

Effect of Training, Knowledge Management and Kaizen Culture on Employee Performance of PT Ferron Par Pharmaceuticals

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Keywords : Kaizen Culture, Training, Performance, Knowledge Management.

Abstract : *This study aims to determine the effect of training, knowledge management, and kaizen culture on the performance of employees of PT Ferron Par Pharmaceuticals. With the training variable is X1, the knowledge management variable is X2, the kaizen culture variable is X3, and the performance variable is Y. This research method is quantitative. The source of data in this study is primary data by distributing questionnaires to respondents consisting of statements that have been provided with answer choices using a Likert scale. The population used in this study were 396 employees of PT Ferron Par Pharmaceuticals, the sampling technique used in this study was simple random sampling with a total sample of 80 respondents using the slovin formula. Data collection is done through using google forms in filling out online surveys. The data analysis method used is the R-square test, Bootstrapping, Path Coefficient. The results of the study partially show that training has a positive and significant effect on performance, knowledge management has a positive and significant effect on performance, kaizen culture has a positive and significant effect on performance.*

1 INTRODUCTION

The industrial world has entered the era of revolution 4.0 or the fourth world industrial revolution, where technology has entered and become the basis for daily life activities. This era has influenced many aspects of life in the fields of economy, art, culture, politics, and also the competitiveness of companies. Companies are now shifting and starting to include technology in a competitive advantage. Where the better the company can utilize technology, the better the productivity, effectiveness and efficiency of the company will be. Human resources play a major role in the success of a company in achieving its goals. Currently, many companies are aware that the element of human resources in an organization can provide a competitive advantage for the company itself. They create strategies, ideas and innovations to achieve company goals. Therefore, human resources are one of the most vital elements and play an important role in the success of the company. Because the role of human resources to implement the strategy is very important, namely as the subject of implementing the company's strategy. With the existence of competitive human resources, it can provide quality results for the company. In addition, only human resources have the ability to think rationally (Notoadmojo, 2009)

In the era of knowledge-based economy, resources and competencies are expected to be important factors for organizations to survive in a dynamic and competitive environment. This is in line with the development of the industrial revolution which continues to grow so that the resources in a company must also be able to balance it well. In combination with the exponential development driven by new technologies and digitalization as a whole, it is also a challenge for companies to be able to develop the resources they have within the company. As a result, this fourth industrial revolution poses a big challenge for companies to increase competitiveness. However, it should be noted that Industry 4.0 is not only a development of production technology but also a vision for all companies and their human resources. Thus, the success of Industry 4.0 does not only depend on technology but also on the ability of the company and its employees to use it, therefore it is necessary to develop human resources that can improve employee performance and can achieve the ultimate goal of the company. Godfrey (2008) explains that competition is very important in market operations, thus driving innovation, productivity and company growth.

The situation is different in the era of the COVID pandemic (Coronavirus Disease-19) which began to appear in Indonesia since the beginning of March 2020, the shift in a number of incomes in various industries in the country seems to be suspended due to the domino impact of this pandemic. A number of industries have not only reduced a number of production or employees, many from various small to medium industries have gone out of business due to the impact of the pandemic. All industrial sectors have been affected by this COVID-19 pandemic. From the automotive industry, electronics, garment and the worst is the entertainment and tourism sector. Among the various industrial sectors affected, only a few sectors are still sustainable, they must continue to experience new adaptations compared to the era before the pandemic. Some industrial sectors that are still sustainable compared to other industrial sectors are the food and pharmaceutical sectors.

PT. Ferron Par Pharmaceuticals (FPP) is a leading pharmaceutical company that is part of the Dexa Medica Group. Ferron Par Pharmaceuticals successfully obtained the GMP certificate from UK-MHRA (United Kingdom Medicine and Healthcare Product Regulatory) in 2018. UK-MHRA is the institution responsible for monitoring the safety, quality and effectiveness of medicines marketed in the UK. Certification by Australia was granted to Ferron Par Pharmaceuticals by TGA from the Department Of Health And Aging, Therapeutic Goods Administration, specifically for the solids line at Ferron Par Pharmaceuticals on August 15, 2009. On June 15, 2010 the Bavarian Zentrale Arzneimittelüberwachung (ZAB) certificate was obtained, Bayern a drug regulatory authority in Germany for the Vancomycin lyomark freeze dry product manufactured on Ferron Par Pharmaceuticals' sterile line. Because of its various certificates, Ferron Par Pharmaceuticals has successfully penetrated the UK, Germany, Africa (Nigeria) and Asia (Cambodia, Philippines, Vietnam, Sri Lanka, Hong Kong) markets. In 2020 PT Ferron Par Pharmaceuticals created an innovation culture idea to form an organizational culture that is full of improvement and build quality human resources in generating innovative ideas for the company. This is very good for fostering habits and a culture of innovative thinking for all employees in the company. But over time, the performance of employees in creating ideas has been inconsistent from the start when the innovation culture idea was created. There is a decrease in the number of submitting kaizen ideas in the first year of innovation culture. This of course can reduce employee performance in the company. In the following, the author displays data on submitting kaizen ideas that occurred at PT Ferron Par Pharmaceuticals:

