

## **The Influence Of Training And Development Toward Employee Performance With Competency As Moderating Variable**

(Case Study of Marketing Team in RodaSakti Surya Megah Corporation,  
Malang, East Java, Indonesia)

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**ABSTRACT:** *This study aims to investigate the relationship between training, employee development and competency on performance. Training and development are the important aspect in organizational studies. The design of training and development program will increase the performance of the company. Seven hypotheses are developed to see the influence of training, employee development and competency on performance. The questionnaires are distributed to 161 marketing team of RodaSakti Surya Megah Corporation, Malang, East Java, Indonesia. Using statistical analysis, the results of this study show that there is a significant influence of training toward competency and performance. In the case of employee development, it has a significant relationship with competency, but it has no significant influence toward performance. This study also investigated the influence of training and development toward performance through competency. The results show that the direct impact is higher than the indirect impact. Therefore, the company has to rethinking about the program of training and development to improve employee competency in order to increase the company's performance*

**KEYWORDS:** training, employee development, competency, performance

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### **I. INTRODUCTION**

The successful of an organization is extremely dependent on its human resources management (Ugbomhe, Osagie, & Egwu, 2016). Organizations must have employees who have the ability to quickly adapt to a dynamic world market. Therefore, they need to invest in employees' training and development to enable organizations to both keep employees and be successful. Training and development is one of the requirements of human resource management as it can improve performance at individual, collegial and organization. Training and development also can lead to improve positive attitudes of employees toward profit orientation, improve the employees' knowledge and skills at all levels of the organization, and improve the morale of the workforce. Besides, training and development also can help the employees identify the organizational goals (Sims, 1990).

Several researchers found that training and development affect the employees' performance and productivity (Imran & Tanveer, 2015; Tahir, Yousafzai, Jan, & Hashim, 2014; Ugbomhe et al., 2016). Based on these researches, this study examined the influence of training and development toward employee performance with competency as intervening variable. This research conducted in RodaSakti Surya Megah Corporation, Malang, East Java, Indonesia, especially in its marketing team. During the last three years, the sales volume of RodaSakti Surya Megah Corporation has been decreased continuously from 2015 to 2017.

The trainer team of RodaSakti Surya Megah Corporation analyzes and evaluates the material of training and development system of marketing team. Here, the marketing team became an object because they play an important role in offering the product to the customers. There are several assumptions that caused the decreasing of sales volume. The first assumption is the material of the training is not suitable with the need of marketing team. Second, the learning motivation of the marketing team getting decline and the third is the development system is not understandable, so the employee development is not running in line with the planning. The next evaluation is marketing team competence. The competency is a basis or requirement of marketing team in order to have ability and learning motivation. Competency is a fundamental requirement to be marketing team in RodaSakti Surya Megah Corporation. Competency enables the marketing team to have learning motivation and understand about employee development. Performance that expected by RodaSakti Surya Megah Corporation is not only from the sales volume sight, but also from the customer services that can make repeat order.

This study is expected to give benefits for RodaSakti Surya Megah, Malang, East Java, Indonesia to evaluate its policies related to employee training and development that conducted by the company. This is in order to increase the employee performance and therefore can increase the company performance too.

## **II. LITERATUR REVIEW**

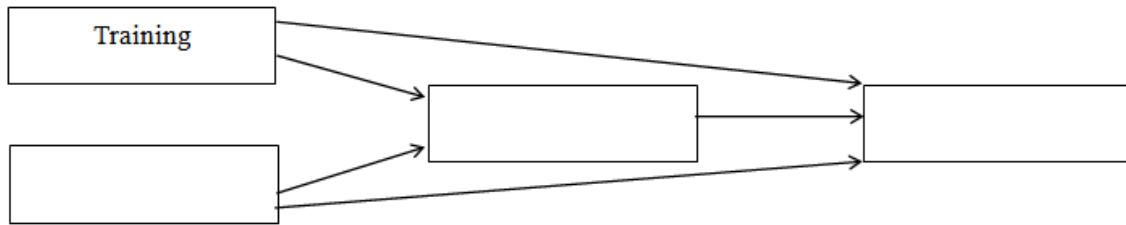
Training is an activity to improve the one's ability related with economic activity. Training can help employees to understand a knowledge and how to implement the knowledge in order to increase their skills, talents and attitudes that needed by organization. Training and development is also a continuous process in improving the excellence of employees (Habib, Zahra, & Mushtaq, 2015). A training program is the employer's movement to provide opportunities to assess the employees' skills, attitudes and information. To overcome the increasing demands in the highly competitive market, the best combination of new technology, skillful and talented people is needed.

