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Effect Of Training On Employee Performance With Competence And Commitment As Intervening

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Abstract

The higher the level of competition in the steel manufacturing sectors, it is necessary for the company's efforts to survive by carrying out internal strategies in the form of improving employee performance. Training is found to be one of the factors that can affect employee performance. The purpose of this study is to examine the effect of training on employee performance with competence and commitment as intervening variables. The novelty in this research is that no previous research has been found that discusses the effect of training on employee performance with the competence and commitment as intervening employees of the Chemical Recovery Plant (CRP) Coke Oven factory at a steel industry company in in Cilegon. The population in this study were employees of Dinas CRP coke oven factory at a steel industry company in Cilegon. From a total population of 63 people with the characteristics of being organic employees and having gone through two years of service, the number of samples taken is 60 people. Structural Equation Modeling was used to test the statistical significance of the path coefficients. The research findings explain that training has a positive and significant effect on competence. Training has a positive, but not significant, effect on employee performance. Competence has a positive and significant effect on employee performance, while commitment has a positive, but not significant, effect on employee performance.

Keywords: training,competence,commitment,employee performance.

1. Introduction

Training is one of the operational functions in developing human resources to improve skills, knowledge and change attitudes or behavior of employees. The training aims to support the development and maintenance of employees to become reliable human resources and make a positive contribution to the company.

Training has a vital role in organizational development, improving performance, increasing productivity, and ultimately placing the company in the best position to face the competition and stay at the top. [1]

The target of training usually emphasizes increasing knowledge, abilities, and skills to do the work they are currently carrying out. This is by the opinion of Benjamin Bukit [2] which state that one way to improve organizational performance is by increasing employees' professional knowledge by conducting training.

Employees need the competence to achieve good artistry results where knowledge, skills, and skills are needed. The existence of competence will be beneficial in dealing with work problems so that they are quickly resolved. Competence has a significant impact on employee performance [3]. Employee competence is reflected in three forms: knowledge, skills, and



attitudes, which influence employee performance [4]. Employee competence mediates the relationship between human resource practices and organizational effectiveness significantly, where the need for increasing employee competence is very much needed.[5]

When someone joins an organization, they are required to commit themselves. Luthans [6] defines organizational commitment as an attitude that shows employee loyalty and is a continuous process of someone expressing his concern for the organization's success. Low commitment creates problems for organizations because commitment is an expensive "commodity" that determines the organization's success.

Employee performance plays a vital role for an organization because it contributes to the achievement of the performance of each part of the organization, which in the end, the performance of these functions contributes to the acquisition of organizational performance. Low employee performance will hinder the achievement of organizational goals.[7] Kellie [8] stated that the corporate sector experienced an increase in productivity through training and development.

The Department of Chemical Recovery Plant (CRP) is a chemical factory that is part of the coke oven factory, one of the production units of the Cilegon steel industry that produces products in the form of Benzol and Coal Tar (Coal Tar).

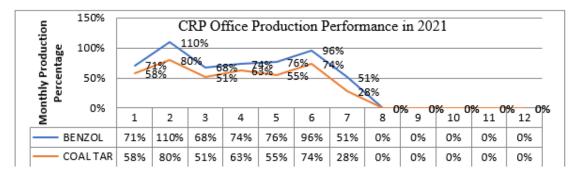


Table 1 Production of Benzol and Coal Tar

Source: CRP service achievement report in 2021

Benzol, an organic chemical compound that is a colorless and flammable liquid with a sweet smell, is usually used as an ingredient in medicines, while Cola Tar (Coal Tar) is a thick dark liquid by-product of the production of coke from coal Coals. This tar has uses in the medical and industrial fields. The performance of the CRP service, which produces Benzol and Coal Tar for the 2021 period in Table 1, shows that production performance has decreased for both Benzol and Coal Tar products.

For this reason, the authors are interested in conducting research and testing the effect of training on employee performance with competence, and commitment as an intervening variable, so that it has a positive impact on improving organizational performance.

2. Literature Review

2.1 Theoretical basis

Training

Andrew E. Sikula in Mangkunegara [9] suggests training is an activity carried out in the form of education in a short time taken with structured and systematic rules where employees at the non-managerial level are obliged to increase knowledge and skills related to work in the following objectives: predetermined goals.

To improve employee performance, training is needed which is adjusted to the workplace with training indicators, namely (1) Instructors, (2) Materials, (3) Participants, (4) Training Time, (5) Objectives and Targets.

