

ANALYZING THE INFLUENCE OF TRAINING AND DEVELOPMENT ON ORGANIZATIONAL PERFORMANCE AT PT. BANK TABUNGAN NEGARA (PERSERO) TBK MANADO

by:

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ABSTRACT

Nowadays human resource is a crucial things, so that many company implement training and development for their employees to face the competition. The objectives of this research are to analyze the influence of Training and Development on Organizational Performance at PT. Bank Tabungan Negara (Persero) Tbk, Manado. This is a quantitative research that associative with multiple linear regression analysis technique. The population in this study is the employees at PT. Bank Tabungan Negara (Persero) Tbk, Manado and the respondents are 30 peoples. This study may imply that the contribution of Training Design, On the Job Training, and Delivery Style on Organizational Performance of 86% while the remaining 14% is affected by other variables not examined in this study. For PT. Bank Tabungan Negara (Persero) Tbk, Manado in the managerial role should care about the Influence of Training and Development on Organizational Performance so that through this research the company can get more information about the fact which happens and company may improve the human resource practice especially in training and development.

Keywords: *training and development, organizational performance*

INTRODUCTION

Research Background

Nowadays development in business is characterized by economic growth. In Indonesia all organizations or companies face the tight competition to get their desired market. By the existence of technology and science development, organizations are able to improve their performance but they also realize that in order to face the competition, they need human resources. Human resources are very crucial because it is a very powerful asset in supporting the business activities of an organization.

Human resources that competent can be seen from the performance of the existing workplace. To get competent human resources, organizations need to pay more attention to employees to improve their performance. Good organizational performance depends on the performance shown by the employees in the workplace. This is necessary because employees are measuring tool to determine the achievement of organizations desired goals by the organization. To get qualified employees typically an organization holds a recruitment and selection process on each employee who will be working in the organization. After the recruitment and selection process, one of the important steps that should be taken by many organizations to improve the performance of the organization is to facilitate or provide training to each employee.

Organizations implement training and development process on employees of the Bank because beside being organization that provides a safe escrow services and provide loans to customers, banks is supposed to make it easier for customers to do transaction through ATM. One of the banks that implement training and development is PT. Bank Tabungan Negara (Persero) Tbk Manado, Bank Tabungan Negara is a state-owned company (State Owned Enterprises). Based on the annual report in 2013, Bank Tabungan Negara has held a

series of training programs, learning and development of employees as described with an investment cost of Rp110.07 billion. Around 595 kinds of activities have been carried out by the Bank Tabungan Negara to 19.331 employees as participants, assuming 1 employees get more than one education. From those activities, it can be seen that the organization is willing to provide training and development to improve the performance of employees because the performance of an organization is determined by the performance of employees.

Research Objectives

This research has several objectives are to analyze the influence of:

1. Training Design, On the Job Training, and Delivery Style on Organizational Performance simultaneously.
2. Training Design on Organizational Performance partially.
3. On the Job Training on Organizational Performance partially.
4. Delivery Style on Organizational Performance partially.

THEORETICAL FRAMEWORK

Theories

Human Resources Management

Armstrong (2006:1) Human resource management is defined as a strategic and coherent approach to the management of an organization's most valued assets – the people working there who individually and collectively contribute to the achievement of its objectives.

Training and Development

Tahir et al. (2014) Training and Development basically deals with the acquisition of understanding, know-how, techniques and practices. In fact, training and development is one of the imperatives of human resource management as it can improve performance at individual, collegial and organizational levels.

Training Design

Snell and Bohlander (2010:314) The success of training programs depends on more than an organization's ability to identify its training needs. Success hinges on taking the information gained from the needs assessment conducted by the firm and utilizing it to design first-rate training programs.

On The Job Training

Dyck and Neubert (2009:371) OJT typically involves having a more experienced member "show the ropes" to a newer member. This type of training has a long history, going back centuries to the days when "apprentices" used to work with "master" craftspeople so as to become journeymen and then masters themselves. When it works, OJT is considered to be the fastest and most effective form of training.

Delivery Style

Griffin et al. in Khan et al. (2011) concluded that if someone is not delivering the training in an impressive style and he is not capturing the attention of the audience it means he is wasting the time.

Organizational Performance

Cook and Hunsaker in Raza (2014) said that the performance of the organization refers to those attitudes' that have been assessed or measured as to their contribution to organizational goals. The behavior or attitude *indicated* the approach and skills of the management specially line management that helps them to use the resources' successfully and professionally with competency.

