Analysis Of Training Effect On Employee Performance Through Employee Retention To The Employee of PT. Perkebunan Nusantara XII Kertowono Garden.

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ABSTRACT

This research aims to explain how training impacts Employee Performance through Employee Retention at the main office and Afdeling puring employees of PT. Perkebunan Nusantara XII Kertowono Garden. Using quantitative research, a saturation sampling technique, and a questionnaire to collect data from 67 employees as respondents. This research was processed by using the SmartPLS 3.0 software. The results of the study revealed that training has a positive and significant effect on Employee Performance. Training variable on Employee Retention also has a positive and significant impact. The Employee Retention variable on Employee performance had no positive effect. Then, the Employee Retention variable cannot mediate Training on Employee Performance.

Introduction

A company’s success is determined by its resources, one of which is the human resources (Ramadhan et al., 2020). Indahingwati & Nugroho, (2020) define human resources as employees who are alert, capable, and ready to achieve organizational goals. Human resources play an essential role in every company activity. Although supported by excess facilities, infrastructure, and resources, the company's actions will not run well without the support of reliable human resources. This shows that human resources are the primary key that the company must consider (Sihabudin, 2018).

Humans are company resources employed as movers, thinkers, and planners to help achieve goals (Susan, 2019). Human resources are the company’s most expensive and most important asset. The existence of a company cannot be separated from the human resources that support it (Ichsan et al., 2021). Failure to manage human resources can hinder the company from achieving its performance, profit, and survival goals (Muryani et al., 2022).
According to Yulistyono et al., (2021), human resource management is a science and art related to managing people in organizations, companies, and institutions to achieve goals effectively and efficiently. Human resource management is utilizing human resources effectively and efficiently through planning, mobilizing, and controlling all values that are the strength to achieve company goals (Hartomo & Luturlean, 2020).

One of the goals of human resource management is to ensure that all employees have high performance so that company goals are achieved. Performance is the quality or quantity produced by an individual when carrying out the work (Erlinda et al., 2019). The performance component has an essential role in the organization. If the employee's performance is good, it can also affect the company's success. On the other hand, if employee performance is poor, it can lead to company failure (Nguyen & Duong, 2020).

Companies can make various efforts to improve employee performance, one of which is by holding training. Training teaches employees the skills needed to carry out their work (Mahendra & Kasmita, 2020). Sulaefi, (2017) states that if a company wants a competitive advantage through aspects of human resources, it must have the concept of sustainable training and development. Training and development are essential for employees to be more effective.

According to Muhtadin & Frianto, (2020), training is essential for employees to master a better job and is one way to prepare employees when facing a position that is not yet understood and the company's way to improve performance. Training and development is an activity held by the company to improve the quality of its human resources in terms of knowledge, skills, and high professionalism at work so that employee abilities increase and company goals can be achieved Situmeang et al., (2019). Utami & Arif, (2021) states that investing through training and development can improve a company's performance, productivity, profitability, and innovation. Referring to previous research, Sihabudin, (2018), Ramadhan et al., (2020), Hartomo & Luturlean, (2020), Reza et al., (2018), Jocom et al., (2017), Karim, (2019), Nyaboke et al., (2018), Julianry et al., (2017), Lolowang et al., (2016), Esthi & Savhira, (2019), Utami & Arif, (2021), Darmawan et al., (2017), Halawi & Haydar, (2018), Karim et al., (2019) states that training has a significant positive effect on employee performance. However, research by Jeni & Arif, (2021), Purwanto & Nugroho, (2022), and Muhtadin & Frianto, (2020) stated that training had no significant effect on performance.

Not only through training, but various factors can also affect employee performance, one of which is retention. Ginting & Meilani, (2022) argue that retention is a practice carried out by companies to motivate their employees to remain in the company for a more extended time. Retention must be followed up and is the organization’s responsibility in human resources. Retaining talented employees can avoid business instability (Abba, 2018). Keeping employees in the company must be taken seriously.

