The Influence of Competence, Training, and Career Development on Employee Performance at Pabrik Gula Lestari Nganjuk Installation Section

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ABSTRACT

Performance is a measure of the company's goals and the comparison of the work of an employee to the company's standards. This study aims to determine the effect of competency, training, and career development on the performance of PG Lestari employees in the Installation Section. Motede's research uses quantitative research methods and sampling techniques are nonprobability sampling with purposive sampling techniques. The measuring scale used is the Likert scale 1-4. The sample of this study was 39 people in the Installation section of the Lestari Nganjuk Sugar Factory with the stipulation that only employees have the status of permanent employees and have attended training at least once. Data processing and hypothesis testing using Partial Least Square (PLS) assistance. The results of this study were 1) employee competency (X1) had no significant effect on employee performance (Y), 2) employee training (X2) had a significant effect on employee performance (Y), and 3) employee career development (X3) had a significant effect on employee performance (Y).

Keywords: Employee Performance; Competency, Training; Career Development

INTRODUCTION

Human resources need to be trained because they are an asset of a company and developed because they are the driving force of an organization (Susan, 2019). According to Suwandana & Werdiasih (2018) Through performance, the company can find out the extent of the ability of these employees. Employee work results can be determined by the employee's ability and competence in carrying out their duties and responsibilities. Competence is one of the factors that support the performance of a company's employees. Employee competence is an important organizational strategy to remain competitive (W. Wahyudi et al., 2022). As more employees compete in the field, productivity can be improved.

Apart from performance, the success of a company in managing human resources is a measure of success. Quality human resources can be obtained from HR training conducted by the company. Hasibuan (2018) revealed that one of the external factors that affect employee performance is training. Apart from training, Hasibuan (2019) Career development is also external factors that affect employee performance.

The Lestari Sugar Factory (PG Lestari) is a business unit of PT Perkebunan Nusantara X whose management is under PT Sinergi Gula Nusantara (PT SGN). PG
Lestari is located on Jalan Raya Lestari, Kec. Patianrowo, East Java. PG Lestari is one of the largest BUMN companies in the agricultural sector in Nganjuk Regency. PG Lestari itself has several sections, including Finance and General, Processing, Installation, Quality Management, and Plant sections. Every year, PG Lestari does a milling process to produce their main product, namely granulated sugar. However, the sugar target from PG Lestari for 2020-2022 was not achieved. This shows that productivity is still not optimal and this can be caused by the poor performance of its employees.

Researchers suspect that if the target is not achieved from PG Lestari, it can be caused by a lack of ability or competence of employees; one of them is the employee in the installation section who is in charge of preparing, controlling, and maintaining factory equipment, and repairing damaged production equipment. The duties assigned to the Installation Section certainly require employees to have competence in their fields. This relates to the PG Lestari production process which is so dependent on the equipment operated by the Installation Section. If the equipment is damaged, the production process can stop and will affect the productivity of PG Lestari.

Employees with less ability can actually be developed to achieve goals or goals by taking training. With training, PG Lestari's employee competency in the Installation section can be improved. PG Lestari Installation Section has three types of training: certification, reservation, and in house training. However, from the observations conducted by researchers, there are several categories of certification and training that are not achieved by the target. There were 4 trainings and certifications that were not achieved among the 11 certifications and trainings held until the end of 2022.

Another problem in the PG Lestari Installation section that researchers assume can affect the performance of employees is regarding career development. At PG Lestari, there are two types of promotions, namely leadership promotions (positions) and executive promotions (class increases). In the Installation section itself, there are 4 main career paths, namely installation manager, assistant manager, senior supervisor, and employee.

Based on the researchers’ observations, promotions to achieve higher career development can be given to employees with high achievements and high performance and after obtaining approval from PTPNX. There are three other factors that influence employee promotion, namely formal education, length of service or work experience, and grade or class. Because employees in the Installation Section have almost the same level of education, what is challenging for employees to promote is the length of work and the group. Employees who work longer hours and have higher grade levels have the potential to be promoted first.

In addition, the annual increase in class is limited by the quota used by all sections of PG Lestari. This is one of the problems assumed to affect PG Lestari's employee performance. From this background, the formulation of this research problem is:

1) Is there a significant influence between PG Lestari's employee competency and PG Lestari's employee performance?
2) Is there been a significant impact between PG Lestari’s employee training in the Installation Section on employee performance PG Preserve Installation Parts?

3) Is there a significant influence between the career development of PG Lestari employees in the Installation Section on the Performance of PG Lestari employees in the Installation Section?

Furthermore, the purpose of this study was to identify the influence between competence, training, and the environment and career development of PG Lestari Part Installation with PG Lestari Part Installation employee performance.