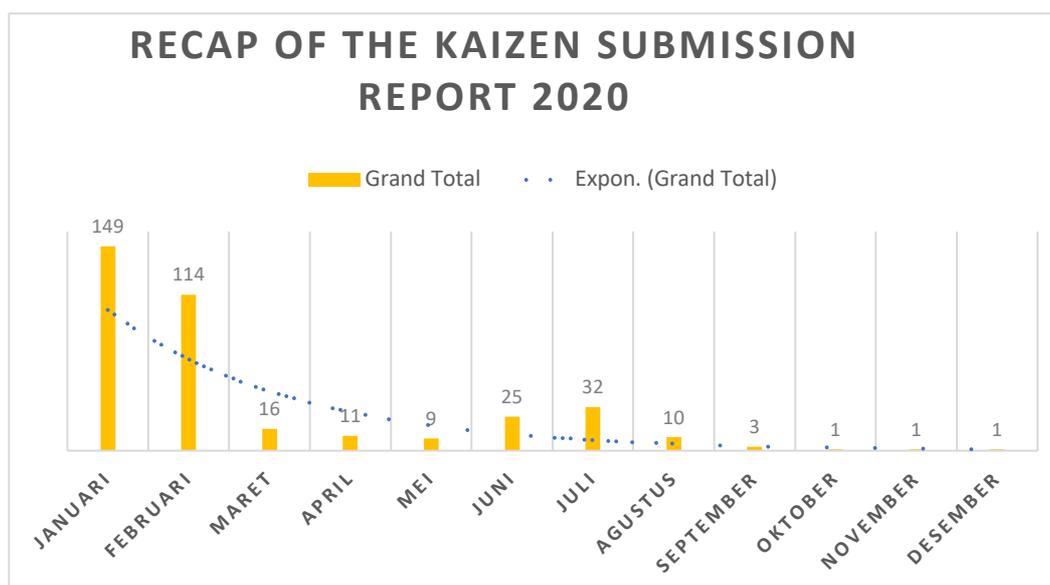


Figure 1. Submit Kaizen Data for PT Ferron Par Pharmaceuticals Employees January – December 2020
Source: Department of Continuous Improvement PT FPP 2021

Based on table 1, the kaizen submission data from January to December 2020 decreased exponentially, kaizen submissions had increased in June and July 2020, but finally decreased in the following month. The data on submitting kaizen ideas is very high in January, namely 149 ideas, followed by 114 ideas in February, then submitting ideas experienced a significant decrease in March, which was only 16 ideas and continued until May with only 9 ideas. It had increased again at the end of semester 1, namely in June as many as 25 ideas and in July as many as 32 ideas. Consistently, this idea submission decreased again in August by 10 ideas and finally in October to December there were only 1 each submitted kaizen idea.

The data shows a decline in the entry of kaizen ideas from January to December 2020. This is very unfortunate with the new innovation culture being held within the Company from the beginning of 2020. In its development, human resources also include data collection that can be used to evaluate the effectiveness of programs, ongoing programs and provide information to planners to meet the need for forecast and program revisions as needed. Good performance is optimally implemented by employees consistently to achieve the Company's goals. When employees can work and provide good ideas, the company can compete and survive despite the many threats from competitors. Performance appraisal is carried out by PT Ferron Par Pharmaceuticals twice a year or it can be said that the company conducts performance appraisals at intervals of one semester. One of the purposes of performance appraisal is to make employees more motivated at work.