In the aspect of human resources, PT. Perkebunan Nusantara XII Kertowono Plantation also organizes training for its employees. According to one of the Human Resources Admin PT. Perkebunan Nusantara XII Perkebunan Kertowono stated that training for employees is expected to increase knowledge and skills so that employees can understand and complete their work well. Training is provided to employees, according to the skills and positions taught, in person and online. PT. Perkebunan Nusantara XII Kertowono Plantation is still holding training for its employees, but when the Covid-19 pandemic hit, the training was not much compared to before the pandemic.

In terms of retention, the company has provided various employee facilities, such as basic salary, health insurance, affordable housing for all employees, part-time employees, freelance daily (KHL), and permanent employees. However, according to an interview with one of the employees, he stated that after the factory fire that hit the company in 2019, it had an impact on reducing employee compensation and reducing livelihoods. The factory fire incident that hit was very unfortunate for the employees, but the employees tried to embrace each other and rise together so that the company could recover. In the performance aspect, employees try their best to complete their work, even though work must be completed outside of working hours. Some conditions also require employees to work outside their duties or desks, but employees still try to help each other colleagues to complete their work. Based on previous study and the gaps described above, the researchers intend to carry out a study entitled “Analysis Of Training Effect On Employee Performance Through Employee Retention To The Employee Of PT. Perkebunan Nusantara XII Kebun Kertowono”.

**Literature Review**

**Training**

Training is a process of teaching knowledge, attitudes, and skills so that employees are more skilled and able to carry out their responsibilities according to work standards in the organization (Jeni & Arif, 2021). Rodriguez & Walters, (2017) defines training as an organized activity to provide information and instructions to
employees in order to improve performance and achieve the required knowledge and skills. In line with Jocom et al., (2017), training is a focused activity. It has a timeframe aiming to build interpersonal and organizational skills and change behavior that can affect performance improvement for individuals, teams, and organizations. Julianry et al., (2017) interpret training as a process of teaching specific skills and knowledge, as well as attitudes so that employees have the skills and can carry out their responsibilities properly according to their capacities. The essence of training activities is to improve skills in order to achieve organizational goals. Training can improve the quality of human resources in the world of work and be helpful for both old and new employees (Lestari, 2019). Yonatan, (2019) stated that development training is a means within the organization to develop employees to conform to current and future management patterns.

**Employee Performance**

Performance results from an employee's work in the form of quality or quantity that will be achieved when carrying out the tasks and responsibilities given (Purwanto & Nugroho, 2022). Hartomo & Luturlean, (2020) define performance as a description of the achievement and implementation of a program or activity, or policy to realize the vision, mission, goals, and objectives contained in the formulation of strategic schemes within an organization. Performance is a result achieved by an individual in carrying out the tasks assigned by him based on skills, sincerity, experience, and time (Darmawan et al., 2017). According to Kistyanto et al., (2018), performance is a process in which the organization manages all its resources to suit the company, its functional goals, and its strategies. Performance is one of the essential factors in improving work outcomes in organizations. Reza et al., (2018) stated that performance refers to the achievement of tasks achieved by an employee when carrying out a job. An employee's good or bad performance can be seen from his ability to carry out the tasks for which he is responsible. In line with Bintari & Budiono, (2018), performance is something that employees get both in terms of quality and quantity that has been achieved to carry out their work following the responsibilities that have been carried out.

**Employee Retention**

Retention is a company's effort to retain its employees and improve their physical, attitude, and mental conditions so that employees are loyal and can work productively. The company's goals can be achieved Putri & Arwiyah, (2019). According to Nurullaili et al., (2019), retention is the company's ability to maintain and increase the loyalty of prospective employees. Retention is a policy and implementation within the organization to prevent outstanding employees from leaving their jobs (Abba, 2018). In line with Sa’diyah et al., (2017), retention refers to the company’s policy to keep employees from leaving/resigning from the company. For companies, retaining competent employees is better than finding new employees. Rahmawati, (2019) defines retention as a company strategy to achieve its goals by retaining quality employees. With the retention strategy implemented, the
company's performance can be seen from the achievements and results of operational activities in optimizing the resources owned. The retention strategy is said to be successful if it can preserve knowledge within the organization. When an employee resigns, it can lead to a knowledge gap in the organization. This can also affect the decline in organizational productivity (Aleem & Bowra, 2020).

