

**THE IMPACT OF STAFFING, TRAINING AND DEVELOPMENT, PERFORMANCE
MANAGEMENT ON ORGANIZATIONAL COMMITMENT
AT PT. BTN (PERSERO) TBK. MANADO**

by:

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ABSTRACT

Nowadays the rapid development of technology information and communications forced the organization to find new idea and improving their performance in order to remain success in this era of highly competitive environment. And one of the most effective ways used by many organizations is employing human resources management practices. In this research used three human resources management practices which are staffing, training and development, and performance management. The objectives of this research are to analyze the impact of Staffing, Training and Development, and Performance Management on Organizational Commitment at PT. Bank Tabungan Negara (BTN / Persero) Tbk, Manado. This research used quantitative method associated with multiple linear regression analysis. The populations are the employees of PT. BTN Manado with 30 respondents as the sample. This research may imply that the contribution of Staffing, Training and Development, Performance Management on Organizational Commitment with 71.4 % while the remaining 28.6% are affected by other variables that not examined in this research. For PT. BTN Manado the managers should care and gives more attention for the Impact of Staffing, Training and Development, and Performance Management on Organizational Commitment so that through this research the bank management can get more information about the problems and fact which happens, and may improve their performance also the organizational commitment of employees.

Keywords: *staffing, training and development, performance, organizational commitment*

INTRODUCTION

Research Background

The rapid development of technology information and communications nowadays shows significant changes. This changes forced many organization to actively seek for new way, ideas, experimentation, and creative solutions in improving their current product, service, process, system and technology. In order to survive and adapt in this era of highly competitive environment so many organizations applied human resources management practices.

The purposes of human resources management practices are to maintain the balance between keep making profit while smoothly running the operation of the organization. Human resources management practices show how organization can logically progress within their business goal and objectives. Human resource management practices deviates from organization to organization, depends to the organization goals and objectives.

Human resources management practices plays an important role in helping organization evaluate their performance, assess their strengths and weaknesses and also can help employees to become better and more responsible, so they can give a good contribution to the organization. In other words a good human resources management practices such as staffing, training and development, and performance management changed the commitment of employees.

Commitment of employee or commonly known as organizational commitment. Organizational Commitment is a force that binds employees with their willingness to remain attached to its organization. If employees are committed towards the organization they will perform their job well and even beyond the expectation of the organization. Employees who are engaged in their work and committed to their organizations give companies crucial competitive advantages. Therefore, the development of organizational commitment needs effective human resources management practices such as staffing, training and development, and performance management.

PT. BTN as the leading bank in KPR services in Indonesia is one from so many organization that applied human resources management practices. But nowadays with so many competitors, performance of PT. BTN became weak that caused their non-performing loan is at the warning level. At the beginning of 2014, PT BTN had to deal with the acquisitions from the other state-owned bank. But in the May 2014, The State-owned Enterprise Ministry takes an action so the acquisitions are canceled.

In order to change, PT. BTN have to take a look inside the organization. They have to improve the quality and performance of the employees. PT. BTN needs all their talented staff to stay on to share difficulties and possess strong commitment to improve their performance and achieve their business goals and objectives. Good human resources management practices such staffing, training and development, and performance management practices are vital in creating strong organizational commitment among employees.

Research Objectives

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

1. Staffing, Training and Development, and Performance Management on Organizational Commitment simultaneously.
2. Staffing on Organizational Commitment partially.
3. Training and Development on Organizational Commitment partially.
4. Performance Management on Organizational Commitment partially.

THEORETICAL FRAMEWORK

Theories

Human Resources Management

Snell and Bohlander (2010:4) Human Resource Management is the process of managing human talent to achieve an organization's objectives. Human Resource Management are the policies, practices, and systems that influence employees' behavior, attitudes, and performance.

Human Resources Management Practices

Snell and Bohlander (2010:21) Human Resources Management Practices is a term used by many organizations which describes the combination of traditionally administrative personnel functions with performance, employee relations and resource planning.

Staffing

Dyck and Neubert (2009:360) Staffing is the Human Resource Management process of identifying, attracting, hiring and retaining people with the necessary knowledge, skills and abilities to fulfill the responsibilities of current and future jobs in organization.

Training and Development

Snell and Bohlander (2010:306) Training and Development is a process to recognize the combination of activities organizations use to increase the skill base of employees.

Performance Management

Dyck and Neubert (2009:364) Performance management is the use of human resource management processes to ensure that each employee's activities and outputs are aligned with the organization's goals.

Organizational Commitment

Porter et al. (1972) Organizational commitment is the individual's psychological attachment to the organization.