LITERATUR REVIEW

Competence

The skills, knowledge, and personality of a person used to do a job can be referred to as competence (Ashari et al., 2021). Competence is defined as the basic characteristics possessed by workers to contribute to their work and the organization (Tyas et al., 2020). From the understanding described by previous researchers, it can be concluded that competence is the basic ability of a person when doing his job so that it fits the goals and standards of the company.

Competencies can be divided into two: soft competency and hard competency. Soft competency deals with the ability to manage work processes, human relationships and human interactions. While hard competency leads to functional or technical capabilities (Faruk, 2021). There are several benefits of competency according to Widyaningrum (2019: 31), work standards and work directions, employee selection tools, maximizing productivity, being the basis for remuneration, facilitating adaptation to existing changes, and adapting work behavior to organizational values. Competency indicators are work experience, education, knowledge, and skills (Sutrisno (2015) in Abdi & Rasmansyah (2019).

Training

Training is an ongoing process that aims to improve the quality of employees (Yimam, 2022). Training can also be referred to as a way that is carried out by institutions or organizations so that employees can achieve company goals or plans by increasing skills at work (Ihsani & Rini, 2023). So that the definition of training is a continuous process that has the goal of improving the ability, competence and performance of employees.

There are several benefits from training, including: productivity increases both in quality and quantity, employee learning time to achieve work standards is reduced, attitudes, loyalty and cooperation can be formed even better, human resource planning needs are met, and employees can be helped to improve and develop themselves (Simamora (2015) in Hayati & Fitria (2018)). Training indicators according to Mangkunegara in Syahputra & Tanjung (2020) are instructors, materials, participants, methods, goals, and objectives.
Career Development

Career development can be referred as employee's effort to achieve career plans and needs to be supported by the company (Setyawati et al., 2022). Career development is an activity that can help employees of a company to plan their careers in a company with maximum self-development so that the company develops too (Wahyuni et al., 2022). Based on the explanation of the definition of career development from several previous researchers, the conclusion is career development is an activity carried out by employees to realize their career planning through improving employee performance and self-development.

According to Setyawati et al. (2022) the goal of career development is to improve and improve the effectiveness of job execution in order to make the most contribution to the realization of corporate/organizational business goals. Career development is also expected to motivate employees to work better and achieve employment achievements, for the sake of future careers (Sahadewa & Rahmawati, 2021). In addition, career development also aims to adapt employees to the needs of the organization (Suparjo & Sunarsi, 2019). The Indicators of career development are career clarity, self-development, and quality of work improvement (Busro, 2018: 281).

Performance

Employee performance is the ability to achieve work targets and complete them at the right time so that goals will be by company morals and ethics (Herwina, 2022). Rosmaini & Tanjung (2019) reveals that performance is a comparison of work results achieved by employees to predetermined standards. Thus, from the description of the performance understanding above, researchers can conclude that performance is a measure of the achievement of the company's goals and the comparison of the work results of an employee to the company's standards.

There are three factors that affect performance, namely individual, organizational, and psychological (Ahmed et al., 2018). There are three factors that affect performance, namely individual, organizational, and psychological (Hasibuan, 2018). Performance indicators are the quantity of results, quality of results, timeframe for achieving results, attendance, and cooperative attitude (Mathis & Jackson (2008) in Mangkunegara (2018)).

The Influence of Competence on Employee Performance

Wahyudi et al. (2022) said that competence related to tasks in work can improve employee performance. Research by Susanto et al. (2022) also shows that there is an influence between competence and employee performance. The results of this study are also supported by other researchers who have the same results, namely that there is a significant influence between competence and employee performance (Rakhmalina, 2021). Therefore, the researcher's hypothesis is:

**H1:** There is a positive and significant influence between competence and employee performance on the PG Lestari Installation section
The Effect of Training on Employee Performance

The research by Gibran & Ramadani (2021) shows that training has a partially significant effect on employee performance. In line with previous research, the study also concluded there is a significant influence between training and employee performance (Hermawati et al., 2021); (Safitri, 2019). Therefore, the hypothesis of the research is:

H2: There is a positive and significant influence between training and employee performance on PG Lestari’s Installation section

The Influence of Career Development on Employee Performance

Setyawati et al. (2022) in his research show that there is a significant relationship between career development and employee performance. Research by Mukrodi & Fitriani (2022) also shows that employee career development and performance had a positive and significant influence. Other researchers, Gibran & Ramadani (2021) and Budiyanto (2022) proved that career development has a significant influence on employee performance. Therefore, the researcher's hypothesis is:

H3: There is a positive and significant influence between career development and employee performance on PG Lestari's Installation section

Conceptual Framework

Based on the theoretical basis and hypotheses that have been presented, the conceptual framework and hypotheses of this study are as follows:

![Figure 1. Conceptual Framework](image)

RESEARCH METHODE

This research is a quantitative study with a sampling technique using purposive sampling technique. Soegiyono, (2013: 85) reveals that Purposive sampling is a method of sampling characterized by specific deliberations. This study uses purposive sampling because researchers need data from employees who have
certain criteria only, namely those who only have status as permanent employees and have attended training at least once. The total population in this study was 54 employees of the PG Lestasi Installation Section, while the sample used in this study was 39 people consisting of PG Lestari employees in the Installation section according to predetermined criteria. In this study, the analysis technique used was Partial Least Square (PLS).