Employee performance appraisal at PT Ferron Par Pharmaceuticals is carried out objectively to each employee. This is not only marked by an increase and decrease in productivity alone, there are other factors that become a benchmark for employee performance, namely employee individual assessments ranging from work responsibilities, work abilities, honesty and the contribution of ideas or kaizen for the company. The author takes the submit kaizen data as primary data to conduct research. In the current era of disruption, all companies are competing with each other to improve innovation and efficiency within the company, it is hoped that the company will be more competitive, sustainable and able to become a trendsetter in their field. At low levels, stress levels may be too low to promote effective performance, whereas at high levels, stress stimuli may be too high to benefit effective performance (Bruggen, 2015). In achieving the goals of a good company, competent human resource management is needed to help achieve them. The consistency of implementing idea creation by employees should not be ignored. This is expected to create a continuous improvement mindset for employees and provide innovation for the company so that effective and efficient performance can be achieved. In a company, employee performance must experience an increase and decrease, as experienced by PT Ferron Par Pharmaceuticals. The decline in employee performance can occur due to the lack of knowledge from employees, lack of skills from employees and decreased interest in providing ideas for the company. Human resources are expected through skills, behaviors and attitudes to achieve the required performance in the organization (Cania, 2014)

Apart from the several factors above, there are factors that also affect the increase in employee performance, namely training. Training is very important for the development of employees in a company, because this training is a means for companies to create quality employees with the goals and objectives of the company. Improvement of employee performance can be done by improving the knowledge, skills and attitudes of the employees themselves towards the tasks that are their responsibility, while training is an effort related to increasing the abilities or skills of employees who have occupied a particular job or task.

Good training will certainly provide broad knowledge for employees and provide opportunities for employees to develop new skills and abilities in work so that what is known and mastered now and in the future can help achieve the company's goals. Based on previous research, research has been conducted that shows a positive and significant effect of training on interest in performance, the magnitude of the influence is positive, meaning that the more frequent and better the training is held in the company, the better the performance will be. In addition to training, there is a knowledge management factor that can improve employee performance in a company. Knowledge management is an advanced level of training, because it is expected that the training that has been undertaken can be implemented by employees in the company. With the knowledge management training that has been carried out, it is hoped that it can be distributed to employees who have not received training. The purpose of knowledge management is not only to improve performance, but also to gain shared knowledge. With the availability of shared knowledge, employees will have broader insights and perspectives obtained and not only limited to the scope of their work, but more comprehensively regarding the problems that exist in the company. With a higher level of insight, employees get more reference information that enriches their knowledge level. With a better knowledge level, employees get better results at the action level (when implementing knowledge on the job). In other words, knowledge management that is implemented can indirectly stimulate changes in corporate culture. Every individual in an organization has good shared knowledge. With knowledge that is spread evenly to all employees in the company, innovation will be easier to create.

After employees are given good training and implemented with the encouragement of knowledge management, it is hoped that a kaizen culture will be created in the company. Along with the creation of an innovation culture organized by PT Ferron Par Pharmaceuticals from 2020, this kaizen culture will certainly help the company's new cultural goals. Kaizen (Continuous Improvement) or continuous improvement is a change activity that is carried out continuously to improve what has been achieved in a better direction. Starting from the operator level to the top manager level, they are expected to be able to come up with consistent ideas for the company's progress. Basically every company wants improvement and refinement of every work process carried out.

2 LITERATURE REVIEW

Performance

Pebrianti et al (2019) stated that performance (work achievement) is a work result achieved by a person in carrying out the tasks assigned to him based on skills, experience and sincerity and time. Employee performance is what influences how much they contribute to the organization. Performance improvement for both individuals and groups becomes the center of attention in an effort to improve organizational performance. Based on this understanding of the terms and definitions of a performance, we can conclude that performance is a maximum effort expended by workers to achieve a satisfactory work performance, meaning that if a job can be completed with satisfactory results it will have a positive impact on the community, individual workers and the environment in which they work. According to Trang (2018), employee performance can be concluded as the output or work of employees in accordance with their duties and responsibilities to achieve organizational goals

Training

Training is a short-term educational process using a systematic and organized procedure so that operational employees learn technical knowledge and skills for a specific purpose. Training is a systematic process of changing the behavior of employees in a direction to improve operational goals (Marjaya & Pasaribu, 2019). Training is a teaching and learning process using certain techniques and methods conceptually it can be said that training is intended to improve the skills and work abilities of a person or group of people (Sulaiman, 2020). Usually those who have worked in an organization whose work efficiency, effectiveness and productivity are felt need to be improved in a directed and pragmatic manner. Training will provide opportunities for employees to develop new skills and abilities at work so that what is known and mastered now and in the future can be helps to understand what should be done and why it should be done, providing opportunities to increase knowledge and skills. Training is an environment for employees, where they acquire or learn specific attitudes, abilities, skills, knowledge, and behaviors related to work (Muttaqijn & Fizia, 2018). Mathis (2004) explains that training is a process by which a person can achieve certain abilities to help achieve organizational goals. Training relates to the skills and abilities of employees to carry out current jobs.