**Relationship Between Variables**

Darmawan et al., (2017) stated that training programs held by the company can cause an increase in employee performance. Training is one of the efforts companies can take to improve the quality of their human resources. According to Akther & Tariq, (2020) on their research, training can be a tool for the employees to gain their knowledge, attitude, and skills for efficient performance. The purpose of the training is to boost employee performance for the better. If the results of the training obtained are good, the company will have a good impact, one of which is the increase in employee performance, which can also affect the achievement of the company's vision and mission. Holding training in an organization can lead to better employee performance than before (Younas et al., 2018).

H1: It is suspected that training has a significant effect on Employee Performance

When the company provides training that is right on target, following the needs and objectives of the company, there is a positive response in the form of high enthusiasm and confidence in improving skills and competencies. This also impacts the high level of employee engagement in the company to be committed to staying in the company Nurmalitasari & Andriyani, (2021). Aleem & Bowra, (2020) stated that companies can use training programs for their employees during the global competition that is happening today to increase retention and productivity levels. The training program motivates and rewards employees for the additional skills provided. Elsafty & Oraby,( 2022) argue that training and development can improve employees' skills to become field experts. This makes employees committed to their work and impacts both employees and the company in terms of profits. (Suwaidi & Akmal, 2022) argue that besides gaining skill, ability, and knowledge through training, employees show a commitment to stay at the organization for a long time.

H2: It is suspected that training has a significant effect on Employee Retention

In line with previous research, Purnama & Mayliza, (2019) and Suhendar, (2021) stated that employee retention significantly affects employee performance. The positive effect of retention on performance is shown by the higher the retention, the higher the employee's performance (Putri & Arwiyah, 2019). According to Sa’diyah et al., (2017), one way to improve employee performance is to optimize retention so that employees are loyal to work in a company. If the company's efforts to maintain its employees are wrong, it can also affect performance and impact the high resignation rate (Ramadhani et al., 2020).
H3: It is suspected that Employee Retention has a significant effect on Employee Performance

Jocom et al., (2017) argue that holding employee training can increase efficiency and productivity. Employees who have been provided with training become more trained and can show their performance in terms of quality and quantity. Yonatan, (2019) stated that the training and development provided by the company have an impact on employee retention, where employees are reluctant to resign and reconsider the attention that the company has given to improving the abilities of employees through training and development. Maintaining retention in the company can increase the effectiveness and performance of employees. Employees feel valued by the company through retention, so loyalty and employee performance increase towards the company's success (Rahmawati, 2019). It can be concluded that each variable has a relationship, and most have a positive influence. Therefore, it is suspected that there is an effect of Training on Employee Performance through Employee Retention.

H4: Training is suspected to significantly affect Employee Performance through Employee Retention.

Method

The research method applied is a quantitative method with data collection in the form of observations, interviews, and the distribution of 1-5 Likert scale questionnaires to prospective respondents, using a saturated sampling technique. The research was conducted at PT. Perkebunan Nusantara XII Kertowono Gardens, Gucialit Village, Lumajang Regency, with 74 employees taken from the Main Office and Afdhelning Puring, with the status of permanent employees and freelance daily employees. The results of the data obtained were processed using SEM PLS with the Smart PLS application.

Result and Discussion

Respondent Profile

The research data collection was carried out by distributing questionnaires to PTPN XII Kebun Kertowono employees. Questionnaires were given to 74 employees, but 67 respondents were returned. Judging from the characteristics of the respondents, the majority were male, with as many as 52 respondents (77.6%), while 15 were female (22.4%). The respondents are divided into three in the age range of 30-40 years, as many as 14 (20.9%). The 41-50 year age range is mainly owned by about 38 respondents (56.7%), while the age range >51 years, the remaining 15 respondents (22.4%). The department/department that handled by most of the respondents from the main office, namely 41 respondents (61.2%), and the remaining 26 respondents (38.8%) are from the Afdhelning Puring office. As for the employment status of most respondents, the group of freelance daily employees/KHL is 38 (56.7%). At the same
time, respondents with permanent employee status were 29 respondents (43.3%). The working period category is divided into four, in the 5-10 year working range as much as eight respondents (11.9%). Most respondents have a working range of 11-20 years, which is around 25 respondents (37.3%). Furthermore, in the working range of 21-30 years, as many as 16 respondents (23.9%). In the working age range >30 years, as many as 18 respondents (26.9%).