Previous Research

Smeenk et al. (2006) The study has empirically examined the effects of nine human resource management practices and three antecedent categories on affective, continuance and normative organizational commitment. The findings indicate that the set of factors affecting the organizational commitment of employees differs between the separatist and hegemonic faculties. Lamba and Choudhary (2013) The study revealed that how hr practices provide an edge to employee's commitment towards an organization goal in the global market. The objective of this study is to investigate the impact of hr practices on organizational commitment of employees in various sectors in India. Through study it is found that hr practices influence the organizational commitment of employees. Sial et al. (2011) Among the other practices, the result show that organizational commitment strongly positive influenced by compensation practices. The results are strongly supported by the fact that due to poor economic conditions and closely knit family system, foremost preference of a majority of Pakistani employees, including Universities faculty.

Research Hypothesis

The hypotheses of this research are:

- H₁ : There is a significant effect of Staffing, Training and Development and Performance Management on Organizational Commitment simultaneously.
- H₂ : There is a significant effect of Staffing on Organizational Commitment partially.
- H₃ : There is a significant effect of Training and Development on Organizational Commitment partially.
- H₄ : There is a significant effect of Performance Management on Organizational Commitment partially.

Conceptual Framework

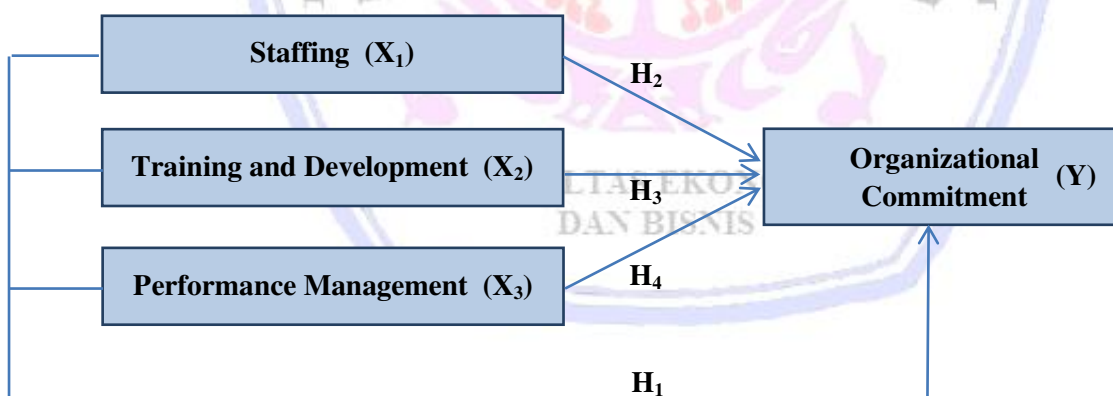


Figure 1: Conceptual Framework

RESEARCH METHOD

Type of Research

This research is quantitative method. Lancaster (2005:49) Quantitative process of collecting data is more objective and scientific process than qualitative process.

Place and Time of Research

The location of this research is PT. BTN Manado. The purpose of this research is to Analyzing The Impact of Staffing, Training and Development, and Performance Management On Organizational Commitment. PT. BTN Manado located in Jl. Wolter Monginsidi No. 56 Manado and this research regarding the employee in PT. BTN Manado as respondents. This research had been conduct from July to December 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, it is the group of people, events, or things of interest for which the researcher wants to make inferences. In this research, the target populations are employees at PT. BTN Manado which located in Jl. W. Monginsidi No. 56 Manado, North Sulawesi. There are 93 employees in PT. BTN Manado. This research only takes 30 respondents as the sample, 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) Primary data refer to information obtained first-hand by the researcher on the variables of interest for the specific purpose of the study. In this research, the primary data originated by researcher to address the research problem is questionnaires. Sekaran and Bougie (2009:184) The secondary data refers to information gathered by someone other than researcher conducting the current study. The secondary data of this research purpose other than the problem at hand taken from books, journals, and relevant literature from library and internet.

Operational Definition

Operational definitions of research variables are:

1. Staffing (X_1) is the process of identifying, attracting, hiring, and retaining people with the necessary knowledge, skill and ability to fulfill the responsibilities in organization.
2. Training and Development (X_2) is the learning activities that improve an individual skills or performance.
3. Performance Management (X_3) is the use of Human Resources Management processes to ensure that each employee's activities & outputs are aligned with the organization's goals.
4. Organizational Commitment (Y) is the individual's psychological attachment to the organization.

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. A content validity test checks that there are enough relevant questions covering all aspects being studied and that irrelevant questions are no asked. 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.

