

The Effect of Training and Human Resource Development on Employee Performance at PT PDS



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ABSTRACT: The importance of training and human resource development at PT PDS is expected that employees are able to do their jobs or have capabilities according to competency needs, this also has an impact on the assessment of the user as customers. This study aims to develop an understanding of training and human resource development as a measurement tool in implementing performance. The population of the research is all of employees amounting to 43 people. This research used the saturated sample method, which the population were designated as research respondents. Data was collected through questionnaires distribution to respondents used an ordinal scale with a likert scale (score 1 to 5). The analysis was built using Structural Equation Modeling (SEM) method on Partial Least Square (PLS) analysis software. The results explained that training and human resource development has a direct effect on employee performance.

KEYWORDS: Employee Performance; Human Resource Development; Training.

I. INTRODUCTION

The competition of the business in this modern world is increasingly competitive day by day, therefore every company must be able to manage and process all their resources effectively and efficiently in order to expand their business. Human resources is an important key in a company, with the results of good performance of its employees, the company's goals will be achieved in accordance with what has been set. Training is an attempt conducted by company continuously to develop the knowledge, skill, attitude, behavior of employee in realizing the goals to be achieved by an organization or company according to predetermined standards (Suwatno, 2018). This proves that if employees have the appropriate skills, they will get the ability to do their jobs. Human resource development is an attempt to improve the knowledge, expertise, and ability of employee (Rowley & Jackson in Purnama et al, 2020). This proves that self-development through a specific process, employees are able to understand the job thoroughly and in a long-term. So, the more intensive training and human resource development that the company provides to employees, the more performance will increase (Arifin et al, 2019). That statement is relevant with the results of prior research which stated that training give a direct and positive effect towards employee performance (Ela & Ika, 2023) and HR development give a direct and positive effect towards employee performance (Iqbal & Hesty, 2023).

PT PDS is a subsidiary company of PT PI engaged in labor services. PT PDS was established on March 19th, 2014 with the company address in Surabaya. Over time, PT PDS in 2022 is able to channel a workforce of more than 10,000 people. Through initial observations, the author found a phenomenon that occurs in the implementation of the company's work process, namely in 2022 there are suboptimal performance problems in the company, causing dissatisfaction from partners. The complaints submitted, among others, cokolit billing and payment data do not match the user; operational constraints on the implementation of outsourcing and contracting personnel; real time report on the number of HR late assignments; do not routinely conduct field visits to conduct surveillance.

Every year the company provides training to facilitate employees self-development to improve their competencies. However, the decline in performance experienced by the company is suspected because the training and development of human resources provided still has no impact on employee performance. Through an interview with one of the HR staff, it was found that employees were not fully responsible to do their job. For example, employees who are in charge of supervising the workforce in the field, do not routinely supervise. Then, there were also reports that several times there was a mismatch between the company's data and partners' data. HR staff say that the employee on duty still has not mastered the skills in the performance of his duties. Therefore,

The Effect of Training and Human Resource Development on Employee Performance

the diversity of existing problems is a serious concern for company because what happened in the field is incompatible with the company's vision and mission in order to providing excellent service.

Based on the phenomenas that have been described, the author identifies the formulation of the problem, including: 1) Does training affect towards employee performance at PT PDS?; 2) Does HR development affect towards employee performance at PT PDS?. Also, the purpose of this paper, including: 1) To find out the effect of training towards employee performance at PT PDS; 2) To find out the effect of HR development towards employee performance at PT PDS.

II. LITERATURE REVIEW

A. Employee Performance

Employee performance is the target of employee to achieve accomplishment usually in a short term to carry out their job which is then compared with indicators such as certain criteria or targets set by the company (Andika, 2019). Employee performance indicators according to Mangkunegara (2017), including work quality, work quantity, task implementation, and responsibility.

B. Training

Training is a series of learning activities that arranged to improve skill, experience, expertise, increase knowledge and attitude of employees (Rozalena & Dewi, 2017). Training indicators according to Mathis & Jackson in Qoiroh (2020), including reactions from training, learning outcomes, habit changes, and organizational impacts.

C. Human Resource Development

HR development is a preparation attempt of employees to assume the responsibility and improving knowledge, attitude, ability, and personality trait (Rozalena & Dewi, 2017). Human resource development indicators according to Nugraha (2016), including education, work experience, skill, and technology ability.

The Relationship of Training towards Employee Performance

Training is a systematic change, focusing on knowledge, skills, attitudes, behavior that should be increased continuously to improve employees performance. So, it can reach the goals that must be achieved by an organization or according to predetermined standards (Suwatno, 2018). Training is very important because it can improve employee performance so that it can support the success of the company. With the holding of a training, of course, it is hoped that employee would be able to work more effectively and efficiently, especially to deal with changes in the business world such as technology, work methods, attitude. Therefore, the better the training given to employees, the better they got on performance.

