal attribute.

The resource-based view provides a useful foundation for this argument. A small enterprise rarely competes through scale, sophisticated technology, or large financial reserves. Instead, its advantage often rests on resources that are difficult to imitate, including accumulated experience, tacit production knowledge, craftsmanship, and coordination routines. Human competence becomes strategically valuable when it is applied repeatedly to create reliable quality and distinctive products. Employee development can consequently strengthen both human capital and the organizational capability through which that capital is mobilized (Al-Tit et al., 2022). For UD Meubel Sarira, the relevant question is not simply whether employees possess competence, but which dimension is most directly connected with performance under the firm's actual production conditions.

Rattan furniture production combines manual work, material judgment, and aesthetic decision-making. Raw rattan varies in diameter, flexibility, surface condition, and suitability for particular components. Workers must recognize these differences, prepare the material, construct frames, weave surfaces, and complete finishing work while maintaining proportion and strength. Errors at an early stage can create defects that become visible only after substantial labor has already been invested. The production process therefore places a premium on accuracy, sequencing, and the ability to anticipate how one task will affect the next. These characteristics make employee competence central to both efficiency and product quality.

Craft production also depends heavily on tacit knowledge. Some techniques can be described in written instructions, but many are learned through demonstration, repetition, observation, and correction by experienced workers. The tension applied during weaving, the judgment used when bending a component, and the visual assessment of symmetry are difficult to transfer through classroom explanations alone. This does not make conceptual knowledge irrelevant. Rather, it means that knowledge becomes productive when it is converted into embodied routines. The distinction helps explain why an employee may understand a procedure in principle while still requiring repeated practice before performing it quickly and accurately.

Product design introduces an additional challenge. Traditional patterns may provide a stable foundation, but customer preferences, room sizes, functional requirements, and competing products continue to change.

Employees who can modify dimensions, combine forms, and translate an idea into a producible item give the enterprise greater flexibility. The descriptive responses in this study identify new-product design as the clearest area of weakness. This gap is strategically important because design capability connects production competence with market responsiveness. A firm that can manufacture only familiar models may maintain routine output but struggle to create differentiation or respond to new demand.

Job knowledge includes familiarity with production concepts, materials, work standards, safety considerations, and the reasons underlying a procedure. It supports problem recognition and helps employees choose an appropriate response when routine conditions change. Knowledge management research further suggests that organizational value arises when information is acquired, shared, and applied in decision-making (Abubakar et al., 2019). At the individual level, employees who understand why a step is necessary should be better equipped to prevent errors, communicate problems, and learn from feedback.

However, knowledge may not always appear as a significant independent predictor in a statistical model. First, employees working in the same small enterprise are exposed to similar information and may therefore report relatively similar levels of knowledge. Second, questionnaire responses often capture perceived understanding rather than demonstrated mastery. Third, knowledge can influence performance through skills: an employee uses conceptual understanding to guide practice, but the measurable output is produced through execution. These mechanisms mean that a nonsignificant partial coefficient should not be interpreted as proof that knowledge has no operational value. It may indicate that its contribution overlaps with other competence dimensions or depends on successful application.

The knowledge hypothesis nevertheless remains theoretically reasonable. Better understanding should reduce uncertainty and provide a basis for correct action. In this study, H1 tests whether knowledge contributes unique explanatory power after skills and attitude are held constant. This formulation is more demanding than a simple bivariate relationship because it asks whether employees with different knowledge scores also differ in performance when their other competence characteristics are statistically comparable.

Skills refer to the demonstrated capacity to perform work activities to an expected standard. In rattan production, this includes operating tools, preparing and joining components, applying weaving techniques, maintaining dimensions, translating designs into products, and completing tasks efficiently. Skills are visible in the work process and in the resulting product, which makes them more directly connected to performance indicators such as quality, quantity, and timeliness. Research in craft-based settings similarly identifies practical ability as a central competence dimension (Suhartini, 2015; Martini et al., 2024).