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 Commitment (Dependent Variable)
 α = The constant, when all independent variable equal to 0
 X_1 = Values of Staffing (independent variable)

- X_2 = Values of Training and Development (independent variable)
 X_3 = Values of Performance Management (independent variable)
 β = The slope for each independent variable
 e = Error

RESULTS AND DISCUSSION

Validity and Reliability

The validity test of Staffing (X_1) (0.852), Training and Development (X_2) (0.796), and Performance Management (X_3) (0.874), and Organizational Commitment (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	.410	.105	.353	3.895	.001
	X_2	.336	.110	.321	3.047	.005
	X_3	.471	.112	.421	4.196	.000

a. Dependent Variable: Y

Source: SPSS data analysis, 2014

Multiple Regression model is as follow:

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

Where:

- Y = Organizational Commitment (Dependent Variable)
 X_1 = Staffing (independent variable)
 X_2 = Training and Development (independent variable)
 X_3 = Performance Management (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 Staffing, Training and Development, and Performance Management simultaneously increased by one scale or one unit will decrease the Organizational Commitment at 2.804 point.
2. Coefficient value of 0.410 means that if the variables in this research of Staffing increased by one scale or one unit, it will decrease Organizational Commitment at 0.410.
3. Coefficient value of 0.336 means that if the variables in this research of Training and Development increased by one scale or one unit, it will decrease Organizational Performance at 0.336.
4. Coefficient value of 0.471 means that if the variables in this research of Performance Management increased by one scale or one unit, it will decrease Organizational Performance at 0.471.

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	.862 ^a	.714	.123	.51077

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

b. Dependent Variable: Y

The result on R is equal to 0.862 indicates that there is a significance relationship between all of the variables with Organizational Commitment. To determine the contribution The Impact of $X_1 - X_3$ on Y can be seen that the determinant of the coefficient (r^2) in the table above. r^2 value of 0.714 in this study may imply that the contribution of $X_1 - X_3$ on Organizational Commitment of 71.4 % while the remaining 28.6% is affected by other variables not examined in this study.

Test of Classical Assumption

Multicollinearity

Table 3. Multicollinearity Result

Model		Collinearity Statistics	
		Tolerance	VIF
1	X_1	.957	1.045
	X_2	.912	1.097
	X_3	.952	1.050

a. Dependent Variable: Y

Source: SPSS data analysis, 2014

Table 3 shows the calculation of Multicollinearity. Moreover, it can be known through the VIF and tolerance, whereby if the value of VIF and tolerance to be around the number <10 then the regression model above are free from multicollinearity. Based on the results in the table above can be seen by SPSS output does not occur because the symptoms of multicollinearity VIF value of $X_1 - X_3$ was below numbers < 10, this means that there is no connection between the independent variables. Thus, multicollinearity assumptions are met (free of multicollinearity).

Heteroscedasticity

A good regression model is free from the case of heteroscedasticity. Basis for decision-making of a regression model said that heteroscedasticity occur if there is no clear pattern, and the point spread above and below the number 0 (zero) on the Y axis, does not occur heteroscedasticity. Figure below will explain the test results as follows:

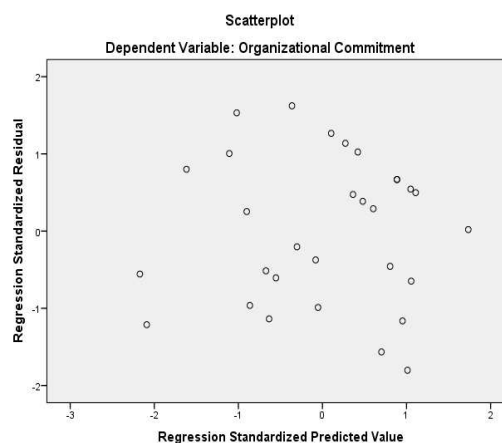


Figure 2. Heteroscedasticity Results

Source: SPSS data analysis, 2014

The figure 2 shows that there is no established pattern, in other words the graph describing the plot spread above and below the number 0 (zero) on the Y-axis. This proves that the independent variable $X_1 - X_3$ on Y are free of Heteroscedasticity.

Normality

Testing the normality assumption is to test whether the regression model, the independent variable $X_1 - X_3$ and Y has a normal distribution or not. Regression model is good if the data distribution is normal or near normal, if the data is spread around the diagonal line and follow the direction of the diagonal line, then the regression fulfill the normality assumption.

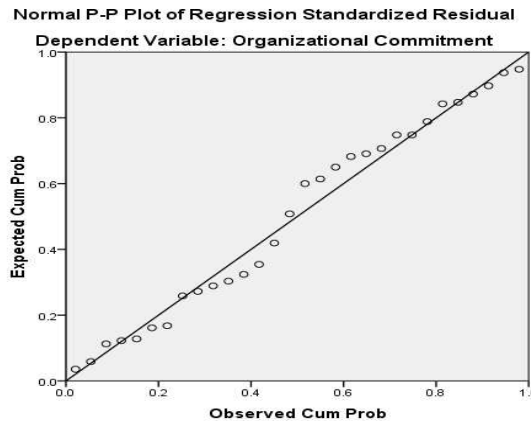


Figure 3. Normality Results
Source: *SPSS data analysis, 2014*

The figure 3 shows that the points spread and spread around the diagonal line in the direction diagonal lines. This proves that the model Regression of The Impact of $X_1 - X_3$ on Y in test normality assumption was met.