RESULT AND DISCUSSION

Characteristics of Respondents

Respondents in this research are 39 employees of the Installation department with 37 male and 2 female respondents. The most dominant employee age is employees with productive age between 41-50 years old with a percentage of 48.71% or 19 respondents, followed by employees with age> 50 years by 33.34%, and productive age between 31-40 years amounting to 17.95%. All respondents in this research are employees with a high school/vocational high school education level and all respondents have participated in training at least once.

Validity Test

The convergent validity test is completed through the Loading Factor analysis of each indicator on its construction with a minimum limit of 0.5. If the loading factor value is> 0.5, it has met convergent validity. In the figure above, all loading factor values are >0.5 so that the measurement of this study has met the criteria.

Table 1. Cross Loading

<table>
<thead>
<tr>
<th></th>
<th>X1</th>
<th>X2</th>
<th>X3</th>
<th>Y</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1.1</td>
<td>0.737</td>
<td>0.089</td>
<td>0.166</td>
<td>0.186</td>
</tr>
<tr>
<td>X1.2</td>
<td>0.784</td>
<td>0.218</td>
<td>0.068</td>
<td>0.281</td>
</tr>
<tr>
<td>X1.3</td>
<td>0.755</td>
<td>0.119</td>
<td>0.232</td>
<td>0.222</td>
</tr>
<tr>
<td>X1.4</td>
<td>0.654</td>
<td>0.049</td>
<td>0.086</td>
<td>0.113</td>
</tr>
<tr>
<td>X2.1</td>
<td>0.065</td>
<td>0.627</td>
<td>0.216</td>
<td>0.279</td>
</tr>
</tbody>
</table>
Cross loading in the table above shows that all loading factor values on each shaded indicator show a loading factor value that is larger than the loading factor of other variable indicators, so the conclusion is that all indicators in this study have good validity.

Table 2. Average Variance Extracted (AVE)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Average Variance Extracted (AVE)</th>
</tr>
</thead>
<tbody>
<tr>
<td>X1</td>
<td>0.539</td>
</tr>
<tr>
<td>X2</td>
<td>0.505</td>
</tr>
<tr>
<td>X3</td>
<td>0.646</td>
</tr>
<tr>
<td>Y</td>
<td>0.609</td>
</tr>
</tbody>
</table>

The Average Variance Extracted (AVE) also shows the validity value. Indicators are declared valid if the AVE value is > 0.5. From that table above, it can be shown that all variables have a value of > 0.5 so that all variables in this research are considered to have good validity.

Reliability Test

Composite reliability is a measure that indicates the level of trust or dependence inherent in the measurement tool. Reliability also reflects the instrument’s uniformity in measuring the same phenomenon. Construct reliability is measured by the composite reliability value, the construct is reliable if the composite reliability value is > 0.7, so the indicator is consistent in the measurement of the latent variable. The composite reliability value of X1 is 0.756, X2 is 0.768, X3 is 0.749, and Y is 0.872 so that all variables have a value of > 0.7 so that the variables in this study are considered reliable.

Latent Variabel Correlations

The latent value of the variable between the competency variable (X1) on performance (Y) is sufficient, which is 0.294, while training (X2), and career
development (X3) on performance (Y) has a strong correlation value of 0.566 for X2 to Y, and 0.611 for X3 to Y. The highest value is owned by X3 to Y which can be represented that the relationship between career paths and the performance of PG Lestari employees in the Installation Section shows a closer correlation between other variables and the high and low performance of employees is more influenced by career paths than competence and training.

**Hypothesis Test**

| Original Sample (O) | Sample Mean (M) | Standard Deviation (STDEV) | T Statistics (|O/STDEV|) |
|---------------------|-----------------|-----------------------------|--------------------------|
| X1 -> Y             | 0.159           | 0.188                       | 0.119                    | 1.332                     |
| X2 -> Y             | 0.318           | 0.323                       | 0.159                    | 2.002                     |
| X3 -> Y             | 0.412           | 0.428                       | 0.192                    | 2.140                     |

Source: PLS data processing result

From this table, it can be concluded that the research hypothesis stated:

1. **H1**: there is a positive and significant influence between competence (X1) and employee performance at PG Lestari in the Installation section (Y) is rejected. In the X1 to Y relationship table, the path coefficient or original sample is 0.127 with T Statistics 0.586, which is <1.96. Thus, competence (X1) has an insignificant positive effect on employee performance at PG Lestari in the Installation section (Y).