The relationship between skills and performance can be explained through several pathways. Skilled employees make fewer avoidable errors, require less corrective supervision, and complete tasks with greater consistency. They can also diagnose production problems earlier and adapt techniques without sacrificing standards. In a small enterprise, these advantages accumulate because delays or defects at one workstation can affect the entire production sequence. Practical mastery therefore contributes not only to individual output but also to workflow continuity.

Skill development is cumulative. Initial instruction provides a starting point, but proficiency grows through deliberate practice, feedback, and exposure to varied assignments. Mentoring is particularly relevant because experienced workers can make tacit standards visible by demonstrating how they judge tension, alignment, finishing quality, and task readiness. H2 therefore proposes a positive effect of skills on employee performance and anticipates that this dimension will be the most immediate predictor in the production setting examined.

Attitude reflects an employee's evaluative and behavioral orientation toward work. Responsibility, honesty, discipline, cooperation, and willingness to participate can support reliable performance even when these qualities do not directly determine technical proficiency. In interdependent production, a constructive attitude may improve communication, reduce avoidable conflict, and encourage employees to assist one another when workloads change. Evidence from small firms indicates that employees' attitudes and commitment can shape the performance consequences of human resource practices (Lai et al., 2017).

Attitude is also difficult to measure with precision. Respondents may provide socially desirable answers, particularly when the firm is small and relationships are close. Broad statements about honesty or responsibility may produce little variation because most employees agree with them. In addition, attitude may affect performance indirectly through attendance, persistence, learning effort, or cooperation rather than through a direct change in output scores. A statistically nonsignificant coefficient can therefore coexist with practical importance.

H3 tests whether attitude has a positive partial effect after knowledge and skills are controlled. H4 then evaluates the broader proposition that the three dimensions operate jointly. The simultaneous hypothesis recognizes that craft performance is unlikely to result from a single characteristic. Technical ability must be

supported by sufficient understanding and a work orientation that enables employees to use their ability consistently.

The analytical model positions employee performance as the outcome, and knowledge, skills, and attitude as predictors. Performance is reflected in work quantity, quality, timeliness, attendance, ability to cooperate, and related indicators. The model estimates the unique association of each competence dimension while holding the others constant and also tests their combined explanatory contribution. Because the data represent all employees in one enterprise, the model is intended to clarify patterns within this case. It is not presented as a universal causal law for all craft firms.

METHODOLOGY

This study adopted an explanatory quantitative approach with a cross-sectional, single-enterprise case design. It was conducted at UD Meubel Sarira in Waitatiri, Central Maluku. The finite target population consisted of all 14 employees, and every employee participated; therefore, the study is a census of the enterprise rather than a sample intended to represent rattan enterprises generally. The census removes within-firm sampling error for the period studied, but it does not resolve the limited statistical power, coefficient instability, or restricted external validity associated with a very small number of observations.

Primary data were gathered through a five-point Likert-scale questionnaire, interviews, and observation. Knowledge was measured with four items covering theoretical understanding, training experience, the use of work-related information, and comprehension of training content. Skills were measured with three items addressing equipment operation, product design, and task fit. Attitude was captured through four items concerning workplace relationships, responsibility, honesty, and discipline. Employee performance was measured using seven items representing work quantity and quality, timeliness, attendance, and teamwork.

Item validity was assessed using item–total correlations against a reference value of $r = 0.532$, while reliability was evaluated using Cronbach's alpha. The hypotheses were examined using multiple linear regression expressed as $Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$. Because the summary tables and statistical appendix in the source document were inconsistent, all reported statistics were recalculated from respondent-level total scores. Statistical significance was set at 5%.

The sample-size limitation was evaluated explicitly. Green's (1991) conventional guidance recommends $N \geq 50 + 8m$ for testing the overall multiple correlation and $N \geq 104 + m$ for testing individual predictors, where m is the number of predictors. With three predictors, these expressions imply approximately 74 and 107 observations, respectively; the present census of 14 clearly does not meet those confirmatory thresholds. More recent simulation evidence indicates that linear-regression coefficients and standard errors can sometimes remain reasonably estimated with approximately two subjects per variable under favourable data conditions (Austin & Steyerberg, 2015). The present ratio is 4.67 observations per predictor, but this does not guarantee adequate power. Regression was therefore retained only as an exploratory description of relationships within UD Meubel Sarira. Coefficients, p-values, and R^2 are interpreted cautiously, and no population-level or causal generalisation is made.

