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THE EFFECT OF TRAINING AND MOTIVATION ON EMPLOYEE PERFORMANCE OF PT ASURANSI XYZ

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ABSTRACT

The result of employee performance in PT Asuransi XYZ in 2014 is 63.38% of PT Asuransi XYZ's employee acquire an excellent performance, therefore the performance drastically decreased in every year until 2016. Otherwise, the amount of employee that acquire deficient performance increase to 77.6% in 2014 to 2016. The growth of the employee performance is allegedly influenced by the motivation and training that provided by PT Asuransi XYZ to the employee. This causes the researcher intend to examine the influence of training and motivation toward the employee performance. This study uses quantitative approach with questionnaires that distributed to 116 employees with quota sampling method. The number of samples are from heads of division, heads of department, heads of section, and executors with the total 11 person, 20 person, 38 person and 47 person. The sample data is processed using LISREL application to analyze Structural Equation Modeling. The results of this study indicated that variables of training had a significant positive effect on employee performance, motivation had a positive and significant positive effect on employee performance, and training had a positive and significant effect on motivation. Training and motivation together had a positive significant effect on employee performance.

KEY WORDS

Employee performance, motivation, structural equation modeling, training.

According to Otoritas Jasa Keuangan (OJK) in 2015, there are various types of insurance companies in Indonesia, for instance general insurance, life insurance, reinsurance, compulsory insurance and social insurance. General insurance companies have the largest companies in Indonesia in total 80 companies. PT Asuransi XYZ is one of the general insurance companies in Indonesia (OJK 2015).

PT Asuransi XYZ had branches in every large city in Indonesia. PT Asuransi XYZ is insurance company that offering insurance protection for all risk and loss, particularly for buildings and assets. The development of PT Asuransi XYZ can be shown from the increasing amount of clients and the revenue increasing in every year.

According to the financial report of PT Asuransi XYZ, the company's revenue increased from 2012 – 2016 with an average increase of 19.33% per year, despite of the increasing amount of revenue in every year, PT Asuransi XYZ's revenue is still below the target set by the company. The average of revenue achievement is only 57.5% from the target of company. The revenue achievement is inseparable from the employee performance in PT Asuransi XYZ. According to the internal evaluation result, the employee performance in PT Asuransi XYZ decreased in 2014 – 2016 (PT Asuransi XYZ 2017).

The result of employee performance in PT Asuransi XYZ in 2014 is 63.38% of PT Asuransi XYZ's employee acquire an excellent performance, therefore the performance drastically decreased in every year until 2016. Otherwise, the amount of employee that acquire deficient performance increase to 77.6% in 2014 to 2016 (PT Asuransi XYZ 2017).

The employee performance in PT Asuransi XYZ is influenced by the provision of training and motivation. The provision of training and motivation from the company must fit the employee needs in order to achieve the increasing of performance. The improvement of performance management is not only effect on the increasing result of the company, but further than that it is also be able as employee value add (Fahmi 2016).

Motivation from the company is needed to increase the performance of employee. The skill capability of company is required to conceive and create the condition where all of the employees motivated. Motivation is an encouragement that influenced an employee's willingness to achieve certain goals (Mangkuprawira 2014). There is no success doing anything like managing employees, without any motivation, either from the manager or the employee (Mangkuprawira and Hubeis 2007). The employee's motivation can be effected on the employee performance. Apart from motivation, the training for employee can be increased the employee performance in the company (Mangkuprawira 2004).

Employee training is a process of teaching certain knowledge and skills and attitudes so that the employees are more skilled and able to carry out their responsibilities better, in accordance with company standards. The training refers to the total structure of the program inside and outside the work of employee that is the company exploited in developing the knowledge, primarily for work performance and career promotion (Mangkuprawira 2004).

The growth of the employee performance is allegedly influenced by the motivation and training that provided by PT Asuransi XYZ to the employee. This causes the researcher intend to examine the influence of training and motivation toward the employee performance in PT Asuransi XYZ. Based on the background that stated above, despite of the increasing amount of revenue each year on PT Asuransi XYZ, but the revenue increase is still below the company target. This is allegedly caused by the decline in performance of PT Asuransi XYZ employee. Therefore, this research aims to examine the factors that influenced the PT Asuransi XYZ's employee performance. There are many factors that impact the employee performance; however in this study the variables used are training and motivation. The main issues of research can be formulated as follows:

- How does training affect to the PT Asuransi XYZ's employee performance?
- How does motivation affect to the PT Asuransi XYZ's employee performance?
- How does training affect to the PT Asuransi XYZ's employee motivation?
- How does training and motivation affect to the PT Asuransi XYZ's employee performance?