There are several methods of training, such as coaching and mentoring, peers cooperation and participation by the subordinates. These methods enable employees to actively participate on the job and produces better performance. Therefore, it can increase organizational performance. The effective training programs are not only develops employees but also help an organization to make best usage of their human resources in favor of gaining competitive advantage. Therefore, it is needed by the firm to design an effective training program for its employees to enhance their abilities and competencies that are needed at the workplace (Jie, 2005). Training is not only develops the capabilities of the employee but also sharpen their thinking ability and creativity in order to take better decisions in time and in more productive manner. Employees' competencies can be improved through effective training programs (Wright and Geroy, 2001). Through effective training programs, the employee competencies can be developed in order to enable them to work efficiently and finally it can achieve firm objectives in a competitive manner. Trained employees are more able to satisfy their customers. Employees who have effective training program will show a greater level of job satisfaction along with superior performance.

Kolibáčová (2014) examined the relationship between competencies of employees with their performance. The finding of the research suggests that the higher the competency, the higher the performance of the employee. The research also finds that enhancing employees' competencies can be done by investing of time and money in staff development. Increasing the employees' competencies can achieve higher performance of individuals, therefore the whole company. Bucur (2013) assessed how different core competencies of managers are linked to managerial performance, on different levels of managerial complexity. The results showed that competencies were significantly linked with managerial performance, but the hierarchy of the competencies was different across the managerial levels. More detail, the study stated that core competencies were more important for top managers and less important for middle managers and line managers in determining managerial performance. Alainati, Alshawi, & L-karaghoul (2010) analyses the concept of competence and the important impact of education and training on the individual competence, therefore the organizational competence. The study aims to compare two different cases on the effect of education and training on competency. The study found that one case shows that there is an effect on competency, but the other case shows that there is no effect of the education and training on competency.

Asfaw, Argaw, & Bayissa (2015) conducted the research to determine the impact of training and development on the employees' performance and effectiveness at District Five Administration Office, Addis Ababa, Ethiopia. By using the cross sectional institutional based quantitative research method, the study found that training and development has positively correlated and statistically has a significant relationship with employee performance and effectiveness. The research recommended that District Five Administration Office shall continue providing employee training and development activities. Ensuring the participation of employees in planning, need or skill deficit identification and evaluation of training and development programs is also an important thing. Besides enhancing their current and future performance, the organizations also have to keep an eye on their performance after conveyance of training. It means a training program needs evaluation (Habib et al., 2015). It is also an organized process of fixing the employees behavior towards the achievement of organization's goals.

Based on the literature reviews above, this study wants to investigate the influence of training and development toward employee performance with competency as moderating variable. The theoretical framework of this study can be seen in the following diagram.



In this study, training and development are as independent variable. These variables are chosen to see their relationship with performance as a dependent variable. Besides, this study also investigated the influence of training and development toward performance with competency as an intervening variable.

Based on the literature review and theoretical framework above, the hypotheses of this study can be developed as follow:

- H1: Training has a significant influence toward competency.
- H2: Employee development has a significant influence toward competency.
- H3: Training has a significant influence toward performance.
- H4: Employee development has a significant influence toward performance.
- H5: Competency has a significant influence toward performance.
- H6: Training has a significant influence toward performance with competency as an intervening variable.
- H7: Employee development has a significant influence toward performance with competency as an intervening variable.