Research Setting And Participants

UD Meubel Sarira was selected because its production process depends substantially on employee craftsmanship and because the organization provided access to the complete workforce. The enterprise operates in Waitatiri, Central Maluku, and produces a range of household and decorative rattan products. Its scale allows the research to connect survey responses with a clearly defined organizational setting. At the same time, the firm's small size requires caution: contextual factors, personal relationships, and shared work routines may influence both competence and performance.

All 14 employees were included, so no sampling procedure was required within the enterprise. A census eliminates sampling error for describing this workforce at the time of data collection. It does not, however, overcome limitations related to statistical power or external validity. With only 14 observations and three predictors, coefficient estimates may be sensitive to individual cases, and subtle relationships may be difficult to detect. The analysis therefore emphasizes coefficient direction, effect magnitude, and consistency with the work context alongside conventional significance tests.

Measurement Of Variables

Knowledge was operationalized through four questionnaire items covering theoretical understanding, exposure to training, the use of job-related information, and comprehension of training content. These items represent the informational foundation employees draw upon when making work decisions. Skills were measured through three items concerning equipment operation, the ability to develop product designs, and the fit between an employee's abilities and assigned tasks. Attitude was measured through four items addressing workplace relationships, responsibility, honesty, and discipline.

Employee performance was assessed through seven items representing quantity and quality of work, timeliness, attendance, teamwork, and related aspects of task accomplishment. The indicators were designed to capture performance as a multidimensional construct rather than equating it with production volume alone. This is appropriate for a small enterprise because an employee can contribute by preventing defects, maintaining attendance, or supporting coordination even when individual output is not recorded separately.

Each item used a five-point Likert response format. The common scale facilitates completion and comparison across variables, but it also creates potential common-method bias because predictors and outcomes come from the same respondents. Self-assessments may be affected by confidence, social desirability, or respondents' interpretation of the scale. The findings are therefore treated as relationships among measured perceptions and reported work characteristics. Future studies should combine questionnaires with supervisor ratings, direct skill tests, defect records, and individual production data.

Data Quality And Analysis

Item validity was examined using item–total correlations. With the reference value set at 0.532, all retained items exceeded the criterion. Internal consistency was assessed using Cronbach's alpha. The knowledge and skills measures produced moderate values, while attitude and performance showed stronger consistency. Alpha is influenced by the number of items, so the three-item skills scale should not be judged by the same expectation as a much longer instrument. The results support exploratory use while also indicating that future measurement should add behaviorally specific skill items.

Multiple linear regression was used to estimate the partial and simultaneous associations. Before interpretation, the numerical analysis was reconstructed from respondent-level total scores because the summary tables in the source material contained inconsistencies. This decision improves internal coherence: the equation, coefficient tests, model test, and explained variance reported in the article now arise from the same underlying records. Statistical significance was evaluated at the 5% level, but practical interpretation also considered the small sample and the substantive meaning of each coefficient.

The regression equation expresses the expected change in performance associated with a one-unit change in a predictor while other predictors remain constant. The F test assesses whether the predictor set improves explanation relative to a model with no predictors. R^2 indicates the proportion of observed performance-score variation explained within the sample. None of these statistics, on their own, establishes causality. The cross-sectional design does not confirm temporal order, and unmeasured factors may influence both competence and performance.

RESULTS AND DISCUSSION

Eleven respondents (78.6%) were men and three (21.4%) were women, reflecting the workforce composition of rattan production at the enterprise. Descriptively, responses on knowledge and attitude generally ranged from neutral to agree. The clearest skills gap concerned the ability to create new product designs: 50% of respondents disagreed that they possessed this ability, 35.7% were neutral, and only 14.3% agreed. This pattern suggests that design and product innovation capabilities were not yet evenly distributed across the workforce.