Competence

Sutrisno [10] defines *competence* as a combination that includes the tasks, skills, attitudes, and appreciation of the organization's human resources to carry out work tasks by those charged by the organization.

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Gordon in Sutrisno [11] suggests indicators that the competencies must meet possessed, namely: (1) Knowledge, (2) Understanding, (3) Ability, (4) Values, and (5) Attitude.

Commitment

O'Reilly [12] argues that employee commitment to the organization is an individual psychological bond that includes work involvement, loyalty, and a feeling of trust in organizational values.

Meyer and Allen [13] also have the same opinion that commitment is a strong desire to remain a member of a particular organization, a desire to strive by the organization's wishes, and a belief in the acceptance of the values and goals of the organization. In other words, commitment is an attitude that reflects employee loyalty to the organization. Allen and Meyer [14] define organizational commitment in three dimensions, namely: (1) affective commitment, (2) continuance commitment, and (3) normative commitment.

Employee performance

Anwar Prabu Mangkunegara [15], the term performance comes from job performance or actual performance (work achievement or actual achievement achieved by someone). The definition of performance (work achievement) is the result of work in quality and quantity achieved by an employee in carrying out his duties by the responsibilities given to him.

The employee performance indicators are (1) Quality of Work, (2) Quantity of Work, (3) Work Discipline, (4) Cooperation, and (5) Initiative.

2.2 Hypothesis Development

Training (X) and Employee Performance (Y)

Training can improve individual performance through improvements in critical attitudes and behaviors in the workplace.[16]

H1: Training (X) has a positive and significant effect on Employee Performance (Y)

Training (X) and Competence (Z1)

Pranata's 2018 research results also support and develop previous research by Yuniarta [16] and Aditya [17] that job training has a significant effect on employee competence.

H2: Training (X) has a positive and significant effect on Competence (Z1)

Training (X) and Commitment (Z2)

Previous studies have confirmed and supported a positive and significant relationship between training opportunities and practices and employee commitment [18]. Benson [19] results also reveal that training has a significant and positive effect on employee commitment

H3: Training (X) has a positive and significant effect on Commitment (Z2)

Competence (Z1) and Employee Performance (Y)

Competence and employee performance have a positive and significant relationship [20]; this is in line with the opinion expressed by Spencer and Spencer [21], which states that competence can affect employee performance.

H4: Competence (Z1) has a positive and significant effect on Employee Performance (Y)

Commitment (Z2) and Employee Performance (Y)

Soomro states that some literature provides evidence that organizational commitment positively influences organizational and or employee performance [22].

H5: Commitment (Z2) has a positive and significant effect on Employee Performance (Y)

Competence (Z1) Moderates Training (X) on Employee Performance (Y)

Professional development training and interventions using flexible and diverse training techniques tailored to the organizational context can improve individual competencies and performance. [23]

H6: Competence (Z1) moderates the positive effect of Training (X) on employee performance (Y)

Commitment (Z2) Moderates Training (X) on Employee Performance (Y)

High commitment can moderate the relationship between training and employee performance. Yusnandar [24], Commitment moderates the effect of training on employee performance H7: Commitment (Z2) moderates the positive effect of training (X) on employee performance (Y)

2.3 Conceptual Model Framework

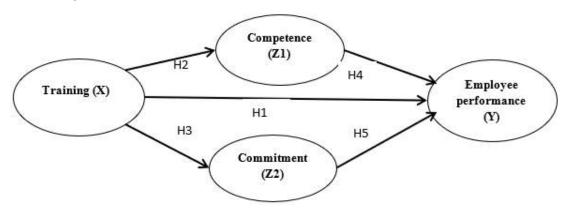


Figure 1 Conceptual Model Framework Source: Processed in research

3. Research Method

This study uses quantitative methods to analyze the effect of training on employee performance through competence and commitment. The data in this study were obtained from primary data. Data was collected using a survey through the distribution of questionnaires. The data collection technique was done by purposive sampling. A total of 60 samples were used to test five (5) established hypotheses. All items were measured using a Likert scale of 1 (strongly disagree) to 5 (strongly agree). The model used in this research is Structural Equation Modeling (SEM) using SmartPLS 3.2.9 in the data processing.

4. Result and Discussion

4.1 Outer Model Evaluation

In testing, the outer model aims to see the validity and reliability of a model. The analysis of this test will be seen from the influence of Factor Loading, Average Variance Extracted (AVE), and Discriminant Validity, as well as composite reliability.

a) Construct Validity Test

Factor loading is the initial stage in testing the validity of a model, the condition for factor loading is that it must be > 0.6 so that the indicator is said to be valid. If it is not valid, it must be removed from the model [25].

