



Effect of the Implementation of Employee Training & Development Programme on Employee Performance (Case study of PT. Federal International Finance (FIFGROUP) Batu City branch)

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ABSTRACT

This study aims to understand and assess the impact of the Implementation of Employee Training & Development Programs on Employee Performance (Case Study of PT. Federal Internasional Finance (FIFGROUP) Batu City Branch), both individually and overall. The research method used is quantitative. The data collection technique applied is a questionnaire. The data analysis methods employed include the measurement of instruments, encompassing validity and reliability testing, classical assumption testing, which covers normality, linearity, multicollinearity, and heteroscedasticity tests, as well as hypothesis testing, which includes multiple linear regression analysis, t-test, F-test, and determination coefficient. The findings of the study indicate that both variables, namely the employee training & development programs, have an individual impact on employee performance (case study of PT. Federal Internasional Finance (FIFGROUP) Batu City Branch). Additionally, the employee training & development program variables also have an overall impact on employee performance (case study of PT. Federal Internasional Finance (FIFGROUP) Batu City Branch).

Keywords: Training Program, Employee Development, Employee Performance

1. Introduction

The consumer financing industry in Indonesia is now widely recognised. In this case, one of the consumer financing companies, FIFGROUP, plays a crucial role in providing financial solutions to individuals and businesses in need. According to information from the National Statistics Institute (BPS), the rate of economic increase in Indonesia reached 5.07% in 2021 (BPS, 2022). This strong economic growth has fuelled the demand for consumer financing, such as financing for motor vehicles, electronics, and more. There are many financing companies in Indonesia such as Adira Dinamika Multi Finance, BFI Finance, Astra Sedaya Finance, Oto Multiartha, and FIFGROUP Finance. As one of the finance companies, FIFGROUP has strengthened its position with growth in line with the national economic growth trend. In addition to significant economic growth, FIFGROUP is also known for their strong commitment to corporate social responsibility. According to FIFGROUP's annual report (2021), the company has been active in various social programmes that intend to leave a positive impact on the population, such as financial education programmes like workshops on finance that FIFGROUP has conducted. These measures reflect the company's awareness of its broad social responsibility.

FIFGROUP's name is also reflected in the various awards they received. For example, in 2020, FIFGROUP received the 'Best Finance Company' award from Global Banking & Finance Review (GBFR) magazine (GBFR, 2020). This award shows the industry's recognition of the positive contributions FIFGROUP has made in improving consumer financial services. FIFGROUP is a company practising in Indonesia and is among the largest finance companies in the country. FIFGROUP provides financing services for motor vehicles, electronics, and motorcycles. The company also offers insurance, leasing, and other consumer financing products.

Several employee training and development programmes in FIFGROUP have reflected the company's efforts to improve the competence and potential of its staff. FIFGROUP offers various training programmes for its employees, covering both technical skills and soft skills. Examples of FIFGROUP Training Programmes are Sales Training, Customer Service Training, Leadership Training, and Financial Literacy Training. But although these training programs exist, internal evaluations have indicated that their potential has not been fully realised. For example, there is still a lack of training intensity at PT FIFGROUP so that the lack of material and experience gained by employees at PT FIFGROUP itself.

The impact of existing problems in employee training and development at FIFGROUP is a potential decrease in overall organisational effectiveness. Lack of customisation in training programs can result in the irrelevance of the program for most employees, which in turn can reduce their motivation to actively participate in the training. This can affect employee productivity and performance, as well as their ability to compete in a competitive business environment. Integration issues between online and face-to-face training can also have a negative impact on the efficiency and effectiveness of the training. If employees cannot easily access or participate in online training, this can hinder their progress in adopting the latest technology or more efficient working methods.

The use of FIFGROUP employees as the research sample in this study is based on several sound reasons. First, employees are a very valuable asset in the organisation, and a deep understanding of their training needs and how to improve their performance has a direct impact on the productivity and success of the company. Second, FIFGROUP as a consumer finance company occupies an important position in a rapidly changing industry, and their employees need to stay current with industry trends and regulatory policies. Therefore, evaluating the existing training and development programme and listening to employees' views on its effectiveness is a very relevant and strategic step in the effort to ensure the company remains competitive.

This study investigates the extent to which employee training and development programs impact employee performance at PT Federal International Finance Batu (FIFGROUP). It focuses on three main questions: (1) the effect of the training program on enhancing employee performance, (2) the influence of employee development on performance improvement, and (3) the combined impact of both training and development programs on improving employee performance at the Batu City Branch of FIFGROUP.