### III. RESEARCH METHOD

This study used quantitative approach. The primary data is collected from marketing team of RodaSakti Surya Megah Corporation, Malang, East Java, Indonesia. The data is collected using empirical approach by interviewing trainer staff and online questionnaires. The population of this study is all of marketing team of RodaSakti Surya Megah Corporation, they are 220 people. Purposive sampling is used for this study. The criteria of the sample are senior salesman, counter salesman, coordinator of dealer salesman, and they have been trained. Based on these criteria, the sample of this study is 161 people. The analysis of the questionnaires was undertaken using Statistical Package for Social Sciences (SPSS).

This study used validity and reliability test to examine the quality of data. Validity test is used to determine whether a measure is measuring the concept that the researcher thinks is being measured. Reliability is the degree to which a measurement procedure produces similar outcomes when it is repeated. Validity of each indicator is measured by comparing the score of coefficient correlation of each indicator with r table. The r table product moment with  $\alpha = 0.05$  and  $n = 161$  is 0.155. This study used 22 questionnaires and all of these questionnaires have positive correlation and higher than r table. It means that there are significant relationships between each score of indicator with the total scores. Significant correlation showed that the indicators can be used to measure the variables is valid. Therefore, the indicators can be used to measure the variables of Training, Development, Competency and Performance. This study used Cronbach Alpha to measure the reliability of the instruments. The instruments are reliable if the value of Cronbach Alpha above 0.6.

**Table 1 The Value of Alpha Cronbach**

Variable	Alpha Cronbach	Descriptions
Training	0.886	Reliable
Employee Development	0.785	Reliable
Competency	0.828	Reliable
Performance	0.748	Reliable

Statistical test showed that the value of all items is higher than 0.6, it means that all of the variables are reliable. This study also used classical assumption tests that consist of normality, multicollinearity, and heteroskedacity Normality is test to know that the sample distribution is come from population that is normal distributed or not. The value of Asymp. Sig. (2-tailed) of the data in this study is 0.333 (higher than 0.05), it means that the data is normally distributed. Multicollinearity test is used to know the correlation between independent variables in multiple linear regression test. Higher colinearity between independent variables will disturb relationship between independent and dependent variables. Based on the output of the coefficients model, the value of VIF of the Training and Employee Development are 3.345, less than 10. Therefore, the regression model doesn't indicate that there are multicollinearities. Heteroskedacity test is used to identify variance differences from residual in an observation with other observations. Regression model should have

residual variance similarity between an observation with other observations (homoscedastic). By using rang spearman, the value of probability sig is higher than 0.05. It means that the regression model is free from heteroskedasticities. This study used Pearson Correlation and Linear Regression statistical model to identify the causal relationship between dependent (Performance) and independent variables (Training and Development).

IV. FINDINGS

RodaSakti Surya Megah Corporation is a distributor of Yamaha motor cycle. Its vision is become the best distributor of Yamaha motor cycle in Indonesia. The company’s mission is to develop business through Yamaha product with originally Japan quality and distributed in East Indonesia regions. Customer satisfaction and information technology will always become a focus of the company. RodaSakti Surya Megah Corporation has several branches. These branches are Malang, Jember, Nusa Tenggara Barat. The respondents of this research are main dealer shops in Malang, East Java, Indonesia that consists of 15 dealers. The respondents consist of all salesmen, sales girl and coordinators sales in main dealer shop in Malang.

The result of statistical test of the Training (X\_1) and Employee Development (X\_2) on Performance can be seen in the table below.

Table 2 Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.884 <sup>a</sup>	.781	.778	1.203

a. Predictors: (Constant), EMPLOYEE DEVELOPMENT\_X2, TRAINING\_X1

The value of R Square of the model is 78.1%. It can be said that Training and Employee Development have 78.1% influent on Performance, while 21.9% the Performance is influenced by other variables that are not in the model. The statistical test for the influence of Training and Employee Development on Performance with

Table 3 Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	.742	.877		.847	.398
	TRAINING_X1	.294	.041	.490	7.201	.000
	EMPLOYEE DEVELOPMENT_X2	.551	.087	.432	6.340	.000

a. Dependent Variable: COMPETENCY\_Z

Source : Output Spss

Competency as intervening variable showed in table below.