Previous Research

Khan et al. (2011) The decision is there should be Training and Development in every organization. Although there are some disadvantages like it is costly to give training to the employees, but the advantages of Training are much more than its disadvantages which are briefly discussed in this research. Batool and Batool (2012) This study aims to investigate in measuring the training needs of the employees at privet and the organizations by applying the tools which measures the factors which affects the competitive advantage. It has also been endeavored to evaluate the role of training process on crafting the organizational competitive

advantage with satisfaction of employees and for the overall performance of organization. Organizations mostly invests a lot on their human capital to fulfill their training needs and improve their skills generally by organizing training programs/modules to make their competencies in accordance with the needs of changing world which finally contributes to gain the competitive advantage. Findings of this study enlighten the effective and compatible features of employee training by using and modeling quality dimensions with training module to cover the quantitative and qualitative aspects. Raza (2014) There are very few organizations which fulfilled the demand with reference to the requirements of strategic training and development. This leads towards widening the gaps between the required skills and the attained skills of the employees. These circumstances are disturbing the balance and equilibrium of better performance in Human resource management and development via training and development.

Research Hypothesis

The hypotheses of this research are:

- H_1 : There is a significant influence of Training Design, On The Job Training, and Delivery Syle on Organizational Performance in PT. Bank Tabungan Negara (persero) Tbk, Manado simultaneously.
- H_2 : There is a significant influence of Training Design on Organizational Performance in PT. Bank Tabungan Negara (persero) Tbk, Manado partially.
- H_3 : There is a significant influence of On the Job Training on Organizational Performance in PT. Bank Tabungan Negara (persero) Tbk, Manado partially.
- H_4 : There is a significant influence of Delivery Style on Organizational Performance in PT. Bank Tabungan Negara (persero) Tbk, Manado partially.

Conceptual Framework

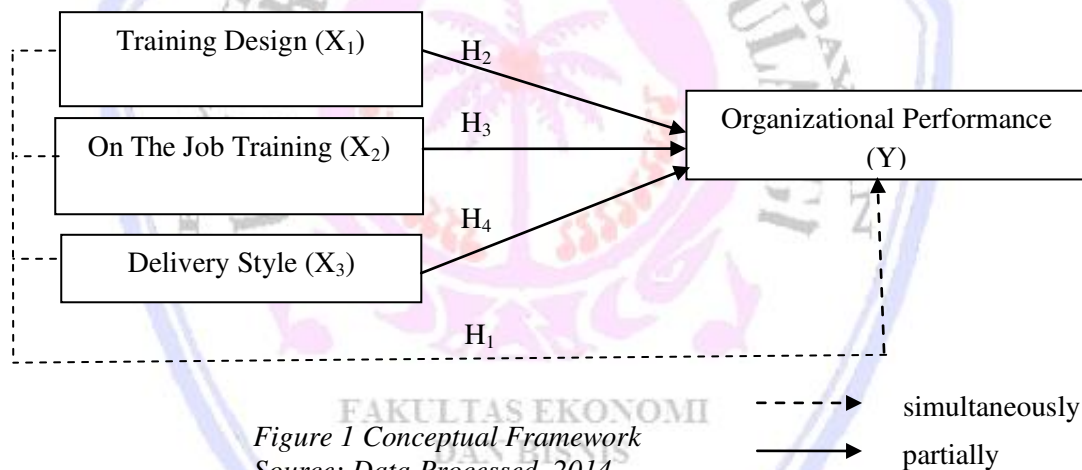


Figure 1 Conceptual Framework
Source: Data Processed, 2014

RESEARCH METHOD

Type of Research

This research is quantitative method. Taylor in Tahir et al. (2014) The Quantitative research is that which tries to find answer to a question through analysis of quantitative data, i.e., the data shown in figures and numbers.

Place and Time of Research

The location of this research is PT. Bank Tabungan Negara (Persero) Tbk, Manado. The purpose of this research is to Analyzing The Influence of Training and Development On Organizational Performance. Which is located in Jl. Wolter Monginsidi No. 56 Manado and this research regarding the employee in PT. Bank Tabungan Negara (Persero) Tbk, Manado as respondents from July to September 2014.

Population and Sample

Sekaran and Bougie (2009:262) the population refers to the entire group of people, events, or things of interest that the researcher wishes to investigate. The population of this research is employees in PT. Bank Tabungan Negara (Persero) Tbk, Manado.