LITERATURE REVIEW

Training. Employee training is a process of teaching certain knowledge and skills and attitudes so that the employee are more skilled and able to carry out their responsibilities better and in accordance to the standard. Commonly the training refers to the development of work skills that able to apply instantly. In this case the financial benefits for the company commonly occur quickly. Meanwhile education provides particular subject of knowledge, but it is more general and more structured for a longer period of time (Mangkuprawira 2004).

Employee training expected to improve the employee's work motivation and ultimately increased the company productivity. Assuming that Human Resources that have followed the training in accordance with their daily tasks will be able work more focused, more capable in performing their duties, and wasting no time in completing the work that assigned (efficient). Through training, deficiencies and weakness of Human Resources enhanced, with the result of work productivity improved compare to before training (Arep dan Tanjung 2003).

Motivation. According to Mangkuprawira and Hubeis (2007), motivation is similar to the heart of employee management. Motivation is an encouragement that influenced the employee's willingness to achieve certain goals. There is no success in completing a task for instance managing employees, without any motivation, either from the managers or employees. The manager requires skills to comprehend and develop conditions where all the team members are motivated. This is a big challenge because each employee has different characteristic and respond to different conditions. Meanwhile the condition itself, including the type of problem, is often changing all the time. Those are prerequisites for achieving effective employee motivation that supported by a convenient management and leadership environment. Conversely, employees that are lack of motivation are characterized by frequent stress, physical illness, working inactively, low quality of work, lack of personal communication, and irresponsible with the assigned task.

Employee Performance. According to Simamora (2003), performance is an organization success measurement in achieving mission. Afterwards, employee performance is a consciousness of a person or group to conduct an activity and refine it in accordance with their responsibilities with expected results. If it is associated with performance as a noun which one of the its definitions is the result of a work, the definition of performance is the work result that can be achieved by a person in the company in accordance with each authority and responsibility in an effort to achieve company objectives legally, that is not harm the law and non contradiction with the morals or ethics (Rivai 2005).

Performance appraisal is about the employee's performance and accountability. In a world of global competition, companies demand high performance. Along with that, the employees need feedback on their performance as a guide to their behaviour in the future. Performance appraisal principally cover both the qualitative and quantitative aspects of job performance. Performance appraisal is one of human resource functions, occasionally named as performance review, employee performance evaluation appraisal, employee evaluation, or determination of personnel's rank (Simamora 1999).

METHODS OF RESEARCH

The research data collection conducted at the head office of PT Asuransi Bangun PT Asuransi XYZ located in Jakarta. The selection of research objects were determined by the criteria that have been set. The research data was collected on December 2017 – Januari 2018. The selection of sampling in this research was conducted by non-probability sampling with quota sampling technique. The determination of sample amoun taken in this research were following the Slovin formula and resulted 116 samples. The number of samples are from heads of division, heads of department, heads of section, and executors with the total 11 person, 20 person, and 47 person. The sample data is processed using LISREL application to analyze Structural Equation Modeling.

Research Variable. This research were contain two independent variables, training (X1) and motivation (X2) and one dependent variable, performance (Y). Research variables can be seen on Table 1.

Table 1 – Research Variables

Variable	Indicators of Variables	Symbols
Independent:		
1. Training (X1)	1. Reaction	X1.1
	2. Knowledge	X1.2
	3. Behaviour	X1.3
	4. Result	X1.4
2. Motivation (X2)	Hygienic:	
	1. Company Policy	X2.1
	2. Supervision	X2.2
	3. Interpersonal Relationship	X2.3
	4. Working Condition	X2.4
	5. Salary and Allowance	X2.5
	6. Job Security	X2.6
	Motivator:	
	7. Achievement	X2.7
	8. Recognition	X2.8
	9. The Work Itself	X2.9
	10. Responsibility	X2.10
	11. Progress	X2.11
Dependent:		
Performance (Y1)	1. Number of Jobs	Y1.1
	2. Quality of Work	Y1.2
	3. Timing	Y1.3
	4. Attendance	Y1.4
	5. The Ability of Cooperation	Y1.5

Data of this research were primary data and secondary data. Primary data was taken from the first source, namely from the results of face-to-face interviews with the respondents. Meanwhile, the secondary data of this study came from literature materials and other print media including relevant literature to the research.