2. Literature Review

2.1. Human Resources (HR)

Essentially, human resources are individuals who work in an entity as activists, philosophers, and assemblers in achieving the entity's targets (Sakban et al., 2019). This concept focuses on the collection of employee behaviours involved in achieving the entity's goals. This concept is also the basis for the reviewer to use training and development variables. Employees and employee performance as variables that need to be studied, because these variables have an attachment to each other. Employee training and development programmes are requested to improve employee performance.

2.2. Training Programme

According to Syafrida et al., (2023:28), training is a systematic arrangement of activities designed to increase competencies, memories, capabilities, increase knowledge, and modify personal behaviour. While Said & Firman (2021:58) concluded training as a structured process of modifying an employee's actions to fulfil the agency's mission, related to improving the abilities and skills required to perform current tasks. It is up-to-date and aims to help employees gain the specific competencies required to perform their jobs successfully.

As for the indicators of work discipline, according to Sugiarti et al. (2022) namely: Improved Skills, Improved Knowledge, Improved Competence, Improved Productivity, Improved Performance, Improved Job Satisfaction, Improved Employee Retention, Improved Innovation and Creativity.

2.3. Employee Development

Sahir et al. (2023) states that career development is the stage at which employees progress through different levels of obligation. Each level has a unique and increasingly complex classification of duties. As the career progresses, the employee will receive increasingly higher levels of obligation, authority, and types of duties. This encourages employees to be more self-experienced. According to Firman (2021) career development is the normal structure of activities that companies offer to their employees with the aim of increasing awareness, knowledge and abilities that affect career direction and progress. As for the indicators of motivation, according to Mangkunegara (2013) as follows: Instructor, Participants, Materials, Methods, Objectives, Goals.

2.4. Employee Performance

Mangkunegara (2013) defines employee performance as the acquisition of work in terms of quality and level achieved by employees (for example employees of Federal International Finance (FIFGROUP) Batu City branch) in carrying out their obligations relevant to the obligations submitted. Employee performance is very important because it provides an overview of how effective they are in carrying out their entrusted obligations. Therefore, it is necessary to establish a transparent and measurable classification, as well as agreed upon together as a foundation. The indicators of employee performance, according to Mangkunegara (2013), as follows: quality, quantity.

3. Methodology

3.1. Type of Research

The type of research used in this study is quantitative research. The data used are numbers with studies using statistics, based on the philosophy of positivism, used to study special populations or samples, data collection using research tools with the intention of calculating hypotheses that have been decided (Sugiono, 2013).

3.2. Research Location and Time

The place of this research is using the employees of PT FIFGROUP Batu Branch which is located at Jl. Semeru No. 26, Sisir, Kec. Batu, Batu City, East Java. This research was conducted from 1 June 2023 to 1 June 2024.

3.3. Operational Variables

The variables of this research are categorised into two (2) parts, namely the independent variable and the dependent variable.

- a. Independent variables: Employee Training (X1) and Employee Development (X2).
- b. Independent variable: Employee Performance (Y)

The operational definition is a narrowing down of the meaning of the concept of this research variable with the material studied in order to create similarities of thought. The following is the operational definition of the variables:

- a. Training is a set of activities that are systematically designed to improve individual competencies, memories, capabilities, knowledge, and behaviour.
- b. Career development can be explained as a stage in which employees face improvement through various levels of specialised obligations.
- c. Employee performance is the ability of a person or organisation to achieve goals or expected results, by comparing the gains achieved with the benchmarks or classifications that have been decided.

3.4. Population and Sample

In this research, the population is all employees of PT Federal International Finance by using questionnaires in the marketing, financial admin, technical admin, architect, technical employee data in 2023 with a total of 35 employees. The saturated sample or census was employed (Sugiono, 2013), a saturated sample is one in which adding to the total would not increase representativeness or affect the score of information already obtained.

3.5. Data Source

Sugiono (2013) defines that primary data is data that provides instant information originating from participants, including the identity of participants and the acquisition of participant responses related to the object of research that requires further processing.