2. **H2**: there is a positive and significant influence between training (X2) and employee performance at PG Lestari in the Installation section (Y) is accepted. In the X2 relationship table with Y has a path coefficient or original sample of 0.318 with T Statistics 2.002 which value is> 1.96.

3. **H3**: there is a positive and significant influence between career development and employee performance at PG Lestari in the Installation section is accepted. In the X3 relationship table with Y, it has a path coefficient or original sample of 0.412 with T Statistics 2.140, whose value is> 1.96.

The significance diagram of the results of the T-Statistic value can be seen in the smartPLS output with bootstrapping in the figure below.
The Influence of Competence on Employee Performance

The analysis results show that the competence of PG Lestari employees in the Installation Section has no effect on their performance and education has the highest influence on competence.

All employees have a high school / vocational high school education level, so their educational background cannot fully guarantee that employees have sufficient competence to improve their performance. Therefore, appropriate training is needed to improve this competency. In addition, from the respondents’ answers, there are still some employees who have educational backgrounds outside their field of work. Employees with a high school background generally have less competence than employees with a vocational background because during education employees learn general things, not specialized in a field. According to the results of this description, it can be concluded that the competence possessed by PG Lestari employees in the installation section does not contribute to employee performance. So, even though competence increases, the increase in performance is so small that it is seen or even does not increase.

Another factor that causes competence not to contribute to performance is due to the different types of certifications received by employees. The 39 existing employees were not given the same type of training, this is reflected in the characteristics of respondents who participated in training and certification where some attended turbine operator training and certification, some attended boiler operator certification training, and some had other certifications. This causes employees to have different competencies from one another.

Although not in accordance with theory, these results are supported by other studies that have the same results as the research conclusion which says that there is a positive and insignificant effect of competence on employee performance (Rosmaini & Tanjung, 2019); (Pohan et al., 2021).

The Effect of Training on Employee Performance

Figure 3. Inner Model with Bootstrapping T-Statistic Significance Value
Source: PLS Output
According to the results of the research conducted, the results show that training has an influence on the performance of PG Lestari employees in the Installation Section. Participants have the greatest influence on training. Participants in the training have high enthusiasm as shown by the results of the questionnaire answers with the question "I am always eager to attend training" having dominant agree and strongly agree answers. Participants who have high enthusiasm and motivation to attend the training can affect the smooth running of the training itself because the training will not run if there are no participants. In addition, the success of training can be seen from the participants themselves, such as the participants' understanding of the material presented, to the abilities and skills that increase after training. In this study, all participants had participated in at least one training and certification, which proved that the participants had the interest, enthusiasm, and motivation to attend the training.

From the description above, it can be concluded that the training conducted for PG Lestari employees in the Installation Section has contributed to the performance of the employees themselves. If employee training is improved, employee performance will also increase. Meanwhile, if the training is not going well, the performance will decrease.

The results of this research are in accordance with the research by Fizia & Muttaqijn (2018) which concluded that the influence of training on employee performance. Mahfudiyanto (2018) also has results that state that there is an influence between training and employee performance.

**The Influence of Career Development on Employee Performance**

The analysis that has been done in this study shows that career development has an effect on employee performance and the most dominant influence on career development is self-development. These results show that PG Lestari employees in the Installation section agree that they can develop themselves through both formal and informal education. Informal education can be obtained through training and certification. With training and certification, employees can develop themselves and prepare themselves to fill vacant positions or climb the career ladder in the future. In addition, in accordance with the provisions in PG Lestari which make work assessment, education, and class for promotion. With the opportunity to develop themselves, employees can have the opportunity to improve their career path and improve their performance.

From the above description, it can be inferred that career development has a contribution to the performance of PG Lestari employees in the Installation section so that if career development which includes career clarity, self-development, and work quality improvements increases, employee performance will also increase, and vice versa. This research is related to the results from Fizia & Muttaqijn (2018) In addition, Wahyudi et al. (2021) in their research stated that career development has an influence on employee performance.
CONCLUSIONS AND SUGGESTIONS

Research that has been conducted at PG Lestari in the Installation Section with a sample size of 39 people and with the criteria that respondents are employees who do not hold positions and have attended training at least once has concluded that competence does not contribute to the performance of PG Lestari employees in the Installation Section because all employees have high school/vocational education and have different certifications, while training and career development have contributed to the performance of PG Lestari employees in the Installation Section because employees have the enthusiasm to take part in training and employees have the opportunity to develop themselves through informal education such as training and certification.

For future research, it is highly encouraged to use other variables to see what affects employee performance because there are still several other factors that can affect employee performance, such as employee satisfaction, leadership, and compensation.

REFERENCE


Alfabeta.