The Result of Outer Models

The result shows that each indicator has an outer loading value between 0.6-0.7. However, at X1 and Y5 the objective indicator and attendance indicator, has an outer loadings value below the criteria at 0.496 and 0.454. After recalculation, each indicator has a value above the predetermined criteria of > 0.60. Thus, all indicators are declared valid in the calculation of outer loadings. The results of the Composite Reliability and Cronbach’s Alpha calculation show that all variables have a value above > 0.60. The AVE calculation show that all variables have a value above > 0.50 and are declared valid.

Table 1. Composite Reliability, Cronbach’s Alpha, AVE

<table>
<thead>
<tr>
<th>Variable</th>
<th>Composite Reliability</th>
<th>Cronbach’s Alpha</th>
<th>AVE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training</td>
<td>0.840</td>
<td>0.773</td>
<td>0.716</td>
</tr>
<tr>
<td>Employee Performance</td>
<td>0.780</td>
<td>0.627</td>
<td>0.687</td>
</tr>
<tr>
<td>Employee Retention</td>
<td>0.818</td>
<td>0.681</td>
<td>0.774</td>
</tr>
</tbody>
</table>

Source: Output Smartpls 3.0 2021

The Result of R-Square

The R-square calculation shows that the Training variable on Employee Performance can explain the variable by 40.5% and other variables not mentioned in the study by 59.5%. The Training variables can explain the Employee Retention variable of 8.5% and other variables of 91.5%, which are not mentioned in the study.

Table 2. R-Square

<table>
<thead>
<tr>
<th>Variable</th>
<th>R-Square</th>
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</thead>
<tbody>
<tr>
<td></td>
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</tbody>
</table>
Training

Employee Performance 0,405
Employee Retention 0,085

Source: Output Smartpls 3.0 2021

The Result of Path Coefficients and Indirect Effects

Variable Training on Employee Performance and Training on Employee Retention has as a t-statistic result > 1.96 which means that the two variables have a significant positive effect. Furthermore, the Employee Retention variable on Employee Performance has a T-Statistics value < 1.96 which means that the variable does not affect Employee Retention and Employee Retention cannot mediate the effect of Training on Employee Performance.

Table 3. Path Coefficients and Indirect Effects

<table>
<thead>
<tr>
<th>Variable</th>
<th>Original Sample</th>
<th>T-Statistics</th>
<th>Conclusion</th>
</tr>
</thead>
<tbody>
<tr>
<td>Training – Employee Performance</td>
<td>0,565</td>
<td>5,841</td>
<td>Hypothesis Accepted</td>
</tr>
<tr>
<td>Training – Employee Retention</td>
<td>0,291</td>
<td>2,245</td>
<td>Hypothesis Accepted</td>
</tr>
<tr>
<td>Employee Retention – Employee Performance</td>
<td>0,172</td>
<td>1,219</td>
<td>Hypothesis Rejected</td>
</tr>
<tr>
<td>Training – Employee Performance – Employee Retention</td>
<td>0,050</td>
<td>0,916</td>
<td>Hypothesis Rejected</td>
</tr>
</tbody>
</table>

Source: Output Smartpls 3.0 2021

Discussion

Training has a significant positive effect on Employee Performance. The better the training program held by the company, the better the performance of employees. Similar to previous research, namely Lestari, (2019), Lolowang et al., (2016), Utami & Arif, (2021), Ahmad & Manzoor, (2017), Onibala et al., (2017), Younas et al., (2018), Latif, (2018), Umi & Nurnida, (2018), Situmeang et al., (2019), Fahrozi et al., (2022), Sendawula et al., (2018) which stated that training has a significant positive effect on
Employee Performance. Supported by the results of interviews with one of the employees of PT. Perkebunan Nusantara XII Kertowono Gardens stated that by participating in the training, they could directly improve their knowledge and skills related to working so that employees who initially do not understand the job desk they are doing become more understanding after attending the training. So that they can help employees complete their work and improve their performance because they have been provided with knowledge through training.