3.6. Data Collection Methods

This research collects data using questionnaires submitted to respondents. According to Sugiyono (2020: 199), a questionnaire is a way of collecting data that involves submitting recorded questions or statements to participants for response. The questionnaire used in this research uses Likert parameters. Likert parameters are used to measure the characteristics, opinions, and thoughts of individuals or members of people about social events (Sugiono, 2013)

3.7. Instrument Test

About the instrument test, the validity test is used to ensure that the questionnaire measures what it is intended to, by verifying if the questions accurately reflect the variables under study. If the data collected aligns with the actual field conditions, it is considered valid (Ghozali, 2016). Similarly, the reliability test evaluates the consistency of the questionnaire. A reliable questionnaire produces stable and consistent results over time, meaning that participants' responses do not fluctuate significantly in similar conditions. The normality test assesses whether the residuals in a regression model are normally distributed, typically using the Kolmogorov-Smirnov method (Ghozali, 2016).

Additionally, classical assumption tests are conducted to check for issues in the regression model. The multicollinearity test checks the relationships between independent variables by analyzing Tolerance and VIF values, ensuring that the variables are not excessively correlated. The heteroscedasticity test examines whether the variance of residuals remains constant across observations; a good regression model exhibits homoscedasticity, meaning there is no heteroscedasticity (Ghozali, 2016).

The multiple linear regression analysis explores the relationship between dependent and independent variables, estimating how the independent variables influence the dependent variable (Ghozali, 2016). The T-test evaluates the partial impact of each independent variable on the dependent variable, with significance indicated at $p < 0.05$ (Ghozali, 2016). The F-test, on the other hand, measures the combined effect of all independent variables on the dependent variable (Ghozali, 2016). Lastly, the coefficient of determination (R^2) shows how much of the variation in the dependent variable can be explained by the regression model (Ghozali, 2016).

4. Results and Discussion

4.1. General Respondent Description of the Company

FIFGROUP is a leading financing company in Indonesia that offers various financial solutions to fulfil the needs of Indonesia. Established in 1989 under the name Indonesia Mitrapusaka Artha Finance, FIFGROUP has risen rapidly among some of the largest finance companies in Indonesia. FIFGROUP is committed to providing the best service for its customers by constantly innovating and creating. The company also upholds the principles of effective corporate management and social responsibility.

4.2. Respondents Description

Participant characteristics have certain attributes that are determined by several factors. In this research, the sampling tactic used is saturated sampling, where the classification of participants includes aspects such as age and gender, is an employee of Federal International Finance (FIFGROUP) Batu City branch, and position. So that this information can be used to find employee training and development programmes simultaneously have an impact on employee performance at the company Federal International Finance (FIFGROUP) Batu City Branch.

a. Age

Participants in this research are CV Sahid Jaya employees aged 22-26 years, namely 3 people with a percentage of 8.57%, 27-31 years old as many as 15 people with a percentage of 42.86%, 32-36 years old as many as 8 people with a percentage of 22.86%, 37-41 years old as many as 5 people with a percentage of 14.29%, 41-45 years old as many as 4 people with a percentage of 11.43%.

b. Gender

There were 23 male participants and 12 female participants. The percentage of male participants is 65.71% and female participants are 34.29%. So it was found that the majority of participants in this research were male.

c. FIFGROUP Employee Status

The next characteristic of the participants in this research is based on being an employee of Federal International Finance (FIFGROUP) Batu City branch, where 35 participants from this research are employees of Federal International Finance (FIFGROUP) Batu City branch.

d. Job Position

Participants with the position of branch head 1 person, marketing 5 people, finance 7 people, collections 7 people, unit head 4 people, technical data 11 people. So it is known that the majority of participants in this research are data technicians.

4.3. Data Analysis Method

4.3.1. Instrument Test

A. Validity Test

The assessment criteria for the Pearson validity test can be described as follows:

- 1) If $r \text{ value} > r \text{ table}$ significant 5% is collected research instrument (arguably valid)
- 2) If $r \text{ value} < r \text{ table}$ significant 5%, the research instrument is collected (arguably not valid)
- 3) The $r \text{ table}$ score with $N = 45$ at a significance level of 0.05 in the statistical $r \text{ table}$ score distribution is 0.287.