H1: Training is thought to have a positive effect on employee performance at PT PDS.

The Relationship of HR Development towards Employee Performance

HR development can be interpreted as a joint initiative between workers and employers to improve existing individual skills and knowledge (Sedarmayanti, 2009). In reality fact, an employee needs a series of knowledge, skills, and abilities development to work professionally and competently in supporting his career, HR development is an important thing to do to change the human resources owned by the organization or company. Another opinion according to Rowley and Jackson in Purnama et al (2020) said HR development is an attempt that carried out by company to develop the knowledge, expertise, and abilities of employees. Therefore, developing human resources intensively would be able to enhance employee performance with the intention of company goals.

H2: HR development is thought to have a positive effect on employee performance at PT PDS.

III. RESEARCH METHOD

This paper is a quantitative research that used a Structural Equation Modeling (SEM) technique, with data analysis tools Partial Least Square (PLS) analysis software. The employee performance variable (Y) is a dependent variable meanwhile independent variables are training (X1) and HR development (X2). The types of data to managed are primary and secondary data. The data collection methods used in this research were interviews, observations, and questionnaires. The population was employees of PT PDS amounting to 43 respondents. The research used a saturated sample as its sampling method which the entire population was used in this research.

The Effect of Training and Human Resource Development on Employee Performance

IV. RESULT AND DISCUSSION

Outer Loading

Table 1. Outer Loading Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STERR)
X1.1 <- Training (X1)	0.738	0.704	0.158	4.661
X1.2 <- Training (X1)	0.688	0.653	0.155	4.428
X1.3 <- Training (X1)	0.796	0.797	0.078	10.237
X1.4 <- Training (X1)	0.780	0.783	0.092	8.471
X2.1 <- HR Development (X2)	0.744	0.729	0.100	7.454
X2.2 <- HR Development (X2)	0.754	0.749	0.087	8.657
X2.3 <- HR Development (X2)	0.763	0.760	0.074	10.358
X2.4 <- HR Development (X2)	0.741	0.742	0.078	9.517
Y1.1 <- Employee Performance (Y)	0.744	0.728	0.099	7.542
Y1.2 <- Employee Performance (Y)	0.830	0.830	0.053	15.735
Y1.3 <- Employee Performance (Y)	0.809	0.802	0.064	12.552
Y1.4 <- Employee Performance (Y)	0.763	0.750	0.110	6.966

Source: data primary

Measuring the validity of each indicator can be seen through factor loading results from variables to indicators to reach validity, the score must be > 0.5 and the T-Statistic must be > 1.96 ($Z \alpha = 0.05$). In the outer loading outcome, there is one score < 0.7 , but it is still > 0.5 so it can be inferred that the value has matched with the criteria of convergent validity (Chin in Putra, 2019). Based on the table 1, all the details of the indicators on variables such as **Training (X1)**, **Development (X2)**, and **Employee Performance (Y)**, showed a loading factor (O) > 0.5 and significant (T-Statistic $> Z \alpha = 0.05 = 1.96$). In conclusion, the indicators are valid.

Cross Loading

Table 2. Cross Loading Results

INDICATORS	TRAINING (X1)	HR DEVELOPMENT (X2)	EMPLOYEE PERFORMANCE (Y)
X1.1	0.738	0.386	0.433
X1.2	0.688	0.155	0.311
X1.3	0.796	0.545	0.549
X1.4	0.780	0.413	0.484
X2.1	0.433	0.744	0.523
X2.2	0.444	0.754	0.570
X2.3	0.366	0.763	0.474
X2.4	0.347	0.741	0.592
Y.1	0.546	0.508	0.744
Y.2	0.486	0.656	0.830
Y.3	0.472	0.555	0.809
Y.4	0.408	0.552	0.763

Source: data primary

Based on the table 2, all the details of the indicators on loading factor including training (X1), HR development (X2), and employee performance (Y), showed a good score when it is compared to indicators from other variables. So, the results are met with validity or it can be called the validity is good.

Average Variance Extracted (AVE)

Table 3. Average Variance Extracted (AVE) Results

	AVE
TRAINING (X1)	0.565
HR DEVELOPMENT (X2)	0.563
EMPLOYEE PERFORMANCE (Y)	0.620

Source: data primary

The Effect of Training and Human Resource Development on Employee Performance

Based on the table 3, AVE score is more than 0.5 which indicates a good validity for latent variables. The results for the training (X1) is 0.565, the HR development (X2) is 0.563, and employee performance (Y) is 0.620, all variables get a score more than 0.5. So, all the variables in this research inferred have a good enough validity.