Knowledge Management

From the various definitions of knowledge management, the simplest is a strategy in getting the right knowledge, and helping people to share and process information into an action that improves company performance (Andre et al., 2018). Knowledge management or knowledge management as a system that allows companies to absorb knowledge, experience, and creativity in their staff to improve company performance (Aufar et al., 2016). Companies must provide knowledge that really fits the needs of the job. No matter how good knowledge is, if the content is not needed or intended for the wrong person, the information obtained will be in vain. No less important is time, because information will not become knowledge if the time is not right.

Kaizen Culture

Kusumaningrum et al (2017) explain that an approach in managing the work environment, which in essence seeks to eliminate waste so as to create an effective, efficient and productive work environment. In Kusumaningrum et al (2018) the 5S program (Seiri, Seiton, Seiso, Seiketsu and Shitsuke) is the basis for the mentality of employees to make improvements and also to create quality awareness. 5S is a method consisting of several stages to regulate workplace conditions that have a direct impact on improving quality, efficiency, speeding up task completion before maturity, reducing waste, effectiveness, productivity, and work safety by creating a safer and more pleasant work environment. Kaizen culture is a work culture adopted from Japan that focuses on continuous improvement efforts carried out by organizations or companies and involves the ranks of the organization, both superiors (managers) and subordinates (employees) to achieve better conditions.

Research Design

The research design of the influence of training, knowledge management, and kaizen culture on the performance of PT Ferron Par Pharmaceuticals employees can be seen from Figure 1 below::

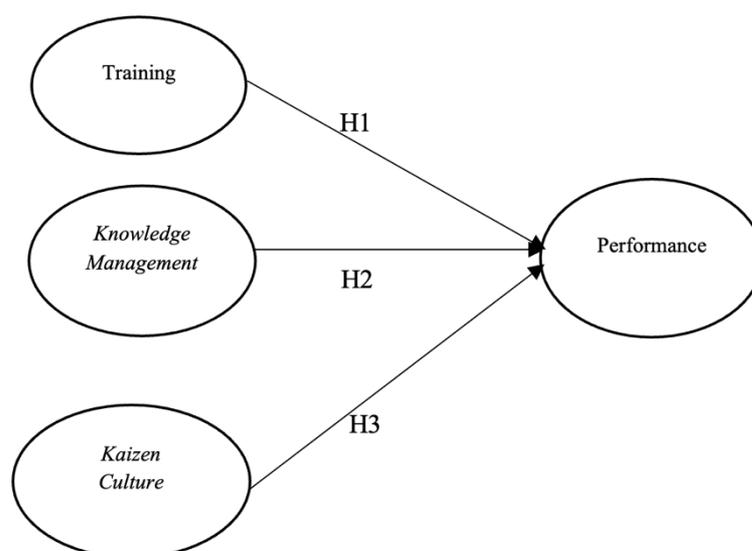


Figure 2. Research Design

3 METHODOLOGY

The population in this study were 396 employees of PT Ferron Par Pharmaceuticals. The sample selection in this study was carried out by calculating the number of samples using the Slovin formula totaling 80 respondents. This study uses a quantitative research type by conducting hypothesis testing, namely a study where researchers are interested in finding the phenomenon under study between the independent variables and the dependent variable. This study aims to find the relationship between the independent variables, namely training, knowledge management and kaizen culture on the dependent variable, namely employee performance. This type of research data uses a survey method. The source of data used in this research is primary data, and secondary data. In this study, before discussing and analyzing the problem, collect data and information. The method used in data collection is through the distribution of questionnaires via google form. The data analysis method used is the R-square test, Bootstrapping, Path Coefficient.