Table 1. Summary of measurement quality

Variable	Items	r range	Alpha	Assessment
Knowledge	4	0,597–0,767	0,658	Acceptable
Skills	3	0,706–0,828	0,617	Acceptable
Attitude	4	0,664–0,824	0,771	Good
Performance	7	0,561–0,848	0,843	Good

Source: Primary data processed by the authors, 2021

All items had correlations above 0.532 and were therefore considered valid. Cronbach's alpha ranged from 0.617 to 0.843. For an exploratory study with a limited number of respondents, the reliability of the knowledge

and skills measures remains acceptable, while the attitude and performance measures demonstrate stronger internal consistency. Nevertheless, the comparatively modest alpha for skills should be interpreted carefully because the construct was measured using only three items.

Table 2. Multiple linear regression results (recalculated)

Variable	B	SE	t	p
Constant	16,857	5,555	3,035	0,013
Knowledge	-0,172	0,232	-0,740	0,476
Skills	1,072	0,307	3,496	0,006
Attitude	0,011	0,329	0,033	0,974

Source: Primary data processed by the authors, 2021

The estimated regression equation is $Y = 16.857 - 0.172X_1 + 1.072X_2 + 0.011X_3$. The overall model is statistically significant, $F(3,10) = 8.216$, $p = 0.005$. The R^2 value of 0.711 and adjusted R^2 of 0.625 indicate that knowledge, skills, and attitude jointly explain 71.1% of the variation in performance scores within the sample. The remaining 28.9% may be related to factors outside the model, including motivation, experience, equipment availability, leadership, and work systems.

Table 3. Hypothesis-testing decisions

Hypothesis	Relationship	p	Decision
H1	Knowledge → performance	0,476	Not supported
H2	Skills → performance	0,006	Supported
H3	Attitude → performance	0,974	Not supported
H4	X_1, X_2, X_3 → performance	0,005	Supported

Source: Primary data processed by the authors, 2021

Skills have a positive and statistically significant effect on performance. A one-unit increase in the skills score is associated with an estimated 1.072-unit increase in performance, holding knowledge and attitude constant. This finding is consistent with Suhartini (2015), who identified skills as the most influential competency dimension. It also reinforces a practical point: in craft work, hands-on competence is translated directly into output. The ability to operate equipment, apply weaving techniques, maintain precision, and complete products in standard forms provides a direct pathway from competence to performance. The result is also consistent with recent evidence linking work competencies to job performance. (Cao et al., 2024).

H1 was not supported: knowledge did not have a statistically significant unique effect on performance ($B = -0.172$; $p = 0.476$). The negative sign is small and statistically uncertain and should not be read as evidence that greater knowledge lowers performance. Three conditions at UD Meubel Sarira help explain the result. First, all 14 employees work in the same small production environment, receive similar day-to-day instructions, and draw on shared routines; consequently, their knowledge responses were relatively homogeneous and offered little variation with which to distinguish performance. Second, the knowledge items measured perceived theoretical understanding, training exposure, use of information, and comprehension of training material. They did not directly test whether an employee could diagnose a material defect, select an appropriate technique, or apply a production standard under real working conditions. Third, rattan craftsmanship relies heavily on tacit learning through observation, repetition, and correction. Knowledge is therefore likely to influence output only after it has been converted into practical skill. Once skills were included in the model, knowledge added little unique explanatory power. This interpretation is consistent with Ardiana et al. (2010), who also found no significant knowledge effect on SME performance. Thus, H1 is rejected for this case, not because knowledge is irrelevant, but because its performance value appears to be indirect, shared across employees, and dependent on practical application.