Table 1. Validity Test Results

Variable	Item	r value	r table	Description
Training Program (X1)	1	0.834	0.274	VALID
	2	0.720	0.274	VALID
	3	0.807	0.274	VALID
	4	0.789	0.274	VALID
	5	0.740	0.274	VALID
	6	0.834	0.274	VALID
	7	0.720	0.274	VALID
Employee Development (X2)	1	0.689	0.274	VALID
	2	0.699	0.274	VALID
	3	0.735	0.274	VALID

Variable	Item	r value	r table	Description	
	4	0.849	0.274	VALID	
	5	0.714	0.274	VALID	
	6	0.640	0.274	VALID	
	7	0.738	0.274	VALID	
	8	0.849	0.274	VALID	
	9	0.714	0.274	VALID	
	10	0.817	0.274	VALID	
	11	0.764	0.274	VALID	
	12	0.683	0.274	VALID	
	13	0.733	0.274	VALID	
	14	0.640	0.274	VALID	
	15	0.817	0.274	VALID	
	Employee Performance (Y)	1	0.709	0.274	VALID
		2	0.795	0.274	VALID
		3	0.823	0.274	VALID
4		0.873	0.274	VALID	

The results of the validity calculation on all variables of the questionnaire statement items have a score of $r \text{ value} > r \text{ table}$, namely 0.274 (at a significant level of 0.025) which implies that the questionnaire statement items on these variables are arguably valid.

B. Reliability Test

The assessment criteria for the reliability test can be described as follows:

- 1) If the Cronbach's Alpha score > 0.06 then the calculation tool is declared reliable.
- 2) If the Cronbach's Alpha score < 0.06 then the calculation tool is declared unreliable.

Table 2. Realibility Test Results

Variable	Cronbach's Alpha	Criteria Value	Desc.
Training Program (X1)	0,91	0,60	Reliable
Employee Development (X2)	0,94	0,60	Reliable
Employee performance (Y)	0,83	0,60	Reliable

The Training Programme, Employee Development, and Employee Performance variables imply a Cronbach's Alpha score > 0.6 . So from these results it can be said that all variables are considered reliable.

C. Normality Test

The normality test criteria knowing K.S (Kolmogrov Smirnov) can be explained as follows:

- 1) If the score $Asymp.sig. (2-tailed) > 0.05$ then the conclusion is that the data is normally distributed.
- 2) If the $Asymp.sig. (2-tailed) < 0.05$ then the conclusion is that the data is not normally distributed

Table 3. Normality Test Results
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		35
Normal Parameters ^{a, b}	Mean	.0000000
	Std. Deviation	1.40798048
Most Extreme Differences	Absolute	.126
	Positive	.126
	Negative	-.072
Test Statistic		.126
Asymp. Sig. (2-tailed)		.176 ^c

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.

Source: data primer processed spss, 2023

Based on the results in table above, it appears that the Asymp. Sig (2-tailed), which is $0.176 > 0,05$, is collected, the data in this research is normally distributed and the regression pattern applies.

4.3.2. Classical Assumption Test

A. Multicollinearity Test

The criteria used is if the Tolerance score > 0.1 or VIF score > 5 , then there is no multicollinearity where:

- 1) Tolerance value < 0.1 or VIF > 10 = multicollinearity occurs
- 2) Tolerance value > 0.1 or VIF < 10 = no multicollinearity occurs.

Table 4. Multicollinearity Test Results

Variable	Tolerance	VIF	Desc.
Training Program (X1)	0.818	1.222	Free of Multicollinearity
Employee Development (X2)	0.818	1.222	Free of Multicollinearity

Based on the acquisition of table 4, each variable has a tolerance score of more than 0.10 on the training programme variable (X1) 0.818, on the employee development variable (X2) obtained as much as 0.818. While the VIF score for each variable is less than 10. In the training programme variable (X1) 0.818, in the employee development variable (X2) obtained as much as 0.818.

It can be compiled that the data above shows the VIF score < 10 , and tolerance $> 0,1$, which means that the data has no signs of multicollinearity.

B. Heteroscedasticity Test

The calculation of heteroscedasticity is applied to find whether in the regression pattern there is an inequality of variance from the residuals of the review to other evaluations. If each independent variable has no significant impact on the absolute score of the residuals ($\alpha=0.05$) then there is no sign of heteroscedasticity in the regression.

Table 5. Heteroscedasticity Test Results

Variable	Tolerance	VIF	Desc.
Training Program (X1)	0.317	0,05	Free of Heteroscedasticity
Employee Development (X2)	0.896	0,05	Free of Heteroscedasticity

Based on table 5 above, the training programme variable (X1) implies a significance level on the absolute residual score of 0.317 which is more than 0.05, so there are no symptoms of heteroscedasticity. Likewise, the employee development variable (X2) implies a significance level on the absolute residual score of 0.896 which is also more than 0.05, so there is no sign of heteroscedasticity in this variable.