Composite Reliability

Table 4. Composite Reliability Results

	Composite Reliability
TRAINING (X1)	0.838
HR DEVELOPMENT (X2)	0.838
EMPLOYEE PERFORMANCE (Y)	0.867

Source: data primary

Measurement of construct reliability is using composite reliability score. It is called reliable if the value obtained from the composite test reliability is above 0.7. Based on table 4, the composite reliability showed the score of training (X1) is 0.838, HR development (X2) is 0.838, and employee performance (Y) is 0.867. All variables of this paper showed a composite reliability > 0.7. In conclusion, all the variables are dependable or reliable.

Latent Variable Correlations

Table 5. Latent Variable Correlations Results

	TRAINING (X1)	HR DEVELOPMENT (X2)	EMPLOYEE PERFORMANCE (Y)
TRAINING(X1)	1.000		
HR DEVELOPMENT (X2)	0.530	1.000	
EMPLOYEE PERFORMANCE (Y)	0.608	0.725	1.000

Source: data primary

Correlations between variables have a maximum score of 1. If the score is almost close to 1, then the correlation they have is better. Based on the table 5, the correlation between variables is average (moderate). The highest score of latent correlation was found between the HR development (X2) towards employee performance (Y) is 0.725.

R-Square

Table 6. R-square Results

	R Square
TRAINING (X1) HR DEVELOPMENT (X2) EMPLOYEE PERFORMANCE (Y)	0.595

Source: data primary

R2 value = 0.595. Table 6 interpreted that employee performance is effected by independent variables, which training and HR development have a main role of 59.5%, while 40.5% left is obtained by other variables outside this research topics (exclude training and HR development).

Path Coefficients

Table 7. Path Coefficients Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STERR)	P Values
TRAINING (X1) -> EMPLOYEE PERFORMANCE (Y)	0.311	0.320	0.124	2.519	0.012
HR DEVELOPMENT (X2) -> EMPLOYEE PERFORMANCE (Y)	0.560	0.573	0.106	5.275	0.000

Source: data primary

The Effect of Training and Human Resource Development on Employee Performance

Table 7 explained that hypothesis of training (X1) affecting on employee performance (Y) at PT PDS is **accepted**, with 0.311 as its path coefficient and T-statistic value $2.519 > 1.96$ (Z alpha = 0.05) and P-Value $0.012 < 0.05$ for significant (positive) results. As well as the hypothesis of HR development (X2) affecting employee performance (Y) at PT PDS is **accepted**, with 0.560 as its path coefficient and T-Statistic of $5.275 > 1.96$ (Z alpha = 0.05) and P-Value $0.000 < 0.05$ for significant (positive) results.

The Effect of Training (X1) on Employee Performance (Y)

Variable that have tested, it was obtained that training has a positive and significant effect on employee performance at PT PDS so the hypothesis is accepted. In the test results, the most contributing indicator was habit change. This explains that the training held by the company has not been effective in increasing employees' sense of responsibility towards their work. This research is relevant to previous one that have been done by Ela & Ika (2023), namely training has a positive and significant effect towards employee performance. In Arifin, et al (2019) said that the training is very important to give an effect because it will improve their performance so that it can support the success of company goals. Therefore, to enhance employee performance, the implementation of knowledge gained from training must be fixed.

The Effect of HR Development (X2) on Employee Performance (Y)

Based on the problem that have tested, it was obtained that HR development has a positive and significant effect on employee performance at PT PDS, so the hypothesis is accepted. In the test results, the most contributing indicator is skill. This explains that employees still do not have good skills in carrying out their work. It is hoped that through the HR development program with intensive supervision, they can hone their abilities and skills in supporting the obligation to complete their work. This research is relevant to previous one conducted by Iqbal & Hesty (2023), namely HR development has a positive and significant direct effect on employee performance. According to Rowley & Jackson in Purnama et al (2020), HR development is a series of efforts and improvements to develop employee's knowledge, expertise, and ability. Therefore, by sharpening skill through HR development programs, it could be improve employee performance.

V. CONCLUSION

Based on research results that used smartPLS test to examine training and HR development give an effect towards employee performance at PT PDS. In conclusion, training has a positive and significant capacity to augment employee performance with the most contributing indicator is habit change. This explains that to enhance employee performance, the implementation of knowledge gained from training must be fixed. Then, HR has a positive and significant capacity to augment employee performance with the most contributing indicator is skill. This shows that sharpening skill through HR development programs, it could be improve employee performance.

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The Effect of Training and Human Resource Development on Employee Performance

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