H3 was also not supported: attitude did not have a significant unique effect on performance ($B = 0.011$; $p = 0.974$). The near-zero coefficient can be understood in relation to the enterprise's close working environment. Most respondents rated responsibility, honesty, discipline, and workplace relationships positively, creating a ceiling effect and very limited score variation. In a family-owned micro-enterprise where employees work closely

with one another, socially desirable responses may further reduce differences in self-reported attitude. In addition, the four attitude items describe broad personal orientations rather than observable production behaviours such as punctual task completion, willingness to correct defects, adherence to quality procedures, or cooperation during production bottlenecks. Performance in this setting is more immediately visible through technical execution, which helps explain why skills remain significant while attitude does not. This result does not imply that attitude is unimportant. Attitude may operate as an enabling or indirect condition—supporting attendance, persistence, learning effort, and teamwork—without producing a separate direct coefficient after skills and knowledge are controlled. This interpretation accords with Lai et al. (2017), who show that employee attitudes can shape how human-resource practices translate into small-firm outcomes. H3 is therefore rejected only as a direct partial effect in this small case.

Taken together, the three predictors are associated significantly with performance within the observed census. This supports H4 only as exploratory, within-firm evidence. Competence should still be viewed as an integrated configuration, although skills deserve priority in interventions at UD Meubel Sarira. Demonstration-based training, coaching by experienced workers, design practice, standardised techniques, and product-based assessment are likely to yield more immediate benefits than classroom instruction alone. The findings also point to an explicit bridge between knowledge and practice: the material employees understand must be translated into procedures, repeated practice, feedback, and measurable targets.

From a managerial standpoint, the enterprise should develop a skills matrix for each employee, with particular attention to equipment operation and new-product design. Training should be organized around real product assignments and conclude with an assessment of quality, completion time, and output volume. Limited job rotation could broaden employees' capabilities without undermining specialization. Discipline and teamwork should continue to be monitored through observable behavioral indicators rather than self-perceptions alone. This approach is consistent with the view that employee development strengthens both human capital and organizational capability (Al-Tit et al., 2022).

Interpretation of the Overall Model

The significant overall test shows that the competence dimensions, considered together, meaningfully differentiate performance scores within UD Meubel Sarira. An R^2 of 0.711 is substantial for this case and indicates that competence is closely connected with how employees assess and carry out their work. The adjusted R^2 of 0.625 provides a more conservative estimate after accounting for the number of predictors. The difference between the two values also reinforces the need for caution in a small sample, where model fit can appear stronger than it would be in new observations.

The remaining variation should not be treated as random noise alone. Motivation, length of experience, leadership, access to appropriate equipment, material quality, task allocation, and production planning can all influence performance. Some of these factors may interact with competence. A highly skilled employee, for example, may still experience delays when materials or tools are unavailable. Conversely, clear scheduling and adequate equipment may help employees convert moderate competence into more consistent output. Future models should therefore examine competence within a broader work system.

Why Skills Emerged as the Central Predictor

The positive skills coefficient is both statistically significant and substantively plausible. Rattan work produces observable outputs through sequences of physical and technical actions. Employees who handle equipment confidently, understand task fit, and can work with designs are more likely to complete products accurately and on time. The coefficient suggests that differences in practical ability remain important even after knowledge and attitude are controlled. This pattern aligns with the direct character of craft production: execution is the point at which information and intention are converted into a saleable product.

The design item deserves particular attention because half of the respondents disagreed that they could create new product designs. This response does not necessarily mean that employees cannot produce quality items. It suggests that competence may be concentrated in reproducing established forms rather than developing alternatives. From a business perspective, the difference matters. Reproduction supports routine efficiency, whereas design capability supports adaptation, customization, and product renewal. Training that addresses design should combine visual examples, measurement, prototype construction, costing awareness, and feedback on manufacturability.

Equipment operation is another practical leverage point. Training should not stop at explaining controls or safety rules. Employees need supervised practice with typical and atypical materials, explicit quality criteria, and opportunities to diagnose mistakes. A structured progression—from demonstration, to guided performance, to

independent execution, and finally to teaching another worker—would make competence visible and easier to assess. Such an approach also reduces dependence on informal impressions when assigning tasks.

Understanding The Knowledge Result

Knowledge has a small negative but nonsignificant coefficient. The sign should not be interpreted literally as a harmful effect because the estimate is imprecise and does not differ significantly from zero. In a multiple regression, a coefficient reflects the unique part of a predictor after overlap with the other variables has been removed. If knowledgeable employees are also skilled, much of knowledge's practical contribution may already be represented in the skills coefficient. Limited score variation can further reduce the remaining association.