This research taken 30 respondents, based on purposive sampling technique of Nonprobability sampling method. Sekaran and Bougie (2009:276) stated that purposive sampling is confined to specific types of people who can provide the desired information, either because they are the only ones who have it, or conform to some criteria set by the researcher.

Data Collection Method

Sekaran and Bougie (2009:180) stated that Primary data refer to information obtained first-hand by the researcher on the variables of interest for the specific purpose of the study.

There are two models to collect data through questionnaires:

- 1) Self-administered Survey
The data collect by questionnaire. The respondent reads the questions and then answers the questions directly on questionnaire.
- 2) Face-to-face Interview
Face-to-face Interviews were conducted with employees in PT. Bank Tabungan Negara (Persero) Tbk, Manado.

Secondary data refer to information gathered by someone other than the researcher conducting the current study (Sekaran and Bougie, 2009:184). The secondary data in this research was taken from the company itself, journals, books, and Internet.

Operational Definition

Operational definitions of research variables are:

1. Training Design (X_1) is the basic needs of employees, training also should have times and money to design employee need.
2. On The Job Training (X_2) is about how employees get the knowledge and through OJT the organization can make cost effective and time saving.
3. Delivery Style (X_3) is about capturing attention and engages audience.
4. Organizational Performance (Y) is about training and development and behavior or attitude.

Data Analysis Method

Validity and Reliability Test

Sekaran and Bougie (2009:157) assumes that validity is a test of how well an instrument that is developed measures the particular concept it is intended to measure. The reliability of a measure indicates the extent to which it is without bias (error free) and hence ensures consistent measurement across time and across the various items in the instrument. In other words, the reliability of a measure is an indication of the stability and consistency with which the instrument measure the concept and helps to assess the goodness of a measure (Sekaran and Bougie, 2009:161).

Multiple Regressions on Analysis Method

Multiple regressions use to express the effect of independent variables and the dependent variable. The formula of linear regression (multiple linear regressions) in general as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + e$$

Where:

- Y = Organizational Performance (Dependent Variable)
- α = The constant, when all independent variable equal to 0
- X_1 = Values of Training Design (independent variable)
- X_2 = Values of on the Job Training (independent variable)
- X_3 = Values of Delivery Style (independent variable)
- β = The slope for each independent variable
- e = Error

RESULTS AND DISCUSSION

Validity and Reliability

The validity test of Training Design (X_1) (0.852), On the Job Training (0.796), and Delivery Style (0.874), and Organizational Performance (Y) (0.964) are above 0.3 which mean that all indicator are valid. The reliability test using Cronbach's Alpha. The Cronbach's Alpha parameter, with ideal score more than 0.6. The variables are reliable because the value of Cronbach's Alpha is 0.904.

Table 1. Multiple Linear Regression

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.804	1.462		1.919	.066
X_1	.471	.112	.421	4.196	.000
X_2	.410	.105	.353	3.895	.001
X_3	.336	.110	.321	3.047	.005

a. Dependent Variable: Y

Source: SPSS data analysis, 2014

Multiple Regression model is as follow:

$$Y = 2.804 + 0.471 X_1 + 0.410 X_2 + 0.336 X_3$$

Where:

- Y = Organizational Performance (Dependent Variable)
- X_1 = Training Design (independent variable)
- X_2 = On The Job Training (independent variable)
- X_3 = Delivery Style (independent variable)

The explanations of the multiple linear regression equation above, it can inform the interpretation as follows:

1. Constant value of 2.804 means that if the variables in this research of Training Design, On The Job Training, and Delivery Style simultaneously increased by one scale or one unit will decrease the Organizational Performance at 2.804 point.
2. Coefficient value of 0.471 means that if the variables in this research of Training Design increased by one scale or one unit, it will decrease Organizational Performance at 0.471.
3. Coefficient value of 0.410 means that if the variables in this research of On The Job Training increased by one scale or one unit, it will decrease Organizational Performance at 0.410.
4. Coefficient value of 0.336 means that if the variables in this research of Delivery Style increased by one scale or one unit, it will decrease Organizational Performance at 0.336.

Testing the Goodness Fit: Coefficient of Multiple Regression (R) and Coefficient Determination (R^2)

R and R^2 are used to see the relationship between independent and dependent variables.