Based on the statistical analysis, the coefficients significance of Training (X1) is 0.000 and Employee Development (X2) is also 0.000. These values are less than 0.05; it means that Training and Employee Development have significant influence on Competency.

The sig. value of Training is 0.000, Employee Development is 0.185 and Competency is 0.010. Based on the

Table4 Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.453	.701		2.074	.040
	TRAINING_X1	.267	.038	.585	7.098	.000
	EMPLOYEE DEVELOPMENT_X2	.103	.078	.107	1.331	.185
	COMPETENCY_Z	.165	.063	.217	2.600	.010

a. Dependent Variable: PERFORMANCE\_Y

result, it can be concluded that Training and Competency have influence on Performance, whereas Employee Development doesn't have influence on Performance. The Employee Development doesn't influence the Performance, because its sig. value is higher than 0.05.

**Table5 Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.872 <sup>a</sup>	.760	.756	.959

a. Predictors: (Constant), COMPETENCY\_Z, EMPLOYEE DEVELOPMENT\_X2, TRAINING\_X1

The value of R Square is 0.760. It means that Training, Employee Development, Competency have 76% influences on Performance, while another 24% is influenced by other variables that are not in the model.

Based on the statistical analysis above, the H1: Training has a significant influence toward competency is accepted. Its sig. value is less than 0.05. It can be said that the training has direct influence toward competency. H2: Employee development has a significant influence toward competency is also accepted, because it has sig. value 0.00 or less than 0.05. Therefore, the employee development has a direct impact on competency. The sig. value of hypothesis 3 is 0.00 which is less than 0.05. Based on this value, the H3: Training has a significant influence toward performance is accepted. This has a meaning that training will influence the employee performance. Different with H1, H2, and H3, the sig. value of H4 is 0.185 which is higher than 0.05. Therefore, H4: Employee development has a significant influence toward performance is rejected. It means that there is no direct influence between employee developments with performance. H5: Competency has a significant influence toward performance is also accepted, because it has sig. value 0.01 which is less than 0.05. This also can be said that competency has direct influence on performance.

The direct influence of training on performance has value 0.585, whereas the indirect impact of training toward performance through competency is 0.106 {the beta of training on competency (0.490) multiply beta of competency on performance (0.217)}. Based on this calculation, it can be concluded that the total direct influence of training on performance is 0.691 which is direct plus indirect influence or 0.585 +0.106. In this analysis, the direct influence is higher than indirect impact (0.585 > 0.106), this result means that through competency; the training has no sig. influence on performance. Therefore, H6: Training has a significant influence toward performance with competency as an intervening variable is rejected. For the H7: Employee development has a significant influence toward performance with competency as an intervening variable, it can be seen that the direct influence of employee development on performance is 0.107; whereas the indirect influence of employee development toward performance with competency as an intervening variable is 0.094 (0.432 X 0.217). Therefore the total influence is 0.201 (0.107 + 0.094). Based on the calculation, the direct impact is higher than the indirect influence, so it can be concluded that H7 is rejected; there is no significant influence of employee development toward performance through competency.

## V. CONCLUSION

This study aims to investigate the relationship between training and development with competency and performance. The competence of marketing team in the RodaSakti Surya Megah Corporation, Malang, East Java, Indonesia consists of communications that standardized by the company, attitude and communication that follow the operational standard of the company. The communication has to explain the advantages of each product and the solution of each customer complaints. This study found that there are a significant relationship between training and development on competence. It means that training and development program that already have by the company able to support marketing team of the company to improve their competencies.

This research also examined the relationship between training and employee development toward performance. The result showed that there is a significant relationship between training and performance, but there is no relationship between employee development and performance. Therefore, the employee development program in RodaSaktiSurya Megah Corporation is not enough to increase the performance. Based on the statistical calculation, the direct impact of training and employee development on performance is higher than their indirect impact. It means that RodaSaktiSurya Megah Corporation needs to analyze again the program increasing performance through the employee competencies. This describes that may be the marketing team don't understand what their competencies that company expected in order to increase the performance.

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