4.3.3. Hypothesis Test

A. Multiple Linear Regression Analysis

Regression analysis is based on the study of the relationship between the dependent variable (adrift) and one or more independent variables (transparent / free). To find this out, you can use the following formula:

$$Y = a + b.X1 + b.X2 + b.X3 + e$$

Table 6. Multiple Linear regression test results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.128	2.043		2.510	.017
	PELATIHAN	.205	.072	0.301316	2.853	.008
	PENGEMBANGAN	.269	.031	.924	8.753	.000

a. Dependent Variable: KINERJA KARYAWAN

Source data priemer processed spss, 2023

Table 6 data presented the acquisition of multiple linear regression calculations appears if the multiple linear in this research is: $Y = 5.128 + 0.205X1 + 0.269X2 + e$

B. F Test (Simultaneous Test)

Table 7. F Test (Simultaneous)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	163.341	2	81.670	38.774	.000 ^b
	Residual	67.402	32	2.106		
	Total	230.743	34			

a. Dependent Variable: KINERJA KARYAWAN

b. Predictors: (Constant), PENGEMBANGAN, PELATIHAN

Source: Data priemer processed SPSS, 2023

Based on the acquisition of the F value in table 7, it appears that the significance score is 0.000, meaning that the Sig. score is less than 0.05 and F value $38.77 > F$ table 4.12. Thus the set can be taken based on the hypothesis (H3) that the employee training & development programme simultaneously has an impact on improving employee performance at the Federal International Finance company (FIFGROUP) Batu City Branch is accepted.

C. T Test (Partial)

The criteria for rejecting or accepting the hypothesis are operated with the following classification:

- 1) If the significant score $t > 0.05$ and t value $> t$ table then the coefficient is not significant. This indicates that individually the independent variable has no impact on the dependent variable.
- 2) If the significant score $t < 0.05$ and t value $< t$ table then the coefficient is significant. This indicates that individually the independent variable has an impact on the dependent variable.

Table 8. t-test results

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.128	2.043		2.510	.017
	PELATIHAN	.205	.072	0.301316	2.853	.008
	PENGEMBANGAN	.269	.031	.924	8.753	.000

a. Dependent Variable: KINERJA KARYAWAN

Source data priemer processed spss, 2023

Based on the data in table 8 above with a t table of 1. 689, it can be compiled if:

- 1) It was found that the significant score for the impact of X1 on Y was $0.008 < 0.05$ and the t table score was $2.853 > 1.689$, so it was compiled if H1 was considered, meaning that there was a significant impact in the middle of the training programme on employee performance at the Federal International Finance company (FIFGROUP) Batu City Branch.
- 2) Found a significant score for the impact of X2 on Y as much as $0.039 < 0.05$ and the t table score count $8.753 > 1.689$, so it is compiled if H2 is considered which means there is a significant impact amid employee development on employee performance at the company Federal International Finance (FIFGROUP) Batu City Branch.

D. Coefficient of Determination (R²)

The coefficient of determination is applied to measure how deep the capability of the independent variable (X) is in explaining the diversity of the dependent variable (Y). The following is the acquisition of the coefficient of determination (R²).

Table 9. Coefficient of Determination

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.841 ^a	.708	.690	1.451

a. Predictors: (Constant), PENGEMBANGAN, PELATIHAN
 b. Dependent Variable: KINERJA KARYAWAN

Source: Primary data processed spss, 2023

Based on the acquisition of the F value in table 9, it appears that the significance score is 0.000, meaning that the Sig. score is less than 0.05 and F value $38.77 > F$ table 4.12. Thus it can be compiled based on the hypothesis (H3) that employee training and development programmes together have an impact on employee performance at the Federal International Finance company (FIFGROUP) Batu City Branch is accepted.

5. Conclusion

This research aimed to examine the effect of employee training and development programs on employee performance at the Federal International Finance (FIFGROUP) Batu City Branch. The findings indicate that the training program (H1) has a significant positive impact on employee performance, as effective training has been successfully implemented by FIFGROUP to enhance their employees' performance. Similarly, the employee development variable (H2) also shows a significant positive effect on performance, with competency development efforts contributing to the achievement of future organizational goals. Furthermore, the results of the F-test confirm that both training and employee development programs together have a simultaneous impact on improving employee performance at FIFGROUP Batu City Branch.

Based on the findings, it is recommended that PT FIFGROUP continue enhancing their employee training and development programs, as they play a crucial role in improving performance. For future research, attention should be given to addressing the limitations of this study, particularly regarding the accuracy of the questionnaire responses. Many participants may provide answers that do not fully reflect their real experiences. Therefore, future studies should consider providing more assistance during the questionnaire process to ensure more accurate and reliable data.

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