The test results show that training has significantly positively affected Employee Retention. The more an employee participates in training activities, it can help increase employee retention. Yonatan, (2019), in her research, explains that training and development programs organized by the company can improve employees' abilities and practically assist employees in dealing with work problems regularly. So that what is provided by the company in the form of training and development becomes a consideration for employees not to resign. According to Aleem & Bowra, (2020), training is essential in increasing commitment and loyalty to the company because it can affect employee career growth. This is following previous research, namely Ginting & Meilani, (2022), Damei, (2020), Nurmalitasari & Andriyani, (2021), Abba, (2018), Yousuf & Siddqui, (2018), Pan et al., (2021), Nyaboke et al., (2018), Malik et al., (2020), Madhushani, (2020), Prashanth & M, (2022), Gan & Yusof, (2019), Akther & Tariq, (2020) which stated that training had a significant positive effect on Employee Retention. Supported by the results of an interview with one of the employees of Afdheling Puring PT. Perkebunan Nusantara XII explained that they were still unable to understand the work they were being taught by being provided with knowledge and skills through training at the beginning of their careers. Eventually, they were able to understand and master the field of work, then became experts in their fields and could be trusted by superiors because of their abilities. Employees feel empowered by the company, so employees will reconsider if they decide to resign. Training activities can be an opportunity to achieve higher career opportunities for employees by applying the knowledge gained during training on the job.

Based on the results, it can be stated that Employee Performance does not significantly affect Employee Retention. Referring to the research of Prasetyo et al., (2021) and Nurullaili et al., (2019) stated that Employee Retention does not have a significant effect on Employee Performance, which means that the retention efforts made by the company have not been able to improve the performance of company employees. This is clarified by the results of the questionnaire given by the respondents, that there is one indicator of Employee Retention that causes the Employee Retention variable to have no significant effect on Employee Performance regarding the availability of career opportunities offered by the company. Career opportunities are not one of the reasons that make employees work in the company, but employees want to make a living and fulfill their daily needs by working. In addition, the availability of career opportunities for employees is small because many are experienced, and there are employees whose tenure of up to 20 years make
them rethink competition between fellow employees if they want to increase their career opportunities.

The test results show that Employee Retention cannot mediate the effect of Training on Employee Performance. Referring to the results of an interview with one of the employees, he explained that training is not the only reason employees stay in the company. Many choices make them remain in the company. Most of their options regarding the reasons for staying at the company are demographic factors or the location of the company that is close to where they live, so employees choose to work close to where they live with as much consideration as possible, not leaving their families.

**Conclusion**

Based on the studies described above, it can be concluded that (1) Training has a significant positive effect on Employee Performance. (2) Training has a significant positive effect on Employee Retention. (3) Employee Retention has a significant negative effect on Employee Performance. And last, (4) Employee Retention cannot mediate Training on Employee Performance.

The advice to be conveyed to the company is to increase employee performance, and the company should improve the quality of training in terms of training methods. The company should hold ongoing training so there is no gap when implementing training materials. Discontinuation of training materials can cause employee ambiguity in understanding the training material, so employees cannot digest the training material properly. Improving the quality of training the company holds can indirectly affect employee retention. Not only increase retention, but good quality training can also improve employee performance. In addition, the company should provide follow-up for employees who have attended training by being rewarded materially and non-materially, one of which is promotion. The employees included in the training have more value in better competence abilities. This can have a positive effect on employee performance and increase company performance.

Furthermore, researchers should add other research variables so that there will be new research and hoped that future researchers will maximize data collection not only online but also directly or offline due to demographic and respondent conditions so that data collection can run well.

**References**