To find out the outer analysis of this research model in Figure 2. Figure 2 shows that in the latent training variable, there are 2 (two) indicators must be removed from the model because the factor loading value is <0.6, namely TR1 with the indicator sound, namely the instructor who has factor loading (. Normative, which has a factor loading (0.038).

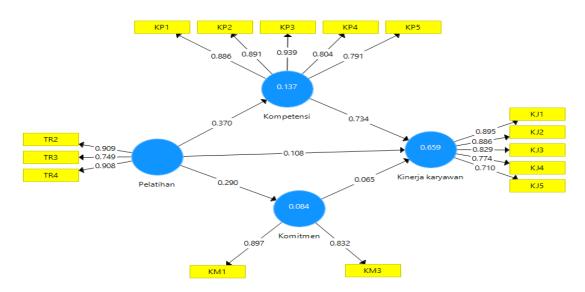


Figure 2 PLS Algorithm Output Results

Because there are 3 (three) indicators removed from the model, a new influence model will be formed to do the following analysis using Bootstrapping.

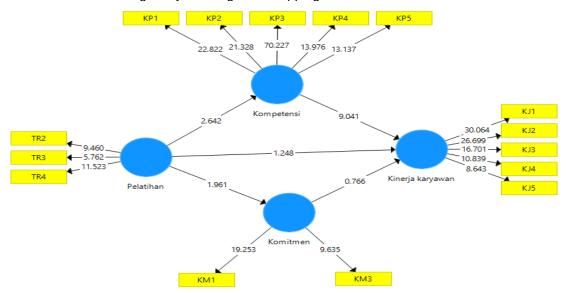


Figure 3 Bootstrapping Output Results

b) Inner Model Evaluation

The next step is to test the validity and reliability in Table 2. From Table 2, the Cronbach's Alpha value for each variable has a value > 0.6, so that it can be concluded that the indicator is consistent in measuring the construct. The AVE value is used to show how much variance the indicator contains in the construct. As a result, it can be seen that the AVE value of each variable has a value > 0.5. The Composite Reliability value has a value of > 0.7 so that it can be stated that there is no problem of unidimensionality of the effect of training on employee performance with competence and commitment as the impact of intervening.

Table	2 P	rodu	ction	of Re	nzol	and	Coal	Tar
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	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Kinerja karyawan	0.877	0.881	0.912	0.675
Komitmen	0.668	0.692	0.856	0.748
Kompetensi	0.914	0.920	0.936	0.746
Pelatihan	0.831	0.926	0.893	0.737

Source: Smart PLS Output, 2021

c) Hypothesis Evaluation

There are five hypothesis testing in this study, the results of which can be seen in Table 3.

Table 3. Significance Test

	Original Sampl	Sample Mean (Standard Devia	T Statistics (O/	P Values
Komitmen -> Kinerja karyawan	0.065	0.065	0.084	0.766	0.444
Kompetensi -> Kinerja karyawan	0.734	0.737	0.081	9.041	0.000
Pelatihan -> Kinerja karyawan	0.108	0.101	0.086	1.248	0.213
Pelatihan -> Komitmen	0.290	0.314	0.148	1.961	0.050
Pelatihan -> Kompetensi	0.370	0.394	0.140	2.642	0.009

Source: Smart PLS Output, 2021

Hypothesis Testing 1

H1: Training has a positive, but not significant, effect on employee performance

The estimated parameter of the effect of training on employee performance is 0.108. The T Statistics value is 1.248 < 1.967, and the P-Value is 0.213 > 0.05, so the hypothesis is rejected, and it can be concluded that training has a positive, but not significant, effect on employee performance. Thus, hypothesis 1 is not supported.

Hypothesis Testing 2

H2: Training has a positive and significant effect on competence

The estimated parameter of the effect of training on competence is 0.370. The T Statistics value is 2.642 > 1.967, and the P-Value is 0.009 < 0.05, so the hypothesis is accepted, and it can be concluded that training has a positive and significant effect on competence. Thus hypothesis 2 is supported.

Hypothesis Testing 3

H3: Training has a positive and significant effect on commitment

The estimated parameter of the effect of training on commitment is 0.290. The T Statistics value is 1.961 < 1.967, and the P-Value is 0.050 > 0.05, so the hypothesis is rejected, and it can be concluded that training has a positive but not significant effect on commitment. Thus hypothesis 3 is supported.