This result has an important managerial implication. Providing information is not the same as building capability. A briefing, manual, or training session may increase familiarity without changing production behavior. Managers should therefore connect every knowledge objective with an observable application. Employees who learn material classification should demonstrate selection decisions; those who learn quality standards should identify defects; and those who learn a production sequence should perform it under realistic conditions. Assessment should verify transfer, not merely attendance.

Knowledge sharing also requires an organizational mechanism. In small firms, valuable know-how may remain with one experienced worker and be communicated only when a problem occurs. Short pre-production discussions, annotated product samples, simple process sheets, and peer demonstrations can make that knowledge more accessible. Documentation should remain concise and visual so that it supports rather than interrupts craft work. These practices can help convert individual experience into an enterprise capability.

Understanding the Attitude Result

The attitude coefficient is close to zero and non-significant after the other predictors are controlled. This is consistent with a ceiling effect: when most employees rate responsibility, honesty, discipline, and workplace relationships positively, the measure provides little basis for distinguishing performance. Social desirability may also be stronger in a small enterprise where respondents know one another and may be concerned about how critical answers are perceived. The result therefore says more about the unique statistical contribution of the measured attitude scale than about the general value of constructive workplace behavior.

Attitude may function as a moderator or an enabling condition. Skills can produce high output only when employees are willing to apply them carefully and consistently. Discipline supports attendance and completion; responsibility supports quality control; cooperation helps resolve bottlenecks. These mechanisms may not appear as a simple direct coefficient, particularly when behavior is measured broadly. Later studies could use supervisor observations, attendance records, rework incidents, and peer-assessed cooperation to capture attitude-related behavior more concretely.

Theoretical Implications

The findings support a differentiated view of competence. Treating knowledge, skills, and attitude as interchangeable can hide which capability is closest to the performance mechanism. Within this craft enterprise, skills provide the clearest direct pathway, whereas knowledge appears to require translation into practice and attitude appears to support the conditions under which work is performed. Competence remains integrated, but integration does not imply equal statistical weight. This distinction can guide theory toward more context-sensitive explanations.

The study also highlights the relevance of production technology and organizational scale. In highly standardized or automated settings, procedural knowledge or compliance may be dominant. In manual craft production, embodied skill and judgment are more visible. The same competence framework may therefore produce different empirical patterns across industries. Context should be incorporated into interpretation rather than treated as background information.

Managerial Implications

A practical starting point is a competency matrix that lists critical tasks in rows and employees in columns. Each task can be rated at four levels: requires instruction, performs with supervision, performs independently, and can coach others. The matrix would allow the owner to identify single-person dependencies, assign work more accurately, and plan training around actual production needs. It would also create a transparent basis for monitoring development without requiring a complex human resource system.

Training priorities should begin with equipment operation, weaving accuracy, component preparation, finishing quality, and new-product design. Each activity should use real or prototype products and define

observable standards for dimensions, strength, appearance, completion time, and material use. Employees should receive immediate feedback and repeat the task until performance is stable. Post-training evaluation should occur after several weeks to determine whether the improvement has transferred to routine production.

Mentoring can be formalized without making the enterprise bureaucratic. An experienced worker can be assigned to demonstrate one critical technique, observe practice, and record a brief assessment. Rotating employees through selected tasks can broaden capability, but rotation should be limited where specialization is necessary for quality or safety. The objective is not to make every employee identical; it is to reduce avoidable gaps and ensure that essential tasks do not depend on only one person.

Design development should be treated as a structured production capability rather than as inspiration alone. Employees can begin by modifying an existing model's dimensions, function, or decorative pattern before attempting entirely new products. Simple sketches, measurement templates, and small prototypes can reduce the cost of experimentation. Customer feedback and records of repeat orders can then be used to determine which designs warrant standardization.

Performance monitoring should balance quantity with quality. Increasing output without tracking rework, waste, durability, and customer acceptance could reward the wrong behavior. A small scorecard can include units completed, on-time completion, defect or rework frequency, material efficiency, attendance, and teamwork observations. The measures should be discussed with employees so that performance expectations are clear and perceived as relevant to their work.