Table 2. R and R square

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.927 ^a	.860	.844	.925

a. Predictors: (Constant), X_3 , X_2 , X_1

b. Dependent Variable: Y

Source: SPSS data analysis, 2014

The result on R with the result of 0.927 indicates that there is a significance relationship between all of the variables with Organizational Performance and with 86% impacted from the whole variables while the rest 14% other factors are not included into this research.

Test of Classical Assumption

Multicollinearity

Table 3. Multicollinearity Result

Model		Collinearity Statistics	
		Tolerance	VIF
1	X ₁	.535	1.868
	X ₂	.656	1.524
	X ₃	.484	2.064

a. Dependent Variable: Y

Source: *SPSS data analysis, 2014*

Table 3 shows that the Tolerance value of Training Design is 0.535; On The Job Training is 0.656; and Delivery Style is 0.484 meaning the tolerance value of each variable is more than 0.10. The VIF value of Training Design is 1.868, On The Job Training is 1.524, and Delivery Style is 2.064 meaning the VIF value of each variable is less than 10. Since all the tolerance values are more than 0.10 and VIF value of each independent variable is less than 10, this research is free from multicollinearity.

Heteroscedasticity

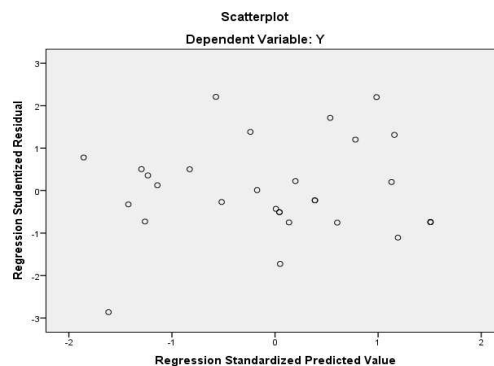


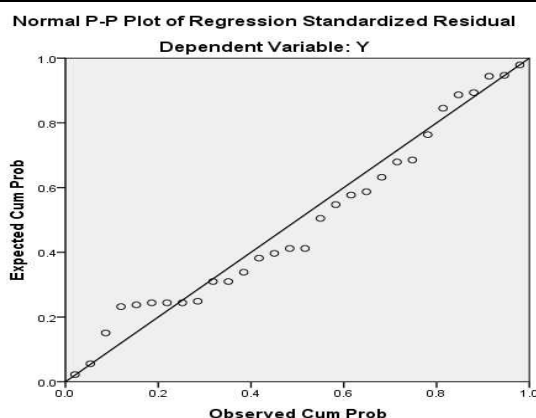
Figure 2. Heteroscedasticity Results

Source: *SPSS data analysis, 2014*

The figure 2 shows that the pattern of points is spreading. The points are spreading above and below of zero point on Y axis. This is proved that there is no heteroscedasticity.

Normality

Normality test can be identified by using graph of P-P.Plot. The data will distribute normally if the value of P-P.Plot is near diagonal line of the graph.

**Figure 3. Normality Results**

Source: SPSS data analysis, 2014

Figure 3 shows that the plots follow the diagonal line which also can clarify that the data distribution is normal.

Hypothesis Testing

Table 4. T-test

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
1 (Constant)	2.804	1.462		1.919	.066
X ₁	.471	.112	.421	4.196	.000
X ₂	.410	.105	.353	3.895	.001
X ₃	.336	.110	.321	3.047	.005

a. Dependent Variable: Y

Source: SPSS data analysis, 2014

The value of T_{table} is obtained by following the formulation which is $t_{table} = TINV(0.05, n-k)$ whereas n being the number of respondent and k being the number of variable. The value of T_{table} is 2.920. The partial influence of each independent variables are explained as follows:

- t_{count} for X_1 4.196 greater than the value of 2.920 t_{table} means X_1 has significant influence partially on Y. The sig. value at 0.000 means that prediction of X_1 influence on Y doing errors is 0.0%, thus the confidence of this prediction is above 95%. Therefore, H_a accepted.
- t_{count} for X_2 3.895 greater than the value of 2.920 t_{table} means X_2 has significant influence partially on Y. The sig. value at 0.001 means that prediction of X_2 influence on Y doing errors is 0.1%, thus the confidence of this prediction is above 95%. Therefore, H_a received.
- t_{count} for X_3 3.047 greater than the value of 2.920 t_{table} means X_3 has significant influence partially on Y. The sig. value at 0.005 means that prediction of X_3 influence on Y doing errors is 0.5%, thus the confidence of this prediction is above 95%. Therefore, H_a received.