4 FINDINGS AND DISCUSSION

Structural Model Testing (Inner Model)

Structural model testing (Inner model) can be done with three methods, namely R-square and path coefficients

Table 1. R-Square

Variable	R Square
Performance	0.679

Based on Table 1. it can be seen that the training model, knowledge management and kaizen culture on employee performance gives an R-square value of 0.679 which means that the employee performance variable can be explained by the variables of training constructs, knowledge management and kaizen culture of 67.9%, while 32.1% is explained by other variables outside of this study. After testing the determination, a path analysis was carried out to determine the causal relationship between exogenous and endogenous variables by bootstrapping on smart pls 3.0 to get predictions from the results of path analysis in this model.

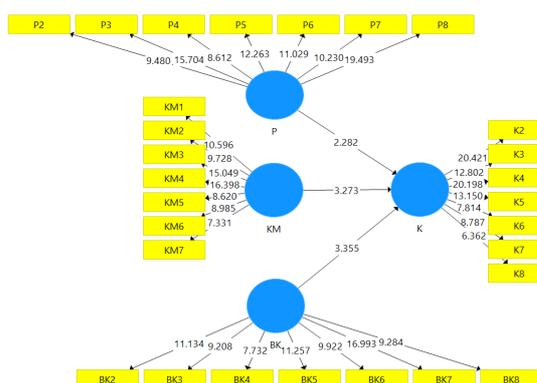


Figure 3. Bootstrapping Output

Source: Researcher (2021)

For more details, it is detailed in table 3 path coefficient, which explains the coefficient value of the T value and P value to be a reference for the causal relationship in this model.

Table 2. Path Coefficient

Variables	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ((O/STDEV))	P Values
Training -> Employee Performance	0,283	0,274	0,124	2,282	0,023
Knowledge Management -> Employee Performance	0,342	0,348	0,105	3,273	0,001
Kaizen Culture -> Employee Performance	0,326	0,337	0,097	3,355	0,001

Discussion

Effect of training on employee performance

Based on the results of the training analysis, it is known that partially there is a significant influence on the performance of PT Ferron Par Pharmaceuticals employees. Training is one thing that can affect employee performance. The training is supported by the existence of instructors, participants, materials, methods, and objectives. This study is in accordance with the results of research from Marjaya (2019) and Ekhsan (2020) with the results of this study obtained that job training variables have a positive and significant effect on employee performance. These results prove that the training hypothesis has a positive and significant effect on employee performance and is accepted.

The influence of knowledge management on employee performance

The results of the knowledge management analysis show that partially there is a significant effect on employee performance. It is proven by the results of the hypothesis test research that there is a positive influence of knowledge management on the performance of PT Ferron Par Pharmaceuticals employees. Knowledge management is one of the most influencing employee performance. Knowledge management is supported by the identification of knowledge, reflection of knowledge, sharing of knowledge and the use of knowledge. This study is in accordance with the results of research from Monsow (2018) with research results showing that knowledge management has a positive and significant effect on employee performance

The influence of kaizen culture on employee performance

The results of the analysis of kaizen culture show that partially there is a significant influence on employee performance. It is proven by the results of the hypothesis test research that there is a positive influence of kaizen culture on employee performance. Kaizen culture is one that affects employee performance. Kaizen culture is supported by training and education, work relations, workplace and work discipline. This study is in accordance with the results of research from Pebrianti (2019) with the results showing that kaizen culture has a positive and direct effect on employee performance.

5 CONCLUSION

This study aims to analyze the effect of training, knowledge management, and kaizen culture on the performance of employees of PT Ferron Par Pharmaceuticas. By using a research test, it can be concluded that PT Ferron Par Pharmaceuticas performs performance assessments on each individual employee. The benchmark of employee performance is the individual assessment of employees starting from work responsibilities, work abilities, honesty and the contribution of ideas or kaizen for the company. In 2020, PT Ferron started the idea of an innovation culture implemented in the company, it is hoped that all employees can make improvements and innovations for the company. In January – December 2020, the performance of the contribution of ideas or kaizen by employees decreased exponentially. In the research test, the results of the training have a positive and significant effect on employee performance. This indicates that the role of training can affect employee performance, because the higher the intensity of training conducted by PT Ferron Par Pharmaceuticas, the higher the employee's performance. This must be done by the company by selecting professional and competent instructors according to the field that will be used as training materials, involving participants from all departments in the company, selecting complete and required materials for employees with various training methods so that participants can capture the material properly so that the objectives of the training held can be implemented by the employees of PT Ferron Par Pharmaceuticas.

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