Limitations and Future Research

Several limitations define the boundaries of the findings. The study covers one enterprise and 14 employees, so the results cannot be generalized statistically to rattan businesses in other locations. The census is complete for the firm but remains small for regression analysis. Coefficients may change if the study is repeated with more enterprises, and nonsignificant results may reflect limited power as well as weak unique associations.

The cross-sectional design captures competence and performance at one point in time. It cannot establish whether competence preceded performance or whether high-performing employees subsequently developed stronger confidence in their competence. Longitudinal research could assess employees before training, immediately after training, and several months later. Such a design would provide stronger evidence about change and the durability of learning.

The measures rely largely on questionnaire responses from the same respondents. This may inflate some associations through common response tendencies while obscuring others through social desirability or restricted variation. Future research should triangulate survey data with supervisor ratings, practical skill demonstrations, attendance records, completion time, production volume, defects, and customer feedback. Using multiple sources would also help distinguish perceived competence from demonstrated competence.

Future studies could compare firms that use different production technologies, market segments, or training practices. Experience, motivation, leadership, compensation, equipment adequacy, and organizational learning should be considered as additional predictors or moderators. Qualitative interviews could further explain how workers acquire tacit skills, how knowledge is shared, and why some employees participate more actively in design and improvement. These extensions would retain the practical focus of the present study while building a stronger evidence base.

A multi-site design would be especially valuable for separating enterprise-specific conditions from more general patterns. Researchers could include rattan producers of different sizes and compare businesses that sell standardized products with those that rely on customized orders. Multilevel analysis would then make it possible to examine employee characteristics alongside firm-level factors such as market orientation, technology, training investment, and production organization. Such evidence could show whether the central role of skills persists across settings or becomes stronger only under particular operational conditions.

Future measurement should also distinguish routine proficiency from adaptive proficiency. Routine proficiency concerns the ability to reproduce an established product safely, accurately, and efficiently. Adaptive proficiency concerns the ability to respond to unfamiliar materials, modify designs, solve production problems, and learn new techniques. The present skills items capture parts of both domains but do not fully separate them. Developing distinct measures would help managers decide whether an employee needs greater consistency in current work or broader capability for innovation and change.

An intervention study could translate the managerial recommendations into a testable development program. Employees could complete a practical baseline assessment, participate in structured demonstrations and supervised product assignments, and then be reassessed using the same quality and time criteria. Production records collected

before and after the program would indicate whether measured learning transfers to routine output. Including a follow-up assessment would also reveal whether gains are retained once direct coaching has ended.

Finally, later research should give employees an active role in explaining competence development. Survey scores identify patterns, but workers can clarify which techniques are hardest to learn, which forms of feedback are most useful, and which constraints prevent them from applying what they know. Combining quantitative analysis with interviews, workplace observation, and product assessment would produce a richer account of how competence is formed. This approach is particularly appropriate for craft work because much of its expertise is demonstrated through action and may not be fully captured in standardized statements.

CONCLUSION

Knowledge, skills, and attitude jointly have a significant effect on employee performance at UD Meubel Sarira and explain 71.1% of performance variation in the sample. At the individual predictor level, only skills have a positive and significant effect. Knowledge and attitude do not contribute significant unique effects once the other predictors are controlled. Performance improvement in this rattan craft enterprise is therefore most closely associated with stronger practical competence, particularly equipment operation, product design, work accuracy, and appropriate task assignment.

RECOMMENDATIONS

UD Meubel Sarira should prioritize practice-based training, mentoring by experienced workers, new-product design exercises, and post-training evaluations linked to quality, time, and output targets. Job knowledge should be translated into observable procedures and practical exercises, while attitude should be assessed through actual workplace behavior. Future research should include several craft enterprises, larger samples, supervisor-rated or production-record measures of performance, and additional variables such as motivation, experience, leadership, and equipment support. The present findings should not be generalized beyond UD Meubel Sarira without further testing.

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