Hypothesis Testing 4

H4: Competence has a positive and significant impact on employee performance

The estimated parameter of the effect of training on competence is 0.734. The T Statistics value is 9.041 > 1.967, and the P-Value is 0.000 < 0.05, so the hypothesis is accepted, and it can be concluded that competence has a positive and significant effect on employee performance. Thus hypothesis 4 is supported.

Hypothesis Testing 5

H5: Commitment has a positive but not significant effect on employee performance

The estimated parameter of the effect of commitment on employee performance is 0.065. The T Statistics value is 0.766 < 1.967, and the P-Value is 0.044 > 0.05, so the hypothesis is rejected, and it can be concluded that commitment has a positive but not significant effect on employee performance. Thus, hypothesis 5 is not supported.

4.2 Intervening Test Results

Table 4 shows the effect of training on employee performance through commitment shown by the original sample value of 0.019 with a positive sign. Because the value of t statistic (0.567) < t table (1.960) and p-value (0.0571) > sig (0.05), then this result shows that there is no indirect effect of training on employee performance through commitment as an intervening variable. Thus the commitment cannot mediate training on the performance of the CRP Service employees in the Cilegon Steel Industry.

The effect of training on employee performance through competence is indicated by the original sample value of 0.271 with a positive sign because the value of t statistic (2.451) > t table (1.960) and p-value (0.015) < sig (0.05) then these results indicate that there is an indirect effect of training on employee performance through competence as an intervening variable, thus, competence can mediate the effect of training on improving the performance of CRP Service employees in the Cilegon Steel Industry.

Table 4. Significance Test

Specific Indirect Effects Copy to Clipboard: Mean, STDEV, T-Values, P-Val... Confidence Intervals Confidence Intervals Bias Co... Samples Original Sampl... Sample Mean (... Standard Devia... T Statistics (IO/... P Values 0.019 0.020 0.033 0.567 Training -> Komitmen -> Kinerja 0.571 Training -> Kompetensi -> Kinerja 0.271 0.294 0.111 2.451 0.015

Source: Smart PLS Output, 2021

5. Conclusion

Based on hypothesis testing by statistical means on the effect of each independent variable on the dependent variable, the conclusions are as follows:

- 1. Training has a positive but not significant effect on employee performance. From these conclusions, the T Statistics value is 1,248 1,967 or the P-Value is 0.213 0.05. This means that the effect of training has less impact on improving employee performance.
- 2. Training has a positive and significant effect on competence, from these conclusions, based on the statistical T value of 2.642 1.967 or the P-Value of 0.009 0.05. This means that the provision of training will have an impact on increasing employee competence.
- 3. Training has a positive but not significant effect on commitment. From this conclusion, the T Statistics value is 1.961 1.967, or the P-Value is 0.444 0.05. This means that the provision of training has less impact on increasing employee commitment
- 4. Competence has a positive and significant effect on employee performance. From these conclusions, the T Statistics value is 2.642 1.967, or the P-Value is 0.009 0.05. This means that the competence is increasing, the employee's performance is getting better.
- 5. Commitment has a positive but not significant effect on employee performance. From these conclusions, the T Statistics value is 0.766 1.967, or the P-Value is 0.444 0.05. This means that the higher the employee's commitment does not guarantee employee performance.
- 6. Thus, the commitment cannot mediate training on the performance of the CRP Service employees in the Cilegon Steel Industry.
- 7. Thus, competence can mediate the effect of training on improving the performance of CRP Service employees in the Cilegon Steel Industry.

6. Managerial Implications

The results of the study have implications for managerial policy. The results of this study can be used as a guide for management in business or ways to improve employee performance. Based on the research results, it is suggested that the Management of the CRP Office continuously improve its employees' skills. Training should be focused on meeting the skills needs of employees. It is further recommended that proper training methods should be implemented promptly. On the other hand, it is recommended that practical issues related to implementing training and applying the skills and knowledge learned in the development of

employee performance, competence, and commitment to the organization need to be considered.

This study has several limitations, namely only focusing on the use of a quantitative research approach. It is hoped that other studies can explore similar problems using a mixed-methods approach, both quantitative and qualitative. In addition, future research can analyze the impact of training on other practical HR functions, such as employee motivation, compensation, work environment, and career policies, to improve the quality of results more comprehensively.

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