F-test

Table 5. F-test

Model	Sum of Squares	Df	Mean Square	F	Sig.
1 Regression	136.704	3	45.213	53.216	.000 ^b
Residual	22.263	26	.856		
Total	158.967	29			

a. Dependent Variable: Y

b. Predictors: (Constant), X₃, X₂, X₁

Source: SPSS data analysis, 2014

Value of 53.218 of F_{Count} significant 0.000. Because the $\text{sig} < 0.05$ means the confidence of this prediction is above 95% and the probability of this prediction error is below 5% which is 0.000. Therefore H_0 is rejected and accepting H_a . Thus, the formulation of the hypothesis that The Influence of $X_1 - X_3$ on Y Simultaneously, accepted.

Discussion

This result is supported by a significant value that shows the value of this research error which is below than 5%. This result shows that to provide qualified training organization-providing training should be a design that meets the needs of employees. One type of training which is usually done by the organization is On the Job Training while the style of delivery training material providers is very important to create smooth process of training undertaken by employees because it is the third important element in training and development. To produce competent employees through job training there are three main pillars, those are: work competency standards, competency-based training and competency certification by independent certification institution. Organizations that implement training and development process are on employees of the Bank because besides being the organization provides a safe escrow services and provide loans to customers, banks is supposed to make it easier for customers to do transaction through ATM. One of the banks that implement training and development is Bank Tabungan Negara Manado, Bank Tabungan Negara is a state-owned company (State Owned Enterprises). Based on the annual report in 2013, Bank Tabungan Negara has held a series of training programs, learning and development of employees as described with an investment cost of Rp110.07 billion.

The results are supported by another research conducted by Dessler and Huat (2009:4) who defined Human resources management as the process of recruiting, training, appraising and rewarding employees. One factor that is crucial is training the employees should adjust to the company culture and how the employee should motivate themselves to give a huge contribution to organization. In the business world change is a real thing that will always happen. To deal with these changes, the company should provide a motivation in the form of a lesson to every employee. Latif *et al.* (2013) Change is the order of the day, working methods and techniques are witnessing a change creates the need for employees to learn continuously. The objective of the organizations is to improve business processes through enhanced learning that stimulates better performance. The ultimate objective for any business entity is to create an engaged and committed employee base resulting in better performance of the individuals and business.

In Bank Tabungan Negara Manado, organizational performance depends on the employee performance because human resource capital of organization plays an important role in the organizational growth and performance. In this research the variables that are discussed are training design, on the job training and delivery style that have significant influence on organizational performance. Khan et al. (2011) also said that to improve the organizational performance and the employee performance, training is given to the employee.

This result is supported by Raza (2014) in his study about Training and Development impact on Organizational Performance: Empirical Evidence from Oil and Gas Sector of Pakistan. The finding of the study revealed the situation of training and development in Pakistan and showed that majority of the employees satisfied with the strategic Training and Development of the firm. There are only few organizations which fulfilled the demand with reference to the requirements of strategic Training and Development. This leads towards widening the gaps between the required skills and the attained skills of the employees. These circumstances are disturbing the balance and equilibrium of better performance in HRM and development via Training and Development. Therefore, to fulfill this gap companies are giving attention on the training and implementing a high level roadmap for strategic Training and Development.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

After examining the findings and discussing the result, the conclusions based on this research are as follows:

1. Training Design, On The Job Training, and Delivery Syle have significant influence on Organizational Performance in PT. Bank Tabungan Negara (Persero) Tbk, Manado simultaneously.
2. Design has significant influence on Organizational Performance in PT. Bank Tabungan Negara (Persero) Tbk, Manado partially.

3. On the Job Training has significant influence on Organizational Performance in PT. Bank Tabungan Negara (Persero) Tbk, Manado partially.
4. Delivery Style has significant influence on Organizational Performance in PT. Bank Tabungan Negara (Persero) Tbk, Manado partially.

Recommendation

1. For the next researcher should add more variable to support the research so that the theoretical benefit of this research can be useful for faculty economics and business to provide reference for another student, who interest with this topic. And for the researcher this research can helpful for researcher to gain more information and knowledge about "Analyzing the Influence of Training and Development on Organizational Performance.
2. The company should care about the Influence of Training and Development on Organizational Performance so that through this research the company can get more information about the fact which happens and company may improve the human resource practice especially in training and development.

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