Hypothesis Testing

T-test

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	.410	.105	.353	3.895	.001
	X_2	.336	.110	.321	3.047	.005
	X_3	.471	.112	.421	4.196	.000

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:

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

F-test**Table 5. F-test**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1.842	3	.614	3.353	.010 ^a
	Residual	6.783	26	.261		
	Total	8.625	29			

a. Predictors: (Constant), X₁, X₂, X₃

b. Dependent Variable: Y

Source: *SPSS data analysis, 2014*

Value of 3.353 of F_{Count} significant 0.000. Because the sig > 0.05 means the confidence of this prediction is above 95% and the probability of this prediction error is below 5% which is 0.009. Therefore H_0 is rejected and accepting H_a . Thus, the formulation of the hypothesis that The Influence of X₁ – X₃ on Y Simultaneously, accepted.

Discussion

The data analysis shows the significant impact of Staffing, Training and Development, and Performance Management on Organizational Commitment, partially and simultaneously. PT. BTN Manado apply a staffing, training and development, and performance management in a main role of this company. This result supported by a significant value that shows the value of this research doing error is below than 5%.

Organizational Commitment is a force that binds employees with their willingness to remain attached to its organization. If employees are committed towards the organization they will perform their job well and even beyond the expectation of the organization. Committed employees are valuable human capital and an important asset for the organization. Therefore, the development of organizational commitment needs effective human resources management practices such as staffing, training and development, and performance management. Good human resources practices are vital in creating strong organizational commitment among employees. To become success in building a good organizational commitment in PT. BTN Manado is not separated from the Human Resource Management Role.

Human resources management practices plays an important role in helping organization evaluate their performance, assess their strengths and weaknesses and design practices that appropriate for the organization in order to achieve their own success. Also the human resources management practices can help the employee to become better and more responsible, so they can give a good contribution to the organization. In other words a good human resources management practices changed the commitment of employees. Commitment of employee or commonly known as organizational commitment. And organizational commitment refers to attitude that reflects an individual identification with and attachment to the organization and wants to continue actively participating in it.

The bank management of PT. BTN Manado should pay more attention to their training and development practices. The employees perceived the availability of training as support from their employer, which made them more committed to their organization. A significant positive relationship was also reported between organizational commitment and career development from the company management. The results implied that employee perceptions, that the management strongly supports training programs, influence employee attitude and their participation in training. It is obvious that training and development has a significant impact on organizational commitment. Training and development prospects persuade by PT. BTN Manado helps to increase the organizational commitment among their employees.

This result supported by Lamba and Choudary (2013) in their study about the Impact of HRM Practices on Organizational Commitment of Employees. The conclusion builds on previous researches shows that HRM practices such as Training & development, compensation and welfare activities has significant effect on Organizational commitment and are associated with superior organizational performance. Study depicts the result from the Banking sectors. However, it is very difficult to achieve customer-centric strategic management

without first achieving employee satisfaction. Also when employees are satisfied, it results to customer satisfaction which ultimately increases the profitability and goodwill of the firm. Therefore, it is proved in the study, HRM practices have significant impact on Organizational commitment and which is further related to Retention of knowledgeable and skilled Employees.

In Smeenk et. al. (2006) The effects of HRM practices and antecedents on organizational commitment among university employees, it is found that compensation, training and development practices have significant and positive effects on organizational commitment. The study found that different configurations or 'bundles' of HRM practices such as training and development, and compensation practices, in order to achieve superior performance are suited for organizations with different identities.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

There are four constructive findings that can be concluded from the overall result in this research, which are listed as follow:

1. Staffing (recruitment and selection) have significant impact on Organizational Commitment of employees partially at PT. BTN Manado.
2. Training and Development (training and career development) have significant impact on Organizational Commitment of employees partially at PT. BTN Manado.
3. Performance Management (performance appraisal and compensation) have significant impact on Organizational Commitment of employees partially at PT. BTN Manado.
4. Staffing, Training and Development and Performance Management have significant impact on Organizational Commitment of employees simultaneously at PT. BTN Manado.

Recommendation

The following points are the recommendations proposed by the researcher for PT. BTN Manado and Faculty of Economics and Business Sam Ratulangi University:

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 Impact of Staffing, Training and Development, and Performance Management on Organizational Commitment
2. The bank management should care about the Impact of Staffing, Training and Development, and Performance Management on Organizational Commitment so that through this research they can get more information about the fact which happens. And also the bank management may improve the human resources management practice especially in staffing, training and development, and performance management.

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