RESULTS AND DISCUSSION

Research Variable Description. The statistic description of the questionnaire results are displayed through the description of the data from the respondent's answers to all questions with the aim to facilitate in knowing the general responses of respondents to the questionnaire that has been spread. The answers of questionnaires contain density and assessments that can be determined on the class interval.

The perception of PT Asuransi XYZ's employee in training variable was excellent with the average scale 3.311. The employee training is a teaching process of certain knowledge, skills and attitudes in order the employees are able to be more skilled and able to carry out their responsibilities better and in accordance with the standard (Mangkuprawira 2004). The perception of PT Asuransi XYZ's employees toward hygienic factor in motivation variable were excellent with the average of index scale 3.054. Hygienic factors were consider as extrinsic condition that will cause employee dissatisfaction if the factors are not existed (Mangkuprawira dan Hubeis 2007). The perception of PT Asuransi XYZ's employees toward motivator factors in motivation variable were good with the average of index scale 3.080. Psychological motivator factors are related to the reward of the employee's work-related personalities (Mangkuprawira, Hubeis 2007). The perception of PT Asuransi XYZ's employee toward the employees performance variable were good with the average of index scale 3.195. This indicate that respondent's assessments to each performance indicators were in accordance with each employee needs. Employee performance is consciousness of a person or group to conduct an activity and refine it in accordance with their responsibilities with expected results (Simamora 2003).

Figure 1 – Path diagram standardized loading factors

The Analysis of Structural Equation Modeling. The use of path diagram is to facilitate communication in the delivery of basic SEM concept idea effectively. Path diagram can describe or define the SEM model certainly and more obvious, particularly compared to the SEM mathematical model. A model of path diagram is able to simplify the model's conversion into commands or syntax of SEM software (Wijanto, 2015). Path diagram standardized loading factors can be seen in Figure 1.

In the Figure 1, the result of data shown the scale of P-value 0.12166 and RMSEA value 0.035, so the SEM model that has made is good and modification is unnecessary. The criterion of measurement model suitability is measured based on the validity of variable indicator to its latent variable. An indicator variable is valid when it has value of Standardized Loading Factor (SLF) more than the loading factor (LF) limitation that can be tolerated as ≥ 0.30 . Based on the path diagram SLF result it can be seen that that all variables are qualify for validity requirements by the SLF value that more than 0.30.

Each variable has indicator with different weight value, the higher the weight value, the greater the influence of indicator to the variable. In the Figure 1 it can be seen that the indicator to the training variable that has the greatest effect is result (0.87), then followed by the reaction indicator (0.80), learning (0.80), and behaviour (0.73). On the motivation variable with hygienic factor that has the greatest effect is the interpersonal of indicator relationship (0.81), then followed by the indicator of working conditions (0.77), job security (0.69), supervision (0.68), salary and allowance (0.68), and company policy (0.66). Meanwhile on the motivator factor, indicator with the greatest effect is the work itself (0.90), and then followed by the progress (0.84), recognition (0.79), achievement (0.74), and responsibility (0.73). On the variable of the employee performance, the indicator with greatest effect is the indicator of work quality (0.85), and then followed by the ability of cooperation (0.79), number of jobs (0.74), attendance (0.74), and timing (0.61). Then, to examine and know if all coefficients path are significant or not, the t-test statistic is used. The result of t-test of structural model can be seen in Figure 2.

Figure 2 – Path diagram T-test

In Figure 2 displayed that there is no red line coefficient and the values obtained are entirely greater than t-table. An indicator variable is valid when it has t-value above 1.96 (Wijanto 2008). On the t-value diagram result can be seen that all variables are qualify for validity requirements with the value of t-value above 1.96 (significant). Based on the t-value

result hygienic factor (26.59) is greater than motivator factor value (23.84), so in conclusion that hygienic factor in PT Asuransi XYZ has greater effect to the motivational variable compared to the motivator factor.

Hypothesis Testing Result. This research use t-test statistic result for the hypothesis testing. If the value of t-value is in the range of values -1,96 and 1,94 then Hypothesis 1 (H1) is rejected and Hypothesis 0 (H0) is accepted. If t-value is greater than t-label (1.96) then H1 is accepted and H0 is rejected. The result of hypothesis testing can be examine in Table 2.

Table 2 – Conclusions of Hypothesis Testing

Hypothesis	LF	t-value > 1.96	Conclusion
Direct Influence			
Training → Employee's Performance	0.48	5.56	Significant
Motivation → Employee's Performance	0.38	6.55	Significant
Training → Motivation	0.77	5.43	Significant
Indirect Influence			
Training → Employee's Performance	0.76	10.37	Significant

Based on Table 2, the result of t-test between variable training and employee's performance that obtained by t-value 5.56. If the value of t-value greater than t-table then H1 is accepted ($5.56 > 1.96$) then the training has a real positive impact to the employee's performance. The hypothesis result shown that the training has a positive direct effect and significant to the employee's performance with the LF value 0.48, meaning the better training provided by the company the more PT Asuransi XYZ's employees' performance improved. The training programme is a stimulation that employees need to improve the employee's skill and performance in order to achieve organization productivity improvement. Therefore, the training should be designed on the basis of company's needs and objectives. An effective training is a thoughtful intervention that designed to achieve employee's performance improvement (Elnaga, Imran 2013). Based on Table 2, the result of t-test between motivational variable and employee's performance is obtained by t-value 6.55. If the t-value result is greater than t-table so H1 is accepted ($6.55 > 1.96$) then motivation has a real positive effect to the employee performance. The result of hypothesis result showed that motivation has a directly positive and significant effect on employee performance with the LF value 0.38, meaning that the better motivation provided by the company the higher PT Asuransi XYZ's employee performance improvement achieved. The research results are in line with Ackah's research (2014) showed that employees that more motivated in the work have a good performance and tend to committed with the organization, however it is also able to affect the performance negatively if the employees aren't motivated.

In Table 2, the t-test result between variable and motivation training is 5.43 obtained by t-value. If the t-value is greater than t-table, H1 is accepted ($5.43 > 1.96$) then the training has a real and positive effect to motivation. The result of hypothesis research showed that the training has a direct positive and significant impact to motivation with the amount of LF value 0.77, meaning that the better training that provided by the company the higher PT Asuransi XYZ's employee performance improvement achieved.

Based on Table 2, the t-test result showed that the training has an indirect and significant impact due to the hit value of $10.37 > 1.96$. The training has indirect effect to the employee through motivation. Motivation has greater effect compare to the performance training that can be seen from the t-value where the motivation is greater than training. Thus, the training will improve employee performance depending on the motivation earned by the employee in PT Asuransi XYZ.

CONCLUSION

Based on the research result of the effect of training and motivation on employee performance in PT Asuransi XYZ, so it can be concluded as follows:

The research result showed that the training has a direct positive and significant effect on employee performance with the amount of LF value of 0.48, meaning that the better training provided by the company the higher PT Asuransi XYZ's employee performance improvement will be achieved. The indicator of variable training that has the biggest effect is result, and then followed by the reaction indicator, learning, and behaviour.

The research result showed that motivation has a direct positive and significant effect on the employee performance with the amount of LF value of 0.38, meaning that the better motivation provided by the company the higher PT Asuransi XYZ's employee performance improvement achieved. Hygienic factor in PT Asuransi XYZ has a greater effect on motivation variable compare to the motivator factor. On motivational variable with the greatest effect in hygienic factor is the indicator of interpersonal relationship, then followed by the indicator of working conditions, job security, supervision, salary and allowance, and the company policy. Meanwhile in the motivator factor, the indicator with biggest effect is the work itself, and then followed by improvement, recognition, achievement, and responsibility.

The research result showed that the training has a direct positive and significant effect on motivation with the LF value of 0.77, meaning that the better training provided by the company the higher PT Asuransi XYZ's employee performance improvement achieved. The greatest effect on the employee performance variable is the indicator of the quality of work, and then followed by numbers of work, attendance, and timing.

The training has a indirect effect on employee performance through motivation. Motivation has a greater effect than performance training that stated by the t-value of motivation is greater than training. Thus, the training will improve the employee performance depending on the motivation earned by the employee in PT Asuransi XYZ.

RECOMMENDATIONS

For the further research, the researcher can examine the employees of the PT Asuransi XYZ's branch offices in order the company will be able to perceive the result of training and motivation effect of all employees in PT Asuransi XYZ on employee performance. Then, the further research can examine other variables than can improve employee performance.

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